



# Thomas A. Schweich

## Missouri State Auditor

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# Thomas A. Schweich

Missouri State Auditor

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## Bates County



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January 2013  
Report No. 2013-01

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of Bates County

Sheriff Employee Reimbursements	<p>The Sheriff, his administrative assistant, and deputy sometimes circumvent the normal county budgeting and disbursement process by using personal credit cards to purchase numerous items for operations. Also, detailed expense reimbursement forms with supporting documentation are not prepared for travel costs incurred. Audit staff reviewed 10 reimbursement requests and found 42 items claimed for reimbursement were not supported by adequate documentation. For example, the County Commission approved a \$4,429 payment to the Sheriff's credit card vendor for airline tickets and hotel reservations for a law enforcement conference in Hawaii in January 2012 without any documentation to support the expense other than a letter from the Sheriff requesting the payment. The county reimbursed the Sheriff's administrative assistant \$1,415 twice for the same purchases, and there is no supporting documentation to show the duplicate payment was applied to other county purchases. The Sheriff's department lacks formal written policies for meal expenses. Meals were frequently provided to department personnel at training sessions or meetings held locally and these payments were not added to employee W-2 forms as a taxable benefit.</p>
Mileage and Fuel Use	<p>The road and bridge and Sheriff's departments do not adequately monitor fuel use. The road and bridge bulk fuel tank is not metered, and records of fuel dispensed are not maintained. Sheriff's deputies are assigned fuel cards, but fuel purchases are not reconciled to billings, mileage and fuel logs are not retained, and a policy regarding appropriate vehicle use and any reporting requirements has not been adopted.</p>
Sheriff Controls and Procedures	<p>Accounting duties are not properly segregated, and an adequate supervisory review is not performed. A monthly list of liabilities was not prepared for either the fee or commissary bank accounts, so liabilities were not compared to the reconciled bank balances. At the request of audit staff, a list of liabilities was prepared for the commissary account and was \$5,174 less than the reconciled bank balance. Receipts are not deposited timely, which increases the risk of loss or misuse. A \$14,669 deposit included \$5,570 in cash, some of which had been on hand for a week before deposit. The Sheriff's department maintains inventory records to track commissary items, and a physical inventory is performed quarterly, but discrepancies are not investigated. Instead, the commissary clerk adjusts the inventory numbers. For example, 200 phone cards were purchased on November 16, 2011, but the commissary clerk only posted 195 to the system to agree the number on hand to the inventory record.</p>
Timesheets	<p>All county employees estimate the number of hours to be worked during the last few days of the pay period on timesheets, but the Sheriff's office does not ensure that the reported estimated hours are compared to the actual hours worked.</p>

Capital Assets	As noted in previous audits, procedures and records to account for county property are not adequate. The county has no procedure to identify capital asset purchases and dispositions throughout the year, and property is not always tagged for specific identification.
Prosecuting Attorney Controls and Procedures	Follow up on outstanding restitution checks is not adequate, and at December 31, 2011, there were 68 outstanding checks totaling \$5,597 more than a year old, but no action had been taken to determine why these checks had not cleared the bank. In addition, overage amounts in the restitution bank account (including interest, overpayments, and undeliverable checks) are not properly disbursed in accordance with state law. Since 1997, our office has made recommendations for the disposition of these funds, but, instead, the Prosecuting Attorney began authorizing payments from the overage amount to victims who would not otherwise receive restitution payments. State law does not authorize the disposition of overage funds in this manner. The Prosecuting Attorney paid bonuses to three employees in December 2010 from the Bad Check Fund, but the Missouri Constitution forbids the payment of bonuses to public officers for services already rendered.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.\* However, the audit revealed serious shortcomings with the Sheriff's office.

American Recovery and Reinvestment Act (Federal Stimulus)	Bates County did not receive any federal stimulus monies during the audited time period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Bates County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Bates County

We have audited certain operations of Bates County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock & Associates, Certified Public Accountants, was engaged to audit the financial statements of Bates County for the 2 years ended December 31, 2011. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2011. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Bates County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
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# Bates County

## Management Advisory Report

### State Auditor's Findings

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#### **1. Sheriff Employee Reimbursements**

Adequate supporting documentation is often not obtained by the county when reimbursing various Sheriff's department employees for operating and travel expenses. During the 2 years ended December 31, 2011, reimbursements for operating and travel expenses to the Sheriff, his administrative assistant, and the Deputy Sheriff were approximately \$27,000, \$43,750 and \$7,900, respectively.

##### **1.1 Oversight**

The normal county budgeting and disbursement process is sometimes circumvented by the Sheriff, his administrative assistant, and deputy using personal credit cards to purchase items for the operations of the Sheriff's department. Also, detailed expense reimbursement forms, including supporting documentation, are not prepared for travel costs incurred. Rather the Sheriff and his employees submit their personal credit card statements, along with a statement indicating the amount the county should pay for operating and travel expenses, and the county sends the check directly to the credit card vendor, instead of reimbursing the employee. Some examples of operating expenses reimbursed to personal credit cards were computer and office equipment, registrations for training courses, office supplies, and commissary supplies.

To ensure all purchases are included in the county's budget and properly approved for payment, disbursements should be processed through the county's normal disbursement process. If certain expenses are determined necessary to reimburse, the payments should be made to the employee upon submission of appropriate reimbursement forms and documentation.

##### **1.2 Disbursement review and procedures**

The County Commission does not require adequate documentation be submitted to support reimbursement requests from the Sheriff and his employees for the expenses charged to their personal credit cards (see section 1.1). We reviewed 10 of the 48 reimbursement requests (each containing multiple purchases), totaling approximately \$15,700, submitted during 2011 and 2010 and the following concerns were noted:

- Forty-two of 96 items claimed for reimbursement, totaling approximately \$6,650, were not supported by adequate documentation. For example, a payment of \$4,429 was made to the Sheriff's credit card vendor in December 2011, for airline tickets and hotel reservations for a law enforcement conference in Hawaii in January 2012. The County Commission approved and paid this charge without any documentation to support the expense, other than a letter from the Sheriff asking that payment be made to his credit card vendor for that amount.
- The county made a duplicate payment by reimbursing the Sheriff's administrative assistant \$1,415 twice (on November 10, 2011, and December 5, 2011) for various purchases. The duplicate payment



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Bates County  
Management Advisory Report - State Auditor's Findings

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occurred because the county sent the original payment directly to the assistant's personal credit card vendor and the payment did not post on her next credit card statement. Thinking the payment was not made, she subsequently requested the county make the payment again. Receipts were not submitted to the county to support the credit card statement. Both payments eventually cleared and were credited as payments to her credit card account, and while the Sheriff's administrative assistant stated the applied credit was used for other county purchases, receipts were not submitted to the county to support these purchases.

To ensure reimbursements represent legitimate disbursements of the Sheriff's department, the County Commission should ensure documentation is submitted to support all charges and perform a review of the reimbursement requests to reduce the possibility of duplicate payments.

### 1.3 Meals

The Sheriff's department does not have formal written policies for meal expenses. Deputies of the Sheriff's department were regularly reimbursed for meal expenses incurred when the employees were not in continuous travel status for 12 hours or more and these payments were not added to the employee W-2 forms as a taxable benefit. In addition, meals are frequently provided to department personnel at various training sessions or meetings held locally. While reviewing personal credit card reimbursements, we identified 27 charges for meals purchased, totaling \$1,442, where the employee was not on travel status, and many of those meals were purchased at local restaurants in the county. Local meals were often paid by the county with no indication of individuals in attendance, the business purpose, or reason why the meals were necessary.

According to Internal Revenue Service (IRS) Publication 463, *Travel, Entertainment, Gift, and Car Expenses*, the cost of business meals that does not involve overnight travel or travel long enough for the employees to stop for sleep or rest to properly perform their duties is a personal expense, and therefore is not deductible as a business expense. Also, if employers reimburse employees for these business meals, federal regulations require employers to report the amount reimbursed as taxable income to the employee.

## Recommendations

The County Commission:

- 1.1 Ensure purchases are made through the county purchasing procedures rather than the employee expense reimbursement process. If the county chooses to allow certain expenses to be reimbursed in this manner, the county should reimburse the Sheriff and employees directly.



Bates County  
Management Advisory Report - State Auditor's Findings

- 1.2 Ensure documentation is submitted to support all charges claimed for reimbursement and a thorough and documented review is performed.
- 1.3 Develop a comprehensive policy regarding meal reimbursement purchases that is in compliance with IRS regulations. This policy should establish specific guidelines regarding proper and allowable expenditures, along with documentation requirements including the business purpose and individuals in attendance.

## Auditee's Response

*The County Commission provided the following responses:*

- 1.1 *We agree and have already changed this process and now payments go directly to the employee.*
- 1.2 *We will work with the County Clerk to ensure this is implemented.*
- 1.3 *We will take this under advisement and work with the elected officials to develop a policy to ensure compliance with IRS regulations.*

*The Sheriff provided the following responses:*

- 1.1 *The county has changed the reimbursement process so that now formal reimbursement requests are submitted and payments now go directly to the employee, rather than to the vendor.*
- 1.3 *I have developed a policy to ensure compliance with IRS regulations and I will ensure future reimbursements are in accordance with this policy.*

## 2. Mileage and Fuel Use

Records and monitoring of fuel purchases and use are not adequate. During the 2 years ended December 31, 2011, road and bridge department fuel purchases totaled \$73,754 and Sheriff's department fuel purchases totaled \$176,508.

### 2.1 Road and bridge mileage and fuel records

Records and monitoring procedures over road and bridge department fuel use are not adequate. The road and bridge department maintains 32 vehicles and motorized pieces of equipment and purchases fuel to dispense from a bulk tank located at the county barn. The fuel tank is not metered and records of fuel dispensed are not maintained, thus fuel pumped from the tank is not accounted for properly. While the road and bridge department has attempted to maintain some usage logs, odometer readings are not always recorded on the logs.

Maintenance and review of vehicle and equipment mileage and fuel use logs and comparison of log information and inventory records to fuel purchases



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Bates County  
Management Advisory Report - State Auditor's Findings

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## 2.2 Sheriff fuel cards and records

are necessary to ensure vehicles and equipment are properly utilized, prevent paying fuel vendors for improper amounts, and decrease the risk of theft or misuse of fuel occurring without detection. Logs should provide sufficient details to enable the county to effectively monitor vehicle and equipment use and fuel costs.

Procedures for monitoring fuel usage are not adequate. As a result, the county cannot ensure there is no misuse of fuel or vehicles. The Sheriff's department maintains 30 vehicles and fuel is purchased by the Sheriff's department with fuel cards.

- A fuel card is assigned to each deputy officer which requires a pin number and odometer reading be entered at the time fuel is purchased; however, the pin number assigned is not a unique number and the Sheriff and his employees sometimes share fuel cards and pin numbers. There is no reconciliation of fuel purchases performed, because employees do not submit charge receipts and the odometer reading on the billing statements are not consistent or accurate. The officers may drive several different vehicles through the course of the month and fuel cards are not assigned by vehicle, which makes it difficult to determine if fuel purchased is reasonable. Since charge receipts are not submitted, the County Clerk is unable to reconcile supporting documentation to the billing statements.
- Mileage and fuel logs are not retained, but are discarded after 1 or 2 months, according to the Sheriff. A log documenting the daily beginning and ending odometer readings, total miles driven, and a general description of the use of the vehicle is prepared by the deputy. The Sheriff indicated he reviews the logs to monitor the deputy's activity; however, the logs are not reviewed to calculate the miles per gallon for the vehicles to help provide assurance fuel usage is only for county business. Since some vehicles are assigned to deputies as take home vehicles, a thorough review of the mileage and fuel logs is necessary to ensure all usage is necessary and within department policy. Also, the county should adopt a policy regarding appropriate vehicle use and any reporting requirements.

Procedures for maintaining and reviewing mileage/fuel use logs and reconciling log information to fuel purchased and related records are necessary to ensure vehicles are properly utilized, prevent paying vendors for improper billing amounts, and decrease the risk of theft or misuse of fuel occurring without detection. Logs should provide sufficient details so the county can effectively monitor vehicle and equipment fuel costs. A policy regarding appropriate use of Sheriff's Department vehicles is necessary to clarify authorized use of vehicles and reporting requirements.



Bates County  
Management Advisory Report - State Auditor's Findings

Similar conditions  
previously reported

Similar conditions were noted in our prior report.

## Recommendations

The County Commission:

- 2.1 Require the road and bridge department establish procedures to maintain adequate records to effectively monitor vehicle, equipment, and fuel use. In addition, fuel use should be reconciled to fuel purchases, and any significant discrepancies should be investigated.
- 2.2 Establish procedures to reconcile fuel purchased by the Sheriff's department to fuel used and review fuel use for completeness and reasonableness. In addition, all fuel tickets should be submitted to the County Clerk for comparison to vendor billings and a vehicle use policy should be developed with the Sheriff.

## Auditee's Response

*The County Commission provided the following response:*

- 2.1 *We have added a flow meter to the fuel tank and are now monitoring fuel usage more closely.*

*The Sheriff provided the following response:*

- 2.2 *We are in the process of developing a monthly usage, fuel, and maintenance form to be completed for each vehicle. I will ensure this form is completed, reviewed for reasonableness, and reconciled to the monthly billings before submitting to the County Clerk. I have already developed a policy regarding appropriate use of county vehicles.*

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## 3. Sheriff Controls and Procedures

Accounting duties are not adequately segregated, month-end liabilities lists are not prepared, and receipts are not deposited timely. In addition, records and procedures for making commissary inventory adjustments need improvement.

The Sheriff maintains two checking accounts: a commissary account for inmate commissary funds, phone card sales, phone commissions, and bonds; and the fee account for monies collected for civil and criminal process fees and Sheriff's sales. During the 2 years ended December 31, 2011, receipts for the commissary account totaled approximately \$700,000, and receipts for the fee account totaled approximately \$520,000.

### 3.1 Segregation of duties

Accounting duties are not segregated, and an adequate supervisory review of accounting records is not performed. The commissary clerk is primarily



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Bates County  
Management Advisory Report - State Auditor's Findings

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responsible for commissary accounting duties, including receipting, recording, depositing, and disbursing monies. An administrative assistant is primarily responsible for civil and criminal accounting duties, including maintaining accounting records, depositing and disbursing monies, and preparing bank reconciliations for both the commissary and the fee accounts. While the Sheriff indicated he oversees accounting duties and signs off on bank statements, numerous errors were noted in bank reconciliations, check registers, and commissary records, which were not identified during the Sheriff's review or corrected.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are safeguarded. If proper segregation of duties cannot be achieved, the Sheriff should implement an adequate independent or supervisory review to ensure the bank records are in agreement with the accounting records.

### 3.2 Liabilities

A monthly list of liabilities was not prepared for either the fee or commissary bank accounts, and consequently, liabilities were not compared to the reconciled bank balances. At our request, a list of liabilities for the commissary account was prepared and identified liabilities totaled \$9,223, at December 31, 2011. The reconciled bank balance was \$14,397 leaving an unidentified balance of \$5,174. The administrative assistant indicated she believes this difference consists of monies that were used to start the commissary account. At our request, a list of liabilities for the fee account was prepared at April 30, 2012, and it agreed to the reconciled bank balance.

To ensure records are in balance and sufficient funds are available for payment of all liabilities, a complete and accurate list of liabilities should be prepared monthly for both accounts and reconciled to the book balances. Prompt investigation of differences is needed to determine the cause of and resolve the problem. Various statutory provisions address the proper disposition of unidentified monies.

### 3.3 Deposits

Receipts, including significant amounts of cash, are not deposited timely. For example, a commissary deposit totaling \$14,669 made on December 8, 2011, included \$5,570 in cash, some of which had been on hand for a week before deposit. In addition, we noted other deposits where receipts were held up to a week before deposit.

To adequately account for collections and reduce the risk of loss or misuse of funds, deposits should be made in a timely manner. When significant amounts of cash are collected, monies should be deposited daily to ensure cash assets are protected from theft or fraud.

### 3.4 Commissary adjustments

There was no independent approval to support adjustments posted to the commissary inventory system, and adequate documentation of such





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Bates County  
Management Advisory Report - State Auditor's Findings

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adjustments was not retained. The Sheriff's department maintains inventory records to track commissary items and help determine when inventory items need to be replenished. A physical inventory is performed quarterly by the commissary clerk. While physical inventory counts are compared to the inventory records by the commissary clerk, differences in the physical count and records are not investigated. Instead, the commissary clerk will adjust the number of items added to the inventory when a purchase is made to account for the difference. For example, on November 16, 2011, 200 phone cards were purchased; however, the commissary clerk only posted 195 phone cards to the system. The commissary clerk indicated the number of cards purchased was reduced to agree the number on hand to the inventory record. However, the adjustment was not approved by the Sheriff.

Due to the risks associated with physical inventory adjustments and the lack of segregation of duties (see section 3.1), documented approval by the Sheriff should be obtained before any adjustments are posted to the system. In addition, the Sheriff's department should maintain a record of physical inventory counts compared to the inventory records and maintain adequate documentation to provide evidence any adjustment was properly approved and reflected in the system.

Similar conditions  
previously reported

Similar conditions to sections 3.1, 3.2, and 3.3 were noted in our prior report.

## Recommendations

The Sheriff:

- 3.1 Adequately segregate accounting duties to the extent possible or ensure an adequate independent or supervisory review of accounting and bank records is performed and documented.
- 3.2 Prepare a monthly list of liabilities for both accounts and compare to the reconciled bank balances. Ensure any differences are investigated and resolved.
- 3.3 Deposit all monies on a timely basis.
- 3.4 Establish procedures to ensure all inventory adjustments are approved. In addition, the Sheriff should require adequate supporting documentation be provided and reviewed before the adjustment is made.

## Auditee's Response

*The Sheriff provided the following responses:*

- 3.1 *I will work with my staff to ensure independent oversight of accounting functions is performed monthly.*



Bates County  
Management Advisory Report - State Auditor's Findings

- 3.2 *I have turned over to the county treasury the difference identified by the auditors and have already begun preparing monthly listings of liabilities for both accounts maintained by my office.*
- 3.3 *My office will try to deposit monies at least twice weekly and in some instances, where large amounts of cash are received, more often.*
- 3.4 *I will work with the commissary clerk to complete forms documenting any inventory adjustments and I will ensure I approve these before they are posted in the future.*

## 4. Timesheets

Time summaries of hours worked submitted for employees of Sheriff's department include estimated hours which are not verified after the pay period is over.

While all county employees estimate hours to be worked during the last few days of the pay period on timesheets, the Sheriff does not ensure a comparison of actual hours worked to the reported estimated hours is performed. The county pay period ends on the last day of every month; however, the county policy is to have each department submit employee timesheets to the County Clerk's office by the 28th of the month so that payroll can be processed and paid by the last working day of the month. After payroll checks are run, the timesheets are given back to each department head for verification of hours worked and are signed by the department head and turned back into the County Clerk. If the estimated hours are incorrect, the official will note any changes on the time sheet before signing. The County Clerk indicated that while the Sheriff's department does submit time sheets for each employee after checks are distributed, the Sheriff's signature is typically stamped on the time sheets by the Sheriff's administrative assistant, leaving the County Clerk to conclude the estimated hours are accurate. No comparison of the estimated hours to actual hours worked is performed by Sheriff's department or the County Clerk's office.

For Sheriff's department employees, who do not always work a standard workweek, the comparison of actual hours worked to the estimated hours is very important. We reviewed the Sheriff's department payroll summary submitted for November 2011 and identified a jailer who was overpaid by 10.75 hours. The summary indicated 180 hours should be paid, while this employee should have been paid for only 169.25 hours. This difference was not identified and corrected the following month because a comparison of hours reported to hours actually worked is not performed.

Paying county employees for estimated hours may lead to errors, inconsistencies in the calculation of compensatory and accumulated leave balances, and the potential for employees to be over/under paid. In addition,



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Bates County  
Management Advisory Report - State Auditor's Findings

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detailed timesheets signed by the employee and approved by a supervisor are necessary to document hours actually worked and provide information needed to monitor overtime, leave, and compensatory time; and are beneficial in demonstrating compliance with county policies.

## Recommendation

The County Commission consider changing payroll procedures to require all county employees be paid based on actual hours worked. In addition, the Sheriff should require a comparison of estimated hours to actual hours worked.

## Auditee's Response

*The County Commission provided the following response:*

*We will consider changes to our payroll process to pay employees based on actual hours worked.*

*The Sheriff provided the following response:*

*We have corrected the overpayment identified by the auditors by adjusting his compensatory time balance and have balanced our employee leave balances with the leave records maintained by the County Clerk's office. I will ensure actual time worked is compared to estimated hours in the future. My preference would be for the county to discontinue estimating hours and adjust the payroll process to pay based on actual hours worked.*

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## 5. Capital Assets

As noted in previous audits, procedures and records to account for county property are not adequate. The County Clerk annually sends each department a memo requesting inventory lists and the various departments' inventory lists serve as the county's overall property control records; however, the county has no procedure in place to identify capital asset purchases and dispositions throughout the year. In addition, property is not always tagged for specific identification. While the County Clerk issues tags, each department is responsible for ensuring tags are attached to the applicable property item.

Adequate capital asset records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Procedures to track capital asset purchases and dispositions throughout the year and compare to physical inventory results would enhance the county's ability to account for capital assets and potentially identify unrecorded additions and dispositions, identify obsolete assets, and deter and detect theft of assets. Proper tagging of county property items and specific identification of property locations are necessary to reduce the possibility of improper personal use of county property.



Bates County  
Management Advisory Report - State Auditor's Findings

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## Recommendation

The County Commission and County Clerk ensure procedures are implemented for tracking capital asset purchases and dispositions throughout the year, and all capital assets are properly tagged.

## Auditee's Response

*The County Commission and County Clerk provided the following response:*

*We will work together to develop procedures to track asset purchases and dispositions and use that information to verify the accuracy of the annual inventories performed by the various elected officials. We will also work with the county officials to ensure all capital assets are properly tagged in the future.*

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## 6. Prosecuting Attorney Controls and Procedures

The Prosecuting Attorney does not have adequate procedures to follow up on outstanding checks, does not properly handle all restitution monies received, and does not dispose of unclaimed monies in accordance with state law. In addition, bonuses were paid to employees.

### 6.1 Restitution account

Follow up on outstanding restitution checks is not adequate. At December 31, 2011, there were 68 outstanding checks totaling \$5,597 more than a year old and the Prosecuting Attorney's staff had taken no action to determine the reason these checks have not cleared the bank. In addition, "overage" amounts maintained within the restitution bank account are not properly disbursed in accordance with state law. The monies received from interest, overpayments, restitution checks that are not cashed, and restitution checks returned as undeliverable are added to the book balance and tracked as "overage" amounts, rather than being disposed of in accordance with state law. Our office has made recommendations related to the handling of these funds since 1997; but proper action has not been taken. Instead, starting in January 2008, the Prosecuting Attorney began authorizing payments from the "overage" amounts to victims he determines would not receive restitution payments. These payments totaled over \$9,800 from January 2008 through May 2012. There is no statutory authority allowing the Prosecuting Attorney to disburse restitution funds in this manner.

Procedures should be established to routinely investigate any checks remaining outstanding over a specified period of time. Old outstanding checks should be voided and reissued to those payees who can be readily located. When a payee cannot be located, various statutory provisions provide for the disposition of unclaimed monies. To ensure all monies in the restitution account are disbursed properly, overpayments, interest, and checks not cashed or returned as undeliverable should be disbursed in accordance with state law.

### 6.2 Bonuses

In December 2010, bonuses were paid to employees of the Prosecuting Attorney's office from the Prosecuting Attorney Bad Check Fund. Three



Bates County  
Management Advisory Report - State Auditor's Findings

employees received \$200 each and another employee received \$50. No documentation was retained to support any additional hours worked or duties performed by these employees.

These bonuses appear to represent additional compensation for services previously rendered and, as such are in violation of Article III, Section 39, the Missouri Constitution, and contrary to Attorney General's Opinion No. 72, 1955 to Pray, which states, " . . . a government agency deriving its power and authority from the constitution and laws of the state would be prohibited from granting extra compensation in the form of bonuses to public officers after the service has been rendered."

Similar conditions  
previously reported

Similar conditions were noted in our prior report.

## Recommendations

The Prosecuting Attorney:

- 6.1 Establish procedures to follow up and resolve outstanding checks in a timely manner and distribute overpayments, interest, and uncashed or undeliverable restitution checks in accordance with state law.
- 6.2 Discontinue paying bonuses.

## Auditee's Response

*The Prosecuting Attorney provided the following written responses:*

- 6.1 *The overage monies have been accumulating for many years and these monies have been distributed to victims who have been court-ordered to receive restitution, but who won't be compensated in any other way. The balance of this overage amount is significantly reduced and I don't anticipate making additional payments of this nature in the near future. I will consider the auditor's recommendation when determining future procedures for handling overpayments and checks returned to us as undeliverable.*
- 6.2 *Bonuses were not paid to employee's in 2011 and I do not plan to make bonus payments in the future.*

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# Bates County

## Organization and Statistical Information

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Bates County is a township-organized, third-class county. The county seat is Butler.

Bates County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 83 full-time employees and 6 part-time employees on December 31, 2011. The townships maintain county roads.

In addition, county operations include the Senate Bill 40 Board.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2012	2011
Donna Gregory, Presiding Commissioner	\$	33,271
Randy Pike, Associate Commissioner		33,124
Larry Berry, Associate Commissioner		28,968
Lucille Munday, Recorder of Deeds		44,900
Marlene Wainscott, County Clerk (1)		46,531
Hugh C. Jenkins, Prosecuting Attorney		110,116
Chad Anderson, Sheriff		46,350
Gary Schowengerdt, County Coroner		16,900
Sharon Cumpton, Public Administrator		42,350
Jimmy Platt, County Collector-Treasurer (2), year ended March 31,	54,521	
Roger Pruden, County Assessor , year ended August 31,		44,850
W. C. Bill Lethcho, County Surveyor		23,400

(1) Includes \$1,631 of commissions earned for preparing city property tax books.

(2) Includes \$9,197 of commissions earned for collecting city property taxes.

### Financing Arrangements

The county entered into a lease purchase agreement with First Bank of Missouri on March 1, 2002. The terms of the agreement call for the county to lease the law enforcement and detention center to First Bank of Missouri, and for the bank to lease purchase the law enforcement and detention center back to the county with lease payments equal to the amount due to retire the





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Bates County  
Organization and Statistical Information

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indebtedness. Certificates of Participation totaling \$5,590,000 were issued by First Bank of Missouri on behalf of the county and the proceeds of those certificates were used to construct the law enforcement and detention center. The lease is scheduled to be paid off in 2017. The remaining principal and interest due on the lease at December 31, 2011, was \$2,450,000 and \$189,317 respectively. The Certificates of Participation are anticipated to be paid with the revenue generated from the capital improvement sales tax which was passed on November 6, 2001.

American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)

Bates County did not receive any federal stimulus monies during the 2 years ended December 31, 2011.



# Thomas A. Schweich

Missouri State Auditor

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## Caldwell County

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January 2013  
Report No. 2013-02



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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of Caldwell County

County Procedures	The lack of procedures to monitor the results of actual property tax reductions for sales tax collections and errors made in sales tax reduction calculations resulted in property tax reductions being insufficient to offset sales taxes received by a total of \$262,714 between 2008 and 2011. Administrative service fee transfers from the Special Road and Bridge Fund to the General Revenue Fund were excessive. Procedures related to closed County Commission meetings did not always comply with the Sunshine Law.
Property Tax Controls	Prior to June 2012, the County Collector-Treasurer had unlimited access to all information in the system and made changes to individual tax records. The County Collector-Treasurer posted certain abatements of personal and real estate taxes in the tax system totaling \$1,440 in 2011 and \$44,895 in 2010, but proper segregation of duties requires that adjustments be made by those independent of the collection process.
Prosecuting Attorney Accounting Controls and Procedures	The Prosecuting Attorney has not established procedures to routinely follow up on outstanding checks, and as of December 31, 2011, 29 checks, totaling \$4,095, had been outstanding for over a year. Monthly lists of liabilities are not prepared and reconciled with cash balances.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	During the audit period, Caldwell County was awarded a \$32,260 Recovery Act: Edward Byrne Memorial Justice Assistance Grant, all of which was received and expended for computer equipment.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: <http://auditor.mo.gov>

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# Caldwell County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Caldwell County

We have audited certain operations of Caldwell County in fulfillment of our duties under Section 29.230, RSMo. In addition, Nichols, Stopp and VanHoy LLC, Certified Public Accountants, was engaged to audit the financial statements of Caldwell County for the 2 years ended December 31, 2011. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2011. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contracts or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified: (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Caldwell County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Richard Stuck
Audit Staff:	Nathaniel Fast, M.Acct., CPA
	Tabitha Wacker, MBA



# Caldwell County

## Management Advisory Report

### State Auditor's Findings

#### 1. County Procedures

Procedures related to property tax rollback, administrative transfers, and closed meetings need improvement.

##### 1.1 Property tax levy reduction

The county has not established procedures to monitor or assess the results of actual property tax reductions for sales tax collections. In addition, errors were made in the sales tax reduction calculations. As a result, property tax reductions were not sufficient to offset sales taxes received by a total of \$262,714 for the years 2008 through 2011.

		Year Ending December 31,			
		2011	2010	2009	2008
Required property tax reduction	\$	96,669	100,203	106,788	108,313
Actual property tax reduction		0	17,804	34,037	85,150
(Under)/Over collection		96,669	82,399	72,751	23,163
Prior years (under)/over collection		166,045	83,646	10,895	(12,268)
Total property tax (under)/over collection	\$	262,714	166,045	83,646	10,895

Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected. Caldwell County voters enacted a one-half cent sales tax with a provision to reduce property taxes by 50 percent of sales taxes collected. The county is required to estimate the annual property tax levy to meet the 50 percent reduction requirement and in the following year calculate any excess property taxes collected, based upon actual sales tax collections. The county then certifies to the State Auditor's office the annual property tax levy, including the amount the levy is required to be reduced for sales tax collections, as well as any voluntary reductions. For 2008 through 2011, the county certified the sales tax reductions and voluntary reductions as follows:

		2011	2010	2009	2008
Sales tax reduction	\$	0.0000	0.0136	0.0302	0.0762
Voluntary reduction		0.0000	0.0628	0.0462	0.0683
Actual tax levy		0.2323	0.2300	0.2300	0.2300

The County Clerk indicated she was instructed by the County Commission to set the levy at approximately 23 cents. While calculations were made by the County Clerk to estimate the required sales tax reduction, these calculations were not accurate. In 2008, 2009, and 2010, the County Clerk did not use the correct gross property tax amount in her calculations. Also in 2010, the County Clerk incorrectly calculated the adjustment for prior years' sales tax collections and mistakenly utilized the calculated tax rate as the sales tax reduction. The voluntary reductions taken in 2008 and 2010 resulted in a reduction of the county property tax levy ceiling. In 2011, the county did not perform any rollback calculations or take a sales tax reduction, as the ceiling was down to 23.23 cents, which is approximately the county's desired general revenue property tax levy.



Caldwell County  
Management Advisory Report - State Auditor's Findings

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The county should review the classification of past designations of sales tax and voluntary reductions and ensure future property tax certifications properly reflect the purpose of property tax reductions. In addition, the County Clerk should ensure the proper amounts are utilized as the reductions when setting the tax rates for the year.

## 1.2 Transfers

Administrative service fee transfers from the Special Road and Bridge (SRB) Fund to the General Revenue (GR) Fund were excessive. During the years ended December 31, 2011 and 2010, the county budgeted and made administrative service fee transfers of \$70,000 and \$90,000, respectively, from the SRB Fund to the GR Fund.

Section 50.515, RSMo, allows the county to impose an administrative service fee on the SRB Fund. The administrative service fee shall be imposed only to generate reimbursement sufficient to recoup actual disbursements made from the GR Fund for related administrative services to the SRB Fund, and shall not exceed 5 percent of the SRB Fund budget.

Although the administrative service fee transfers were less than 5 percent of SRB Fund budgeted disbursements, the transfers exceeded 5 percent of actual disbursements for the years ended December 31, 2011 and 2010, by a total of \$56,931. This situation resulted from anticipated bridge construction which was budgeted for but not completed.

## 1.3 Closed meetings

County procedures related to closed meetings were not always in compliance with the Sunshine Law. The County Commission held 28 closed meetings during 2011 and 2010.

- Reasons for closing meetings and the corresponding votes to close the meetings were not always documented. During the 2 years ended December 31, 2011, the minutes of several open sessions did not document a vote to close the meeting. In addition, no minutes were maintained for two of the closed sessions.
- Some topics discussed in closed meetings were not allowable. For example, the County Commission closed meetings to discuss a county employee working a four day work week, economic development in the county, the Prosecuting Attorney handling child support enforcement duties, and deputies entering surrounding counties and making arrests.

Chapter 610, RSMo, provides the question of holding a closed meeting and the reason for the closed meeting be voted in an open meeting and requires minutes be prepared for all closed meetings. The law also provides a list of topics for which meetings can be closed.



Caldwell County  
Management Advisory Report - State Auditor's Findings

A similar condition was noted in our prior audit report.

## Recommendations

The County Commission:

- 1.1 Reduce the county property tax levy adequately to meet the sales tax reduction requirements, including reduction for excess property taxes of \$262,714 collected in 2011 and prior years.
- 1.2 Base administrative transfers on actual or reasonable budgeted disbursements of the Special Road and Bridge Fund. In addition, the County Commission should transfer \$56,931 from the General Revenue Fund to the Special Road and Bridge Fund for repayment of excessive transfers.
- 1.3 Ensure the reason and the corresponding vote for entering closed session is documented and minutes are kept for all closed sessions. In addition, discussions in closed meetings must be limited to allowable topics and only those topics indicated as the reason for closing the meeting.

## Auditee's Response

*The County Commission provided the following responses:*

- 1.1 *We agree and have already taken action to begin correcting this issue. The 2012 tax levy has already been adjusted to correct for a portion of this problem and the remaining amount will be corrected when setting tax levies in the next three years.*
- 1.2 *The bridges which have been on hold the last couple years are to be completed in 2013 and we anticipate reducing the administrative transfer next year to refund to the Special Road and Bridge Fund the \$56,931.*
- 1.3 *We agree and have already taken steps to comply with the various provisions of the Sunshine Law.*

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## 2. Property Tax Controls

Controls and procedures over the property tax system need improvement. The office of the County Collector-Treasurer processed property taxes totaling approximately \$8.5 million annually for the 2 years ended February 29, 2012.

### 2.1 Computer access

Access to the property tax system was not adequately restricted prior to June 2012. The County Collector-Treasurer had administrative access rights in the property tax system, which provided her with unlimited access to all information in the system and allowed her to make changes to individual tax records (see section 2.2). Because the County Collector-Treasurer is responsible for collecting tax monies, good internal controls require she not



## Caldwell County Management Advisory Report - State Auditor's Findings

have system access rights to be able to alter or delete tax rates, assessed values, and property tax billings. The County Collector-Treasurer indicated she was aware she had such access to the system. When we brought the risks of this access issue to her attention in June 2012, she had the software programmer change the access rights so she no longer has the ability to change property tax records.

To prevent unauthorized changes to the property tax records, access should be limited based on user needs. Unrestricted access can result in the deletion or alteration of data files and programs.

### 2.2 Tax book changes

The County Collector-Treasurer indicated she posted certain abatements of personal and real estate taxes in the tax system totaling \$1,440 in 2011 and \$44,895 in 2010.

When outlawing personal property taxes and for certain real estate taxes where the tax sale proceeds were less than the taxes due, the County Collector-Treasurer would post the abatement to the tax system once approved by the County Commission. Typically, abatements of taxes are posted to the property tax system by the County Clerk, but since these abatements were not taxpayer initiated abatements and were for delinquent taxes that would not be paid, the County Collector-Treasurer made the changes herself. However, because the County Collector-Treasurer is responsible for collecting tax monies and to ensure proper segregation of duties, adjustments to tax records should be made by those independent of the collection process.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission.

### Recommendations

- 2.1 The County Commission ensure property tax system access rights are limited to only what is needed for users to perform their job duties and responsibilities.
- 2.2 The County Collector-Treasurer refrain from posting the abatement of any taxes.

### Auditee's Response

*The County Commission provided the following response:*

- 2.1 *We have already taken steps to resolve the access issues identified and believe this concern has been resolved.*

*The County Collector-Treasurer provided the following response:*

- 2.2 *We have already changed procedures and all abatements are now posted correctly by the County Clerk.*



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### **3. Prosecuting Attorney Accounting Controls and Procedures**

Controls and procedures in the Prosecuting Attorney's office are in need of improvement.

#### **3.1 Outstanding checks**

The Prosecuting Attorney has not established procedures to routinely follow up on outstanding checks. As a result, at December 31, 2011, 29 checks, totaling \$4,095 had been outstanding for over a year with some checks dating back to 2000.

Proper follow-up procedures are necessary to prevent the accumulation of old outstanding checks and ensure monies are appropriately disbursed to the payee or as otherwise allowed by state law. Old outstanding checks should be voided and reissued to those payees who can be readily located, and amounts remaining unclaimed should be disposed of in accordance with state law.

#### **3.2 Liabilities**

Monthly lists of liabilities are not prepared, and consequently, liabilities are not reconciled with cash balances. A list of liabilities was prepared at our request which totaled \$5,987 at December 31, 2011, while the reconciled bank balance totaled \$6,120 at that date, leaving an unidentified difference of \$133.

Without regular identification and comparison of liabilities to the cash balance, there is less likelihood errors will be identified and the ability to both identify liabilities and resolve errors is diminished. Such procedures are necessary to ensure monies are properly disbursed to individuals and/or entities for which the monies were collected. After sufficient efforts are made to resolve discrepancies, any remaining unidentified monies should be disposed of as provided by state law.

### **Recommendations**

The Prosecuting Attorney:

- 3.1 Establish procedures to routinely follow up and reissue old outstanding checks and dispose of unclaimed monies in accordance with state law.
- 3.2 Identify liabilities and reconcile to cash balances on a monthly basis. Any discrepancies should be promptly investigated and resolved.



Caldwell County  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The Prosecuting Attorney provided the following responses:*

- 3.1 *I am currently in the process of preparing the necessary paperwork to dispose of all of the old outstanding checks and will monitor this annually in the future.*
- 3.2 *I will ensure a listing of liabilities is prepared and compared to the cash balance monthly and my office has already investigated the difference noted by the Auditors and plans to disburse those monies in accordance with state law.*

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# Caldwell County

## Organization and Statistical Information

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Caldwell County is a township-organized, third-class county. The county seat is Kingston.

Caldwell County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 55 full-time employees and 12 part-time employees on December 31, 2011. The townships maintain county roads.

In addition, county operations include the Little Otter Creek Board (a watershed project board).

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2012	2011
C.R. (Bud) Motsinger, Presiding Commissioner	\$	27,080
Donnie Cox, Associate Commissioner		25,080
Gerald McBrayer, Associate Commissioner		25,080
Julie Hill, Recorder of Deeds		38,000
Beverly Bryant, County Clerk (1)		38,162
Brady C. Kopek, Prosecuting Attorney		45,000
Jerry Galloway, Sheriff		42,000
Dana Brown, County Coroner		11,000
Richard Lee, Public Administrator		20,000
June Grooms, County Collector-Treasurer (2), year ended March 31,	38,605	
Beverly Alden, County Assessor , year ended August 31,		38,000

(1) Includes \$162 of commissions earned for preparing city property tax books.

(2) Includes \$605 of commissions earned for collecting city property taxes.

### Financing Arrangements

In April 2011, Caldwell County combined and refinanced several loans for the detention center, entering into a 16-year lease-purchase agreement for approximately \$1.9 million with the Caldwell County Development Company to pay for the construction and improvements of the detention



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Caldwell County  
Organization and Statistical Information

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center facility. At December 31, 2011, Caldwell County owed \$1,874,243 in principal and an additional \$761,652 in interest.

In 2007, Caldwell County contracted with First Bank of Missouri to finance the building of Little Otter Creek Watershed project. Caldwell County entered into a 25-year lease-purchase agreement for \$2.5 million with First Bank of Missouri to pay for the watershed project. At December 31, 2011, Caldwell County owed \$2.315 million in principal and an additional \$1.4 million in interest.

**American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)**

According to county personnel, the county was awarded the following American Recovery and Reinvestment Act of 2009 funding during the 2 years ended December 31, 2011:

A \$32,260 Recovery Act: Edward Byrne Memorial Justice Assistance Grant was awarded by the U.S. Department of Justice for purchasing equipment for the Sheriff's department. During the 2 years ended December 31, 2011, \$32,260 was received and expended for computer equipment.





# Thomas A. Schweich

Missouri State Auditor

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## Cedar County



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January 2013  
Report No. 2013-03

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of Cedar County

County Disbursements	<p>The county did not solicit bids when purchasing a patrol vehicle, and when it did solicit bids, the county did not always document why the low bid was not chosen or why it paid more than the accepted bid amount. The county did not select the low bidder for software and paid the vendor \$2,300 more than the quoted price, and the county paid a dispatching equipment vendor \$6,000 more than the bid amount. The county did not solicit proposals for legal services and did not obtain adequate documentation for \$41,000 in legal fees paid during the audit period. The county did not document its evaluation and selection of architectural and engineering services related to the construction of a county law enforcement facility, and it is estimated these services will cost approximately \$362,000. As noted in our prior audit report, the county lacks adequate procedures for monitoring fuel used by the Road and Bridge and Sheriff's departments.</p>
County Collector's Controls and Procedures	<p>The County Collector failed to accurately calculate amounts withheld from tax collections for the Assessment Fund, and the Assessment Fund is due \$57,000. The County Collector did not withhold approximately \$4,800 in commissions on railroad and utility taxes, and this amount is due to the General Revenue Fund. The County Collector's computerized property tax system does not provide adequate accountability of the numerical sequence of transaction numbers or prevent the editing of transaction dates.</p>
Prosecuting Attorney's Controls and Procedures	<p>As noted in our prior audit report, accounting duties are not adequately segregated, and a documented supervisory review is not performed. Receipts are not always deposited timely, and manual receipt slips issued are not reconciled with monies posted to the computerized accounting system to ensure all monies received are properly recorded and deposited. The Prosecuting Attorney's Office does not always disburse restitution payments in accordance with the court's instructions, and some payments were made to different victims than noted in court records.</p>
Sheriff's Controls and Procedures	<p>Accounting duties are not adequately segregated, and receipting and depositing procedures need improvement. The numerical sequence of receipt slip numbers is not accounted for properly, receipts are not reconciled to deposits, the method of payment is not always recorded, and monies are not always deposited timely. Monthly bank reconciliations have not been performed since June 2011, and liabilities are not identified and reconciled to the cash balance each month. Deposits are not recorded in the check register and a running cash balance is not maintained, so disbursement errors were not identified, and some bond receipts were not disbursed in a timely manner.</p>
Sunshine Law	<p>The county did not always document the vote for closing the meeting or cite the specific statute and subsection allowing the closure, and some topics discussed in closed meetings were not allowable.</p>

Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.
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In the areas audited, the overall performance of this entity was **Fair**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	Cedar County did not receive any federal stimulus monies during the audited time period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our website: <http://auditor.mo.gov>**

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# Cedar County

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# THOMAS A. SCHWEICH

## Missouri State Auditor

To the County Commission  
and  
Officeholders of Cedar County

We have audited certain operations of Cedar County in fulfillment of our duties under Section 29.230, RSMo. In addition, Davis, Lynn & Moots, PC, Certified Public Accountants, was engaged to audit the financial statements of Cedar County for the 2 years ended December 31, 2011. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2011. The objectives of our audit were to:


1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Cedar County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible, and a middle initial "A" in between.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Donna Christian, CPA, CGFM
In-Charge Auditor:	Roberta Bledsoe
Audit Staff:	Joshua Allen CPA, CFE
	David Olson
	Rebekah Seabaugh
	Toni Wade

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# Cedar County

## Management Advisory Report

### State Auditor's Findings

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#### **1. County Disbursements**

Procedures relating to procurement and disbursement of county funds need improvement. Adequate procedures are not in place to monitor fuel purchases.

##### **1.1 Bidding**

County officials need to better document procurement process decisions. Adequate documentation was not always maintained to explain why the low bid was not chosen or why payments made exceeded bid amounts. Additionally, the county did not obtain bids for some purchases. For example, three quotes were obtained by the Assessor for new software, but documentation was not maintained to support why the low bid was not selected and why the amount paid for the software exceeded the quote. This vendor was paid \$51,240 during 2011 which exceeded the price quote by approximately \$2,300. Additionally, bids were solicited for dispatching equipment for the Sheriff's Department and the vendor was paid \$18,550 which is \$6,000 more than the bid amount.

The county did not solicit bids for a used patrol vehicle costing \$14,500 purchased from a car dealer in Kansas. According to the County Clerk, the dealer contacts the county when they receive retired patrol cars.

Section 50.660, RSMo, provides requirements for bidding. Routine use of a competitive procurement process for major purchases ensures the county has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in county business. Documentation of the various proposals received, and the county's selection process and criteria should be retained to demonstrate compliance with applicable laws or regulations and support decisions made.

##### **1.2 Legal Services**

Adequate documentation was not obtained for legal fees totaling approximately \$41,000 paid during the 2 years ended December 31, 2011. Additionally, proposals were not solicited for legal services.

During 2011 and 2010 the county signed a contract for legal services requiring a retainer of \$20,000 plus up to \$5,000 for expenses annually. The law firm was retained to investigate the activities of the former drug task force and other tasks as assigned by the County Commission. Invoices submitted by the law firm do not provide any detail related to the work performed, hours worked, or legal services provided. Detailed invoices should be obtained to support services provided and payments made, and to ensure compliance with contract terms.

Additionally, the county has not obtained proposals for legal services. According to the County Clerk, a representative from the law firm contacted the county about providing legal services. While professional services may not be subject to standard bidding procedures, soliciting proposals for legal services is a good business practice, helps provide a range of possible choices, and allows the county to make a better-informed decision to ensure



Cedar County  
Management Advisory Report - State Auditor's Findings

necessary services are obtained from the best-qualified provider after taking expertise, experience, and cost into consideration.

### 1.3 Engineering services

The county did not document its evaluation and selection of architectural and engineering services related to the construction of a county law enforcement facility.

In January 2012 the County Commission contracted with a firm to provide planning, architectural and engineering services for the county's new \$4.35 million law enforcement facility. While the County Commission and County Clerk indicated various firms approached the County Commission about building a new facility and the contracted firm was selected based upon their presentation of the project to the Commission, there is no documentation of the evaluation of various firms. According to the feasibility study, architectural and engineering costs for the project are estimated to be approximately \$362,000.

Sections 8.289 and 8.291, RSMo, provide requirements for obtaining, evaluating, and negotiating engineering services.

### 1.4 Fuel use

Procedures for monitoring fuel used by the Road and Bridge and Sheriff's departments are not adequate.

Employees dispense fuel into vehicles and equipment from two bulk fuel tanks located at the road and bridge facilities. The tanks are metered and fuel logs are maintained at the tanks. While county officials review the logs for reasonableness of fuel usage, the logs are not reconciled to fuel purchases. The county spent approximately \$283,000 on fuel during the 2 years ended December 31, 2011.

Procedures for reconciling fuel use to fuel purchases are necessary to prevent paying vendors for improper billing amounts and decrease the risk of theft and misuse of fuel occurring without detection.

### Similar conditions previously reported

Similar conditions to sections 1.1 and 1.4 were noted in our prior audit report.

### Recommendations

The County Commission:

- 1.1 Maintain adequate documentation of the bidding process and ensure bids are obtained in accordance with state law.
- 1.2 Require adequate documentation to support the cost of legal services and periodically solicit proposals for legal services.





Cedar County  
Management Advisory Report - State Auditor's Findings

- 1.3 Comply with state law when procuring architectural and engineering services and document the evaluation and selection process.
- 1.4 Establish procedures to effectively monitor fuel use, and reconcile use to purchases.

## Auditee's Response

*The County Commission provided the following written responses:*

- 1.1 *We will discuss these situations with the Assessor and Sheriff and ensure better documentation is maintained in the future.*
- 1.2 *In the future, we will ensure the attorney provides adequate billing documentation, and if there is a need for future legal services, we will consider soliciting proposals for these services.*
- 1.3 *While interviews were conducted and proposals were reviewed for engineering and architectural services for the new jail, better documentation should have been maintained.*
- 1.4 *We review road and bridge and Sheriff fuel usage monthly and have a camera installed to monitor the fuel tank. We will implement procedures to reconcile fuel used to fuel purchased.*

## 2. County Collector's Controls and Procedures

Amounts withheld from tax collections for the Assessment Fund were not accurately calculated and commissions were not withheld by the County Collector from railroad and utilities tax collections. Additionally, the County Collector's property tax computer system does not have sufficient controls built in the system to ensure all transactions are accounted for properly. The County Collector's office processed property taxes totaling approximately \$15 million during the 2 years ended February 29, 2012.

- 2.1 Assessment withholdings The County Collector failed to accurately calculate amounts withheld from tax collections for the Assessment Fund, and as a result, approximately \$57,000 is due to the Assessment Fund for the period July 1, 2009, through August 31, 2012.

Assessment Fund withholdings on tax collections should have been withheld at the rate of 1.5 percent; however, only 1.25 percent was withheld and paid to the Assessment Fund. The County Collector indicated she did not realize there was a change to the law effective July 1, 2009, which increased the withholding percentage from 1.25 percent to 1.5 percent. Further, a new property tax computer system was implemented in October 2009 that may have contributed to this oversight. As a result, approximately \$50,000 was not withheld from tax collections for the period July 1, 2009, through August 31, 2012.



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Cedar County  
Management Advisory Report - State Auditor's Findings

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Also, the County Collector failed to calculate any withholding for the Assessment Fund from railroad and utility tax collections during the 2 years ended February 29, 2012, and as a result, approximately \$7,000 was not withheld.

Section 137.720, RSMo, requires a one and one-half percent commission on ad valorem property tax collections allocable to each taxing authority be deducted from the collections of taxes each year and deposited into the assessment fund of the county. Section 137.720.3 limits the one-half of one percent deduction to \$75,000.

To ensure compliance with statutory provisions, the County Collector should review Assessment fund withholdings for past years, calculate the amount owed by each taxing district, and disburse amounts under withheld to the Assessment Fund.

## 2.2 Railroad and utility commissions

Commissions were not calculated on railroad and utility taxes, and as a result, approximately \$4,800 was not withheld by the County Collector for the 2 years ended February 29, 2012. Commissions should have been withheld at the rate of 1 percent and paid to the County Treasurer for the General Revenue Fund.

Section 151.180, RSMo, requires the County Collector to collect all railroad and utilities taxes, and Section 151.280, RSMo, provides for the County Collector to withhold a 1 percent commission for collecting these taxes and to pay these commissions to the county's General Revenue Fund.

## 2.3 Computer system controls

Controls over transactions entered into the computerized property tax system need improvement.

The numerical sequence of transaction numbers assigned by the system are not accounted for by the County Collector. We contacted the software vendor who provided a listing of transaction numbers for the 2 years ending February 29, 2012. We noted several transaction numbers were not included on the list. Further, the system allows the transaction date to be edited and recorded in a future or past period. We identified numerous transaction numbers that were outside of the anticipated time period. Additionally, if a transaction is incomplete the system assigns a transaction number to the incomplete transaction with no dollar amount received, but allows the user to go back and reuse this transaction number again at a later date.

To ensure all monies received are properly recorded and deposited and reduce the risk of loss, theft, or misuse of funds, the County Collector should work with the computer software vendor to ensure adequate controls are put in place that allow for the accountability of the numerical sequence of transaction numbers and prevents actions, such as editing the transaction date, from occurring.



Cedar County  
Management Advisory Report - State Auditor's Findings

## Recommendations

The County Collector:

- 2.1 Ensure Assessment Fund withholdings are computed correctly in the future, review withholdings from past years, and disburse amounts owed to the Assessment Fund.
- 2.2 Ensure commissions are computed on railroad and utility taxes in the future and disburse amounts owed to the General Revenue Fund.
- 2.3 Work with the computer software vendor to ensure adequate controls are in place to allow for the proper accountability of all transaction numbers.

## Auditee's Response

*The County Collector provided the following written responses:*

- 2.1 *The Collector's office has fixed and verified that the Assessment Fund withholdings are now computed correctly. The program for the Collector's office now reflects the correct assessment fees. The assessment fees due will be distributed to the Assessor in November 2012. The amounts due the Assessment Fund were calculated by the State Auditor's office and were found correct.*
- 2.2. *To ensure the Collector's commission and Assessor's fee on the Railroad and Utility Funds are disbursed correctly, I have discussed this with the programmer and input those fees into the spreadsheet I currently use. The Railroad and Utility disbursements will be corrected for past years in November or December of 2012. The amounts due were calculated by the State Auditor's office and were found correct.*
- 2.3. *The programmer has implemented a report that will be available for checking and controlling transaction numbers for all transactions done in the office. Also, better security has now been implemented over computerized transaction numbers.*

## 3. Prosecuting Attorney's Controls and Procedures

Accounting duties are not adequately segregated and a review of adjustments made to defendant accounts is not performed. Receipting and depositing procedures should be improved and restitution records maintained by the Prosecuting Attorney's office do not always agree with records maintained by the Circuit Court. The Prosecuting Attorney's office collected approximately \$167,000 during the 2 years ended December 31, 2011.

### 3.1 Segregation of duties

The bad check clerk who is responsible for receiving, recording, depositing, and disbursing all monies, and reconciling the Prosecuting Attorney's bank account also has the ability to post adjustments to defendant accounts in the computer system without independent approval. Additionally, a documented



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Cedar County  
Management Advisory Report - State Auditor's Findings

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supervisory review of the accounting records is not performed. As a result, there is little assurance transactions are accounted for properly and accounting records are complete and accurate.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly, adjustments are valid, and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Prosecuting Attorney should implement a documented independent or supervisory review of accounting records, which would include a documented review of adjustments made to the computer system.

### 3.2 Receipting and depositing

Receipts are not always deposited timely and manual receipt slips issued are not reconciled with monies posted to the computerized accounting system to ensure that all monies received are properly recorded and deposited. According to the part-time bad check clerk, she works 2 days a week and she makes deposits approximately every other week. Manual receipt slips are issued when the bad check clerk is out of the office.

Receipting and depositing weaknesses provide less assurance that receipts are adequately safeguarded and properly recorded and deposited.

### 3.3 Restitution

Court-ordered restitution records maintained by the Prosecuting Attorney's office are not compared with records maintained by the Circuit Court. As a result, restitution payments are not always applied to the same court case.

Court-ordered restitution is collected by the Circuit Court and then disbursed to the Prosecuting Attorney to be paid to the victims. The Circuit Court provides documentation to the Prosecuting Attorney's office showing how the restitution is applied to the various cases and victims. Our review of five restitution cases maintained by the Prosecuting Attorney identified an instance where one defendant had multiple cases, but the restitution paid by the defendant was not allocated to the same cases as provided by the court documentation. As a result, payments made by the Prosecuting Attorney to disburse the restitution were made to different victims than noted in court records. Four payments totaling \$202 were not disbursed as court records reflected.

To ensure restitution payments are applied to the proper case and disbursed to the appropriate victim, the Prosecuting Attorney should compare restitution records to court documentation which accompanies restitution monies.

### Similar conditions previously reported

Similar conditions to sections 3.1, 3.2 and 3.3 were noted in our prior audit report.



Cedar County  
Management Advisory Report - State Auditor's Findings

## Recommendations

The Prosecuting Attorney:

- 3.1 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented. Additionally, the Prosecuting Attorney should require a supervisory review and approval for all accounting adjustments.
- 3.2 Deposit all monies in a timely manner and reconcile manual receipt slips issued to the computerized accounting system.
- 3.3 Compare restitution case files with those maintained by the Circuit Court and resolve any differences.

## Auditee's Response

*The Prosecuting Attorney provided the following written responses:*

- 3.1 *The Prosecuting Attorney has reviewed the bank statements each month. Since the audit has brought into question documentation of this review, the Prosecuting Attorney has been documenting his review by initialing and dating the reconciliation/review.*

*Only the Prosecuting Attorney has authority to disburse funds from the restitution trust account. Due to limited staffing, further segregation of documented duties is not possible at this time. However, documented supervisory review of other accounting records, including a documented review of adjustments made to the computer system will be accomplished in the future.*

- 3.2 *Cash is not collected in our office; however, the office is implementing measures to ensure deposits are made in a timelier manner. Also, one of the other full-time employees will be involved in the depositing procedures including the reconciling of the manual receipt slips to monies posted to the system.*
- 3.3 *We are aware that due to a defendant owing money in multiple cases these monies were disbursed incorrectly in at least one criminal case. We are working with the court to correct the situation. No money has been disbursed to those not owed restitution.*

## 4. Sheriff's Controls and Procedures

Significant weaknesses exist in accounting controls and procedures in the Sheriff's office. The Sheriff's office collected approximately \$72,000 during the year ended December 31, 2011, and \$51,000 during the year ended December 31, 2010.

### 4.1 Segregation of duties

Accounting duties are not adequately segregated. The office manager is responsible for receipting, recording, and depositing monies received; performing bank reconciliations; and preparing checks. Additionally, no one



## Cedar County Management Advisory Report - State Auditor's Findings

independent of these duties performs an adequate review of the accounting records.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are safeguarded. If proper segregation of duties cannot be achieved, the Sheriff should implement an adequate independent or supervisory review to ensure the bank records are in agreement with the accounting records.

### 4.2 Receipting and depositing

Receipting and depositing procedures need improvement.

- The numerical sequence of receipt slip numbers is not accounted for properly. While receipt slips are prenumbered, the numbers must be handwritten on the Sheriff's one-write receipt ledger. We noted instances where wrong receipt slip numbers were recorded on the ledger, receipt slip numbers were not recorded on the ledger, and receipt slip numbers were recorded twice. Additionally, original copies of some voided or skipped receipt slips were not retained.
- Recorded receipts are not reconciled to deposits, and the method of payment is not always recorded.
- Monies received are not always deposited timely. Monies are normally collected each day, but deposits are made approximately weekly. Additionally, some cash bonds were transmitted in cash to the court rather than deposited and disbursed by check; however, a receipt from the court was not maintained to document the transmittal.

To safeguard receipts and reduce the risk of loss, theft, or misuse of funds, the numerical sequence of receipt slip numbers should be accounted for properly, all copies of voided receipt slips should be retained, and the composition of receipts should be recorded and reconciled to deposits. In addition, all monies should be deposited timely with checks issued to the court for bond monies received or if monies are transmitted to the court receipt slips should be obtained from the court.

### 4.3 Reconciliations

Monthly bank reconciliations have not been performed since June 2011 and liabilities are not identified and reconciled to the cash balance monthly. In addition, deposits are not recorded in the check register and a running cash balance is not maintained in the checkbook. As a result, disbursement errors were not identified, and some bond receipts were not disbursed in a timely manner. Additionally, bank statements for July, September and December 2011 and April 2012 were misplaced and had to be reprinted by the bank.

At December 31, 2011, we determined the reconciled balance in the Sheriff's bank account was \$291; however, monthly disbursement amounts were not calculated correctly causing fees disbursed to the County Treasurer



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Cedar County  
Management Advisory Report - State Auditor's Findings

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to be underpaid by \$366 in September 2011 and overpaid by \$225 in August 2011. Additionally, a \$150 bond received in August 2011 was not disbursed to the court until March 2012. The lack of proper reconciliations allowed these errors to go undetected.

Without maintaining records of cash balances, preparing monthly bank reconciliations and identifying liabilities, there is little assurance that cash receipts and disbursements have been properly handled and recorded or that bank or book errors will be detected and corrected in a timely manner.

A similar condition was noted in our prior audit report.

## Recommendations

The Sheriff:

- 4.1 Adequately segregate accounting duties to the extent possible or ensure independent or supervisory reviews of accounting records are performed and documented.
- 4.2 Account for the numerical sequence of receipt slip numbers, retain all copies of voided receipt slips, record the composition of receipts and reconcile to deposits, and deposit all monies timely and issue checks to the court for bonds or obtain receipt slips from the court for bond monies transmitted.
- 4.3 Maintain a running cash balance, prepare monthly bank reconciliations, identify liabilities and reconcile to the cash balance, and retain all bank statements.

## Auditee's Response

*The Sheriff provided the following written responses:*

- 4.1 *I am now reviewing the accounting records prepared by the office manager.*
- 4.2
- &4.3 *These recommendations have been implemented.*

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## 5. Sunshine Law

Open meeting minutes did not always document the vote for closing the meeting or cite the specific statute and subsection allowing the closure. Further, instances were identified where the closed meeting minutes disclosed issues discussed that are not allowable under the Sunshine Law or were unrelated to the statutory section cited. For example, discussion topics related to budget overruns and increasing staff are not allowable topics for closed sessions.

The Sunshine Law, Chapter 610, RSMo, requires the question of holding the closed meeting and the reason for the closed meeting to be voted on at an open meeting. Additionally, the Sunshine Law also limits discussion



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Cedar County  
Management Advisory Report - State Auditor's Findings

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topics and actions in closed meetings to only those specifically allowed by state law.

## Recommendation

The County Commission should ensure open meeting minutes document the reason and the corresponding vote for entering closed session and ensure items discussed in closed meetings comply with the Sunshine Law.

## Auditee's Response

*The County Commission provided the following written response:*

*Meetings minutes now include reasons and corresponding votes for entering closed session. We believe we have complied with the Sunshine Law, but in the future, we will better document this.*



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# Cedar County

## Organization and Statistical Information

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Cedar County is a county-organized, third-class county. The county seat is Stockton.

Cedar County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 50 full-time employees and 14 part-time employees on December 31, 2011.

In addition, county operations include a Senior Citizens' Services Board.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2012	2011
Jesse Watts, Presiding Commissioner	\$	27,080
Byron L. Hamilton, Associate Commissioner		25,080
John A. Fox, Associate Commissioner		25,080
Carole Wilkerson, Recorder of Deeds		38,000
Peggy Kenney, County Clerk		38,000
Rick E. Pohlsander, Prosecuting Attorney		109,366
David Starbuck, Sheriff		41,800
Ronnie Miller, County Treasurer		38,000
C. W. (Bill) Neale, Coroner		11,400
Janice Cagle, Public Administrator		38,000
Joan Haines, County Collector, year ended February 29,	38,000	
Paul E. (Eddie) Johnson, County Assessor , year ended August 31,		38,000
Chad Pyle, County Survey (1)		N/A

(1) Compensation on a fee basis.



Cedar County  
Organization and Statistical Information

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Financing  
Arrangements

In January 2012, the county obtained financing through a lease agreement with the Cedar County, Missouri Public Facilities Authority, a not-for-profit corporation, for the purpose of constructing a new law enforcement facility. The terms of the 30-year agreement provide for the not-for-profit corporation to issue revenue bonds totaling \$4.5 million for the purpose of constructing the facility and lease the facility back to the county for payments totaling the principal and interest due on the outstanding bonds. The average interest rate is 3.947 percent and the bonds are payable in annual installments of \$246,692

American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)

Cedar County did not receive any federal stimulus monies during the 2 years ended December 31, 2011.



# THOMAS A. SCHWEICH

## Missouri State Auditor

January 11, 2013

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Members of the General Assembly  
Jefferson City, Missouri

This letter communicates the results of our review of the financial condition of the Second Injury Fund (fund). The objective of our review, which was requested by the Attorney General, was to follow-up on our previous report<sup>1</sup> regarding the fiscal soundness of the fund. Our review has confirmed our previous finding that the fund does not have sufficient resources to pay existing obligations. Fund administrators have been able to maintain a positive cash balance in the fund by delaying the payment of court ordered benefits. However, some claimants recently filed suit to require the fund to pay benefits immediately, raising concerns about how payments can be made when the cash balance of the fund is exhausted.

### **Background**

The General Assembly created the Second Injury Fund in 1943 to benefit the physically disabled and individuals with previous work-related disabilities. The legislature established the fund to encourage the employment of previously injured or disabled individuals without exposing employers to liability for previous disabilities. When an employee sustains a compensable work injury and the combined effect of the current work-related injury and the previous injury or disability results in permanent total disability, or increased permanent partial disability, the employer at the time of the current injury is only liable for the compensation resulting from the second injury. Any additional compensation due to the employee over and above the current injury is paid from the fund. The Attorney General defends the state against claims made against the fund.

Fund revenues are generated by an employer surcharge which is based on each employer's workers' compensation insurance premium. The surcharge is paid by both insured employers and self-insured employers.<sup>2</sup> The surcharge rate is set annually by the Department of Labor and Industrial Relations (DOLIR), Division of Workers' Compensation (division) using a formula which is set by statute.<sup>3</sup> The formula required the division to project fund expenditures for the ensuing year and, in combination with the beginning fund balance, the surcharge rate was set to provide enough revenue to pay expenses for the ensuing year plus a 10 percent cushion. In 2005, the General Assembly changed the law to cap the surcharge rate at 3 percent and the maximum rate of 3 percent has been set and imposed since that time.

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<sup>1</sup> Report No. 2007-19, *Second Injury Fund*, issued in April 2007.

<sup>2</sup> An insured employer includes the fund surcharge, along with an insurance payment, to its insurance company. The insurance company remits the surcharge payment to the state. The division bills self-insured employers for the surcharge and those employers remit payments to the state.

<sup>3</sup> Section 287.715.2, RSMo.

Our previous report, issued in 2007, concluded the fund would become insolvent as a result of the 2005 legislative change.

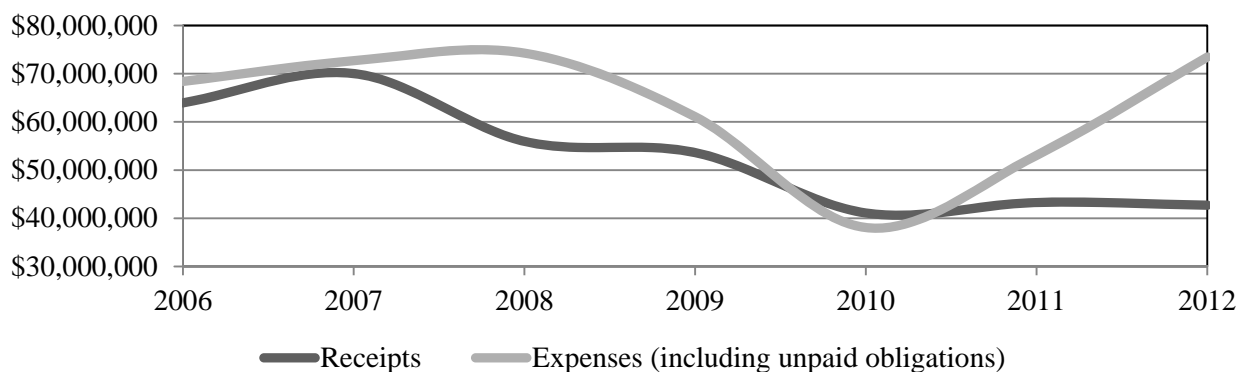
### **Current Methodology**

The methodology to accomplish our objectives included (1) obtaining and evaluating claims data and case data to determine historical claims information as well as project short-term financial obligations, (2) reviewing and evaluating certain applicable legal provisions, and (3) interviewing key personnel from the division and the Attorney General's office regarding fund financial status and litigation involving the fund.

### **Results and Conclusions**

The fund has not received sufficient revenue to pay benefit obligations provided by state law. A chart showing fund receipts and expenses (including unpaid obligations) for calendar years subsequent to the 2005 statutory change is presented below:

**Figure 1: Fund Receipts<sup>1</sup> and Expenses (including unpaid obligations) - Calendar Years 2006-2012**



<sup>1</sup> Fund receipts fluctuate despite the consistent surcharge rate due to changes in the premium base, which is tied to overall employment levels.

Source: DOLIR

As noted above, fund expenses exceeded fund receipts in 6 of the 7 years<sup>4</sup> since the funding formula was statutorily capped at 3 percent in 2005. As a result, the fund's financial position has steadily declined over this timeframe and as of December 31, 2012, the fund had a cash balance of approximately \$3.2 million and unpaid obligations of \$28.1 million, leaving a deficit of \$24.9 million. Our analysis of the division's 2013 projections of receipts and expenses indicate the 3 percent maximum surcharge will be insufficient to cover the ongoing payments due from the fund in 2013. Our estimates indicate a 3.5 percent surcharge would generate approximately \$48 million and cover ongoing benefit payments in 2013, and an additional 1.5 percent surcharge would generate approximately \$22 million and allow cash settlements to resume, as recommended by the Attorney General's office. An additional 2 percent surcharge (7 percent total) would generate approximately \$28 million to pay the fund's unpaid obligations. In addition to the deficit of nearly \$25 million noted above, the Attorney General's office estimates over 30,000 cases with a potential liability exceeding \$100 million are currently filed against the fund.

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<sup>4</sup> Officials from the Attorney General's office stated the single year (2010) in which fund revenues exceeded expenses was a result of expenses being delayed because cash settlements were stopped in 2009, causing each case to be litigated to a final judgment.

In addition to delaying payments to fund claimants, officials have taken another step to reduce the immediate cash payments from the fund. In 2009 the Attorney General's office discontinued offering cash settlements to claimants with certain types of injuries that were likely to require long-term benefit payments in the event the case went to trial. While eliminating these settlements reduced the amount of immediate cash payments from the fund, it also likely increased the fund's long-range liabilities, according to Attorney General's office personnel.

According to discussions with Attorney General's office officials, legal action has been taken by certain claimants who received a judgment against the fund but have had their benefit payments delayed due to fund solvency issues. These claimants filed lawsuits requesting judges to issue Writs of Mandamus ordering the state to pay benefit obligations immediately. The State Treasurer and Attorney General expressed concerns that these writs will exceed the cash balance of the fund. In the event that were to happen, there is uncertainty regarding what other funding sources (if any) could be used to pay claims, whether such a ruling would encourage a significant number of additional lawsuits, and whether additional changes could be ordered by the Judicial Branch to remedy the situation. In addition, in January 2007 the Missouri Supreme Court issued a ruling in the case of *Schoemehl v. Treasurer of the State of Missouri* that found ongoing benefits were due to the dependents after the claimant was deceased. The Missouri Legislature enacted legislation in 2008 to eliminate payments to dependents. However, the state remains involved in ongoing litigation relating to the dependents of a claimant who died prior to the effective date of the legislation. Although the outcome of this litigation is not yet known, the potential exists for additional significant liabilities to be identified and charged against the fund in the future. Current projections for future fund expenditures do not include any of these potential liabilities.

### **Recommendations**

The fund is currently insolvent, with unpaid liabilities totaling over \$28.1 million, and no means to pay the benefits required by statute. To remedy this situation, the Governor and legislature need to work together to determine whether the fund's statutory purpose remains the state public policy or the program should be reduced or eliminated. If it is decided the program should be continued, a plan should be adopted to re-capitalize the fund and ensure future revenues are adequate to cover statutorily required benefits in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" being more legible than the last name "Schweich".

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this letter:

Deputy State Auditor: Harry J. Otto, CPA  
Director of Audits: John Luetkemeyer, CPA  
Audit Manager: Robert Showers, CPA, CGAP  
In-Charge Auditor: Patrick M. Pullins, M.Acct., CISA

CC: Honorable Chris Koster  
Attorney General

Lawrence G. Rebman, Director  
Department of Labor and Industrial Relations



# Thomas A. Schweich

Missouri State Auditor

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## Mississippi County

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January 2013  
Report No. 2013-05



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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of Mississippi County

Sheriff's Controls and Procedures	Accounting duties are not adequately segregated, and a supervisory review of accounting records is not performed. Deposits into the Sheriff's fee account are not made timely and do not include all receipts on hand, increasing the risk monies could be misused or lost. The detention center does not prepare a list of liabilities at the end of the month and reconcile it to the available cash balance for the inmate account. At our request, detention center personnel prepared a list of liabilities, and the reconciled bank balance exceeded liabilities by \$657. The Sheriff's office houses inmates for other political subdivisions but has not entered into written agreements detailing these arrangements. At April 30, 2012, 55 checks totaling \$745 had been outstanding for over one year, but procedures had not been established to routinely follow up on outstanding checks.
County Collector's Procedures	The County Collector does not prepare a monthly list of liabilities and reconcile it to the available cash balance. Audit staff determined liabilities exceeded the reconciled bank balance by \$164 at February 29, 2012.
Computer Controls	The County Collector, County Assessor, County Recorder of Deeds, and County Sheriff do not require passwords to be periodically changed, and, in most county offices, a security control is not in place to shut down the computers after a certain period of inactivity and detect or prevent incorrect login attempts. Backup data is not always stored at a secure off-site location, and the county does not have formal emergency contingency plans and has not made formal arrangements for the use of backup facilities in the event of a disaster.
Public Administrator's Procedures	The Public Administrator does not file annual settlements or status reports timely in compliance with state law. The Probate Clerk notifies the Public Administrator of annual settlement due dates, but does not follow up to ensure settlements are filed as required. In one case, an annual settlement had not been filed since 2008, and, in another, not since 2009. The Public Administrator does not have a written policy documenting fees and criteria to consider when determining the appropriate fee to charge. According to the Public Administrator, he charges \$25 for each annual settlement filed, but in 2010, one ward was charged \$732 and in 2011, eight wards were charged fees totaling \$425.
Capital Assets	As noted in our two prior audit reports, procedures and records to account for county property are not adequate. No procedures exist to identify capital asset purchases and dispositions throughout the year, records lack necessary information, some assets were not tagged, and annual inventories were not performed in the Sheriff's Office or the road and bridge department in 2011.
Senate Bill 40 Board	A bagging machine was purchased for \$40,000 for a local organization, but bids were not obtained and no documentation was maintained stating the purchase was from a sole source provider.

Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.
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In the areas audited, the overall performance of this entity was **Fair**. \*

American Recovery and Reinvestment Act (Federal Stimulus)	The county was awarded a \$65,370 Recovery Act: Homelessness Prevention and Rapid Re-housing grant, \$48,921 of which was expended during the audit period to provide homelessness prevention and rapid re-housing assistance through the Delta Area Economic Opportunity Corporation and a \$11,927 Recovery Act: Edward Byrne Memorial Justice Assistance Grant, all of which was received and expended by the Sheriff's office for purchasing surveillance equipment for the detention center.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our website: <http://auditor.mo.gov>**



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# Mississippi County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Mississippi County

We have audited certain operations of Mississippi County in fulfillment of our duties under Section 29.230, RSMo. In addition, Nichols, Stopp & VanHoy, LLC, Certified Public Accountants, was engaged to audit the financial statements of Mississippi County for the year ended December 31, 2011, and Bucher & Eftink, LLC, Certified Public Accountants, audited the financial statements of Mississippi County for the year ended December 31, 2010. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2011. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Mississippi County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Chris Vetter, CPA
In-Charge Auditor:	Steven Re', CPA
Audit Staff:	Albert Borde-Koufie, MBA
	Jared Wooderson

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# Mississippi County

## Management Advisory Report

### State Auditor's Findings

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#### **1. Sheriff's Controls and Procedures**

Weaknesses in accounting controls and procedures continue to exist in the Sheriff's office. The Sheriff's office processed receipts of approximately \$44,000 during the year ended December 31, 2011, and \$43,000 during the year ended December 31, 2010.

##### **1.1 Segregation of duties**

Accounting duties are not adequately segregated and a supervisory review of accounting records is not performed. The Sheriff's clerk is primarily responsible for receiving monies, maintaining accounting records, depositing and disbursing monies, and preparing month-end bank reconciliations of the general fee account.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are safeguarded. If proper segregation of duties cannot be achieved, the Sheriff should implement a documented independent or supervisory review to ensure bank records are in agreement with accounting records.

##### **1.2 Deposits**

Deposits into the Sheriff's fee account are not made timely and do not include all receipts on hand. As a result, there is an increased risk monies received could be misused or lost. Although the Sheriff indicated deposits are made weekly, our review for 2 months noted deposits were made approximately every 2 weeks and numerous payments receipted prior to the deposit date were not included in the deposit. For example, 22 receipts, totaling \$888 in checks from December 15 to December 23, 2011, were not included in the \$1,645 deposit made on December 23, 2011, but were subsequently deposited on December 26, 2011. Another example indicated 22 receipts totaling \$914, including \$884 in checks, receipted from June 2 to June 13, 2011, were not included in the \$1,332 deposit made on June 13, 2011, but were subsequently deposited on June 27, 2011.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, deposits should be made timely and include all monies received at the time the deposit is prepared.

##### **1.3 Liabilities**

A monthly list of liabilities is not prepared at the end of the month and reconciled to the available cash balance for the inmate account. At our request, detention center personnel prepared a list of liabilities which totaled \$16,893 at April 30, 2012. The reconciled bank balance of \$17,550 exceeded identified liabilities by \$657.

To ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient cash is available for the payment of all amounts due, liabilities should be identified monthly and reconciled to the available cash balance. Prompt follow up on discrepancies is necessary to identify and resolve errors and ensure monies are properly disbursed.



Mississippi County  
Management Advisory Report - State Auditor's Findings

#### 1.4 Contracts for services

The Sheriff's office has not entered into written agreements with other political subdivisions for the boarding of inmates detailing the inmate housing rate to be paid, the services to be provided, or any required notification for emergency or non-routine situations. Although the Sheriff indicated Scott County is charged \$30 per day for housing their inmates, a review of several invoices to Scott County indicated amounts charged were calculated using daily amounts ranging from \$14 to \$35 per day.

Written agreements, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

#### 1.5 Outstanding checks

Procedures have not been established to routinely follow up on outstanding checks for the inmate account. As a result, at April 30, 2012, 55 checks totaling \$745 had been outstanding for over a year.

Follow up on outstanding checks is necessary to ensure monies are appropriately disbursed to payees or as otherwise provided by state law.

#### Similar conditions previously reported

Similar conditions to sections 1.1, 1.2, 1.3, and 1.5 were noted in our prior audit report.

#### Recommendations

The Sheriff:

- 1.1 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.
- 1.2 Ensure deposits are made timely and include all monies on hand at the time the deposit is prepared.
- 1.3 Prepare monthly lists of liabilities for the inmate account, reconcile the lists to the available cash balance, and investigate any differences. After sufficient efforts are made to resolve noted discrepancies, any remaining unidentified monies should be disposed of in accordance with state law.
- 1.4 Enter into written agreements for the boarding of inmates and ensure the amount charged agrees with the contracted amount. The County Commission should be a party to these contracts.



Mississippi County  
Management Advisory Report - State Auditor's Findings

- 1.5 Routinely follow up on outstanding checks. Old outstanding checks should be voided and reissued to payees who can be readily located. If the payees cannot be located, the amount should be disbursed in accordance with state law.

## Auditee's Response

*The Sheriff provided the following responses:*

- 1.1 *The Sheriff will review and initial the one-write sheets and bank reconciliation.*
- 1.2 *We will try and deposit intact each Monday.*
- 1.3 *We will prepare a list of liabilities each month and compare it to the monthly cash balance. In addition, we will investigate and attempt to resolve the unidentified difference and any monies not identified will be turned over to unclaimed property in accordance with state law.*
- 1.4 *We will work with the County Commission to establish the current billing rate and enter into contracts with the surrounding counties. In addition, we will ensure the daily amounts charged agree to the amount stated on the contract.*
- 1.5 *We will work on resolving the old outstanding checks.*

*The County Commission provided the following response:*

- 1.4 *We will discuss the issue with the Sheriff to establish written contracts for housing inmates with surrounding counties and determine the daily charge. We will review the amounts charged periodically to ensure they agree to the contracted amount.*

## 2. County Collector's Procedures

The County Collector has not developed procedures to prepare a monthly list of liabilities and to reconcile the list to the available cash balance. The County Collector's office processed collections of approximately \$7.6 million during the year ending February 29, 2012, and approximately \$7 million during the year ending February 28, 2011.

Based on a review of the County Collector's records, we identified liabilities totaling \$284,269 at February 29, 2012, which consisted of February tax collections, undistributed surtax, and interest. Liabilities exceeded the reconciled cash balance of \$284,105 by \$164.

To ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient cash is available for the payment of all amounts due, liabilities should be identified monthly and reconciled to cash balances.



Mississippi County  
Management Advisory Report - State Auditor's Findings

Prompt follow up on discrepancies is necessary to identify and resolve errors.

## Recommendation

The County Collector prepare monthly lists of liabilities, reconcile the lists to the available cash balance, and promptly investigate any differences. In addition, the County Collector should review records to determine the reason for the reported discrepancy.

## Auditee's Response

*The County Collector provided the following response:*

*I will prepare a list of liabilities each month and reconcile it to the remaining cash balance. In addition, I will investigate the unidentified difference.*

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## 3. Computer Controls

Controls over county computer systems are not sufficient to prevent unauthorized access, or to restore important systems in the event of a disaster or systems failure. As a result, county records are unprotected and susceptible to damage or theft.

### 3.1 User passwords

Passwords are not required to be periodically changed in the offices of County Collector, County Assessor, County Recorder of Deeds, and County Sheriff. Changing passwords periodically limits access to data files and programs to only those individuals who need access for completion of job responsibilities, and reduces the possibility of unauthorized users.

### 3.2 Computer inactivity

A security control is not in place in most county offices, except for the County Clerk's and County Treasurer's offices, to shut down computers after a certain period of inactivity and detect or prevent incorrect login attempts. As a result, unauthorized individuals could access an unattended computer and have unrestricted access to programs and data files. To help protect computer files, security controls should be implemented to shut down the system after a certain period of inactivity and to detect and prevent incorrect login attempts.

### 3.3 Data storage

Backup data is not always stored at a secure off-site location. While backups are prepared for the County Collector's and County Assessor's offices, the backups are stored in the County Collector's vault instead of an off-site location. Failure to store computer backup data at a secure off-site location results in backup data being susceptible to the same damage as the data on the computer. Off-site storage would provide increased assurance that county data could be recreated if necessary.

### 3.4 Contingency plan

The county does not have formal emergency contingency plans and has not made formal arrangements for the use of backup facilities in the event of a disaster or other disruption of services.



## Mississippi County Management Advisory Report - State Auditor's Findings

Contingency plans should include plans for a variety of situations, such as short- and long-term plans for backup hardware, software, facilities, personnel, and power usage. Involvement of users in contingency planning is important since users will likely be responsible for maintaining at least a portion of the backups under various contingencies. The major benefit of a thorough contingency plan is the ability of the county to recover rapidly from disaster or extraordinary situations that might cause considerable loss or disruption to the county. Because of the degree of reliance on data processing, the need for contingency planning is evident.

Similar conditions  
previously reported

Similar conditions to sections 3.1, 3.2, and 3.3 were noted in our prior audit report.

### Recommendations

The County Commission:

- 3.1 Work with the County Collector, County Assessor, County Recorder of Deeds, and County Sheriff to require passwords for all employees which are confidential and periodically changed to prevent unauthorized access to the county's computers and data.
- 3.2 Work with the County Collector, County Assessor, County Recorder of Deeds, County Sheriff, and Prosecuting Attorney to establish a security control requiring computers to shut down after a certain period of inactivity.
- 3.3 Work with the County Collector and County Assessor to ensure backup data is stored in a secure off-site location.
- 3.4 Work with county officials to develop formal contingency plans for the various computer systems.

### Auditee's Response

*The County Commission provided the following responses:*

- 3.1 *We will speak to the computer programmer to require passwords to be changed periodically.*
- 3.2 *We will speak to the programmer to have computers shut down after a period of inactivity.*
- 3.3 *We will have a copy of the backup maintained off-site and also investigate the possibility of backing up through a service online.*
- 3.4 *We will develop a formal contingency plan.*





Mississippi County  
Management Advisory Report - State Auditor's Findings

*The County Collector, County Assessor, and County Sheriff provided the following response:*

3.1 *We will speak to the computer programmer to require passwords to be changed periodically.*

*The County Recorder of Deeds provided the following response:*

3.1 *This has been implemented.*

*The County Collector, County Assessor, Prosecuting Attorney, and County Sheriff provided the following response:*

3.2 *We will speak to the computer programmer to have computers shut down after a period of inactivity.*

*The County Recorder of Deeds provided the following response:*

3.2 *This has been partially implemented and I am working towards full implementation.*

*The County Collector and County Assessor provided the following response:*

3.3 *We will maintain a copy of the backup off-site.*

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## **4. Public Administrator's Procedures**

The Public Administrator does not timely file annual settlements or status reports. In addition, there is no written policy or procedures to assess fees to the estates. The Public Administrator acts as the court appointed personal representative for wards or decedent estates of the Probate Division. The Public Administrator administered approximately 50 cases as of December 31, 2011.

### **4.1 Annual settlements**

The Public Administrator does not timely file annual settlements or status reports in compliance with state law. In addition, although the Probate Clerk provides a listing annually notifying the Public Administrator when annual settlements are due, no additional follow-up is performed to ensure annual settlements are filed as required.

We reviewed five case files for the required filings of annual settlements for 2011 and 2010. Our review noted a case in which an annual settlement has not been filed since 2008, and another case with no annual settlement filed since 2009. In addition, the annual settlement for another case was filed 6 months late in 2011, and the annual settlement due in January 2012, was not filed until November 2012.



## Mississippi County Management Advisory Report - State Auditor's Findings

Sections 473.540, 475.082, and 475.270, RSMo, require the Public Administrator to file an annual settlement and/or a status report with the court for each ward or estate. Timely settlements are necessary for the court to properly oversee the administration of cases and reduce the possibility that errors or misuse of funds will go undetected.

### 4.2 Fees assessed

The Public Administrator does not have a written policy documenting fees and criteria to consider when determining the appropriate fee to charge. The Public Administrator petitions the court annually to approve fees from the accounts of active wards and estates. Since the Public Administrator receives a salary, any fees approved by the court are deposited in the county treasury. Generally, fees are determined based on a flat rate as determined by the Public Administrator and are subsequently approved by the court for each ward or estate. According to the Public Administrator, he charges \$25 for each annual settlement filed; however, in 2010, one ward was charged \$732 and in 2011, eight wards were charged fees totaling \$425. There was no supporting documentation to show how the fees were determined for each of these wards. In addition, the Public Administrator indicated if a ward does not have adequate funds when an annual settlement is filed with the court, no fee or reimbursement of expenses is requested. The Public Administrator does not maintain a listing of fees and expenses that have not been petitioned from the court.

Without a formal policy documenting fees and criteria to consider when determining the appropriate fee to charge, and without adequate supporting documentation, there is less assurance fees charged to each ward are equitable, reasonable, and properly assessed.

### Similar conditions previously reported

Similar conditions were noted in our prior audit report.

### Recommendations

The Public Administrator:

- 4.1 Ensure annual settlements and status reports are timely filed. In addition, the Probate Division should follow up with the Public Administrator on all annual settlements and status reports which have not been filed by the required date.
- 4.2 Work with the Associate Circuit Judge to establish a formal policy outlining a fee schedule and criteria to use in determining fee amounts to charge. Adequate supporting documentation should be maintained to further support fees charged.



Mississippi County  
Management Advisory Report - State Auditor's Findings

## Auditee's Response

*The Public Administrator provided the following written responses:*

*I have discussed your recommendations with the Associate Judge and the Probate Clerk.*

4.1 *All settlements are set to display on my computer program when due. The settlements that are behind schedule have to wait for the prior year's settlement to be finished by the Probate Clerk, to ensure it is approved before the next year's settlement can be started. The Probate Clerk's priority is to get the settlements she has on hand finished.*

4.2 *We have agreed to a fee charge of \$50 for all wards that are on social security or supplemental security income. Wards that have other income will be charged a larger fee based on the size of their estate and the amount of work needed to be done. Estates or wards with assets of \$25,000 or more will be charged \$150, assets between \$25,000-\$100,000 will be charged \$300, and assets over \$100,000 will be charged \$500. All wards will be charged the fee as well as court costs. My computer program can enter these charges and keep a record of payment or not and if future monies became available they would be paid at that later date.*

*The Probate Clerk provided the following response:*

4.1 *I will work with the Public Administrator to follow-up throughout the year on the due dates of annual settlements to ensure their timely filing.*

## 5. Capital Assets

As noted in our prior two audit reports, procedures and records to account for county property are not adequate. Procedures have not been developed to identify capital asset purchases and dispositions throughout the year. In addition, records lack necessary information such as purchase date and acquisition cost, and some assets are not tagged, identifying them as county property. Also, annual inventories were not performed in the Sheriff's Office or the road and bridge department in 2011. The County Clerk annually requests each office submit an inventory list; however, he does not follow up with the offices that do not submit a list. As a result, the county is unable to ensure all county-owned property is accounted for properly.

Adequate capital asset records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Procedures to track capital asset purchases and dispositions throughout the year and compare to physical inventory results would enhance the county's ability to account for capital assets, potentially identify unrecorded additions and dispositions, identify



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Mississippi County  
Management Advisory Report - State Auditor's Findings

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obsolete assets, and deter and detect theft of assets. Section 49.093, RSMo, provides that the officer or their designee of each county department is responsible for performing annual inspections and inventories of county property used by their department and for submitting an inventory report to the County Clerk.

## Recommendation

The County Commission and the County Clerk work with other county officials and departments to ensure complete and accurate inventory records are maintained, county property is properly tagged, and annual physical inventories are conducted, and implement procedures for tracking capital asset purchases and dispositions throughout the year.

## Auditee's Response

*The County Commission and County Clerk provided the following response:*

*We will develop a plan and establish procedures to ensure inventories are conducted annually by all elected officials. In addition, we will add and remove assets throughout the year as they are purchased or disposed. We will also ensure all assets are properly identified and tagged. We will review and compare the current inventory to the prior year's inventory for changes and periodically trace items recorded to their physical location.*

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## 6. Senate Bill 40 Board

Bids were not obtained or documentation maintained stating the purchase was from a sole source provider for a \$40,000 bagging machine purchased for a local organization. According to the Board Treasurer, the Board does not solicit bids; but requires the organization to solicit bids for equipment items to be paid for by the Board.

Section 50.660, RSMo, provides bidding requirements. Routine use of a competitive procurement process for major purchases ensures the Board has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in the Board's business. Documentation of the various proposals received, and the Board's selection process and criteria should be retained to demonstrate compliance with applicable laws or regulations and support decisions made.

The Board should require each organization to submit bid documentation for review before the purchase is made or indicate the purchase is from a sole source provider.

A similar condition was noted in our prior audit report.

## Recommendation

The Senate Bill 40 Board require organizations to submit bid documentation as part of the competitive procurement process for all major purchases and maintain documentation of decisions made.



Mississippi County  
Management Advisory Report - State Auditor's Findings

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**Auditee's Response**

*The Senate Bill 40 Board Chairman provided the following response:*

*We will obtain documentation of all bids to review prior to making the purchase or document that it was a sole source provider.*

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# Mississippi County

## Organization and Statistical Information

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Mississippi County is a county-organized, third-class county. The county seat is Charleston.

Mississippi County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 54 full-time employees and 13 part-time employees on December 31, 2011.

In addition, county operations include the Senate Bill 40 Board and the Senior Citizens Board.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2012	2011
Carlin Bennett, Presiding Commissioner	\$	27,000
Robert Jackson, Associate Commissioner		25,000
Steve Jones, Associate Commissioner		25,000
George Bays, Recorder of Deeds		38,000
Hubert DeLay, Jr., County Clerk (1)		54,059
Darren Cann, Prosecuting Attorney		109,366
Keith Moore, Sheriff		43,680
Sandra B. Morrow, County Treasurer (2)		45,219
Terry A. Parker, County Coroner		11,898
Richard "Rick" Reed, Public Administrator		25,000
Ann McCuiston, County Collector (3), year ended February 29,	46,657	
Shirley Coffey, County Assessor , year ended August 31,		38,000
Martin Lucas, County Surveyor (4)		

- (1) Includes \$7,800 annual compensation for additional administrative services to the County Commission.
- (2) Includes \$307 of commissions earned for maintaining the accounts for the Drainage Districts
- (3) Includes \$9,406 of commissions earned for collecting drainage and city property taxes.
- (4) Compensation on a fee basis.



## Mississippi County Organization and Statistical Information

### Financing Arrangements

The county entered into a lease agreement with a not-for-profit corporation (NFP) in October 2001. The terms of the agreement called for the NFP to issue bonds of \$2,845,000 for the purpose of constructing a new jail and for the NFP to lease the jail back to the county for payments totaling the principal and interest due on the outstanding bonds. The remaining principal and interest due on the bonds at December 31, 2011, was \$305,000 and \$6,405, respectively. The bonds matured on March 1, 2012.

The county issued \$580,000 in Leasehold Revenue Bonds dated July 1, 1997, to finance the costs of constructing, furnishing, and equipping a juvenile detention facility. The remaining principal and interest due on the bonds at December 31, 2011, was \$50,000 and \$2,500, respectively. The bonds matured on February 1, 2012.

The county issued \$165,000 in special limited obligation bonds dated May 1, 1999, to finance the costs to repair and restore a main drainage ditch, three lateral ditches and one sub-lateral ditch located in county Drainage District No. 23. The remaining principal and interest due on the bonds at December 31, 2011, was \$85,000 and \$20,910, respectively. The bonds will mature on March 1, 2019.

The county obtained a loan for \$39,500 and entered into a lease agreement for road and bridge department equipment in November 2008. As of December 31, 2011, the amount outstanding was \$10,946. The final payment of \$10,946 was made on November 12, 2012.

### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

According to county personnel, the county was awarded the following American Recovery and Reinvestment Act of 2009 funding during the 2 years ended December 31, 2011:

A \$65,370 Recovery Act: Homelessness Prevention and Rapid Re-housing grant was awarded by the U.S. Department of Housing and Urban Development to the Missouri Department of Social Services and passed through to Mississippi County to provide homelessness prevention assistance to households that would have otherwise become homeless and rapid re-housing assistance to persons who were homeless. During the 2 years ended December 31, 2011, \$48,921 was passed to the Delta Area Economic Opportunity Corporation.

A \$11,927 Recovery Act: Edward Byrne Memorial Justice Assistance Grant was awarded by the U.S. Department of Justice for purchasing surveillance equipment for the detention center. During the 2 years ended December 31, 2011, \$11,927 was received and expended by the Sheriff's office related to this grant.



# Thomas A. Schweich

Missouri State Auditor

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## Wayne County



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January 2013  
Report No. 2013-06

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<http://auditor.mo.gov>





**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of Wayne County

Financial Condition	As noted in our prior audit report, the county's General Revenue Fund remains in poor financial condition. The ending cash balance was \$7,548 at the end of 2011 and is budgeted to be only \$461 at the end of 2012 and does not take into account over \$430,000 in liabilities related to the county's sales tax rollback methodology and over \$19,000 due to the Sheriff's Revolving Fund.
County Sales Tax	As noted in several prior audit reports, the General Revenue Fund owes the Special Road and Bridge Fund \$432,896 as of December 31, 2011, for road and bridge property tax reductions related to sales tax collections deposited to the General Revenue Fund since 2002. In addition, as of December 31, 2011, property tax levies had not been adequately reduced by \$39,607.
Prosecuting Attorney Procedures	Prior audit reports have addressed the inadequacy of Prosecuting Attorney's office procedures, but there are still significant weaknesses. The Prosecuting Attorney frequently reduces charges filed on traffic tickets in exchange for a defendant's donation to the county's Special Law Enforcement Fund, and donations totaling \$180,000 were deposited into this fund during the 2 years ended December 31, 2011. However, there appears to be no statutory authority for these donations. In addition, the duties of receiving, recording, and transmitting monies are not adequately segregated, receipt slips are not issued for restitution monies received, and a detailed record of restitution monies is not maintained. Receipt slips are not issued immediately upon receipt of monies, checks and money orders are not restrictively endorsed promptly, and monies are not transmitted timely.
Sheriff Procedures	Fees are not always disbursed to the County Treasurer timely and intact. The Sheriff's office does not maintain a summary control log documenting all seized property, does not conduct a physical inventory of seized property, and does not maintain adequate documentation of seized property that has been destroyed and the witness to the destruction. As noted in our prior audit report, the Sheriff's office does not prepare a monthly list of liabilities and reconcile it to the cash balance of the fee account, so the office was unaware of discrepancies and cannot ensure sufficient funds are available to meet liabilities.
Payroll and Mileage	As noted in our prior audit report, the county has not documented reasons for classifying bailiffs as independent contractors rather than county employees, which may not comply with state and/or federal law. Some employee leave balances were not accurate. During 2011 and 2010, the custodian received some additional compensation and overtime which did not appear proper or supported by timesheet documentation. In addition, the custodian received \$500 a year for mileage reimbursement, but the County Commission did not require him to submit itemized reports, and the County Clerk was reimbursed \$572 in 2011 for mileage at a higher rate than that established by the County Commission.

Property Tax System Controls and Procedures	The County Commission and County Clerk do not adequately monitor property tax system activities, as noted in our prior audit report. Reviews of additions and abatement is not sufficient and the County Commission and County Clerk do not adequately review the County Collector's monthly and annual settlements. Moreover, the County Assessor, who enters additions and abatements into the computer system, is the mother-in-law of the County Collector; the close relationship and inadequate reviews increase the risk.
Capital Assets and Vehicles	As noted in prior audit reports, the county lacks adequate procedures and records to account for county property, and the county has not established effective procedures for monitoring vehicle and equipment fuel use. Logs of fuel dispensed from bulk fuel tanks are maintained, but they are not used to reconcile to fuel purchased and are not always complete.
Recorder of Deeds Reconciliation Procedures	The Recorder of Deeds does not identify and resolve monies remaining in the account after the monthly distribution of fees, which allowed \$666 in unidentified amounts to accumulate in the bank account between January 2011 and April 2012.
Computer Controls	In the County Collector's, Recorder of Deeds', and County Clerk's offices, passwords are not required to be periodically changed, and data is not backed up by the County Clerk.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Poor**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The county was awarded a \$205,190 Recovery Act: Homelessness Prevention and Rapid Re-housing grant, \$126,458 of which it passed through to the South Central Missouri Community Action Agency to help families and individuals who are at risk of becoming homeless and those experiencing homelessness.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our website: <http://auditor.mo.gov>**

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# Wayne County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Wayne County

We have audited certain operations of Wayne County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones & Associates, Certified Public Accountants, was engaged to audit the financial statements of Wayne County for the 2 years ended December 31, 2011. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2011. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Wayne County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditors:	Julie Vollmer, CPA, CIA Steven Re', CPA
Audit Staff:	Gina Henley, MBA Lindsay Pearson

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# Wayne County

## Management Advisory Report

### State Auditor's Findings

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#### **1. Financial Condition**

As noted in our prior audit report, the county's General Revenue Fund remains in poor financial condition. The table below reflects the ending cash balance of the General Revenue Fund over the last 4 years and the projected ending cash balance as reported in the county's audited financial statements and 2012 budget document.

Ending Cash Balance, Year Ended December 31,				
2012 Budgeted	2011 Actual	2010 Actual	2009 Actual	2008 Actual
\$ 461	7,548	4,136	35,146	7,866

The cash balances do not take into account liabilities of the General Revenue Fund, including \$432,896 due to the Special Road and Bridge Fund as a result of the county's sales tax rollback methodology and \$19,511 due to the Sheriff's Revolving Fund. Also, the county's financial burden has increased with opening a new jail in recent years and cash flow problems have required extensive borrowing.

The county does not have sufficient monies to repay amounts from the General Revenue Fund to other funds, adequately reduce the property tax levy in the General Revenue Fund in future years, operate a new jail, and establish a debt reserve account. A significant increase in revenues or reduction in expenditures will be required for a period of several years to resolve the county's financial concerns.

- This cash balance would be less if the General Revenue property tax levy had been properly rolled back to compensate for sales tax monies collected during the 4 years ended December 31, 2011. Property tax levies have not been adequately reduced by \$39,607 as of December 31, 2011. In addition, the General Revenue Fund owes the Special Road and Bridge Fund \$432,896 as of December 31, 2011, because the county reduced the Special Road and Bridge property tax levy to meet a portion of the rollback requirement (see MAR finding number 2).
- The General Revenue Fund is experiencing significant cash flow problems, and as a result, the county has had to borrow monies from other county funds and a local bank to pay bills. In 2011, the County Commission established a line of credit with a local bank and borrowed \$155,000 for the General Revenue Fund. In addition, the County Commission approved loans to the General Revenue Fund of \$20,500 and \$40,000 from the Special Road and Bridge Fund in 2011 and 2010, respectively, and \$61,574 from the Title III Fund in 2010. Also, the county borrowed \$105,000 for the General Revenue Fund from the line of credit and \$25,000 from the Special Road and Bridge Fund through the first 6 months of 2012. The



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Wayne County  
Management Advisory Report - State Auditor's Findings

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county has repaid all monies borrowed in each respective year. However, monies from the Special Road and Bridge Fund are restricted for certain purposes by Section 137.555, RSMo, and Title III Fund grant receipts are restricted for specific purposes per the grant agreement.

- The financial condition of the General Revenue Fund has been further strained by the additional costs associated with a new jail that opened in June 2009. While cost feasibility studies were performed for the project, the studies did not adequately consider all operating costs, such as utilities and a possible need for increased staffing for the jail. Further, no cost analysis or consideration of future billing revenues for holding prisoners for other counties was projected. As a result of additional salary costs, utilities, and lease payments related to the new jail, annual jail operation costs have increased approximately \$114,000. In addition, the loan resolution security agreement for the new jail requires \$4,399 to be deposited annually into a debt reserve account until the accumulated balance is \$43,990. The required deposits have not been made for 2009, 2010, and 2011.
- During the 2 years ended December 31, 2011, the county transferred a total of \$19,511 from the Sheriff's Revolving Fund to the General Revenue Fund. The Sheriff indicated these monies were transferred to assist the county in paying various expenses of the Sheriff's office; however, there was no supporting documentation to demonstrate if these monies were expended in accordance with state law. Section 50.535, RSMo, provides Sheriff's Revolving Fund monies are to be used to process applications for concealed carry endorsements or renewals.

The County Commission indicated it is aware of the concern and is continually trying to reduce disbursements and maximize receipts. In April 2012, Wayne County voters passed a 1/2-cent general sales tax levy under Section 67.547, RSMo, for a period of 6 years. The additional sales tax revenue is to be used to make repairs to the courthouse and pay for operational expenses.

It is essential the County Commission address the situation both in the immediate and long-term future. To improve the financial condition of the county, the County Commission should review disbursements and reduce discretionary spending as much as possible, evaluate controls and management practices to ensure efficient use of county resources, and attempt to maximize all sources of revenue.



Wayne County  
Management Advisory Report - State Auditor's Findings

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## Recommendation

The County Commission perform long-term planning, closely monitor the county's financial condition, and continue to take the necessary steps to improve the financial condition of the General Revenue Fund. In addition, the County Commission should establish a debt reserve account and repay the Sheriff's Revolving Fund \$19,511 from the General Revenue Fund. Also, the county should refrain from interfund borrowing from restricted funds.

## Auditee's Response

*The County Commission and County Clerk provided the following response:*

*We will review the statutes concerning the concealed carry permits and determine what action is needed to comply. The new sales tax will generate approximately \$250,000 per year after the rollback. We plan to use about half of that for the courthouse building and use the other \$100,000 to \$125,000 to help the cash flow of the General Revenue Fund. The Wayne County Improvement Corporation has established a debt reserve account. We will attempt to refrain from interfund borrowing from restricted funds.*

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## 2. County Sales Tax

Although we have reported this situation in several prior reports, the General Revenue Fund has not reimbursed the Special Road and Bridge Fund for road and bridge property tax reductions related to sales tax collections deposited to the General Revenue Fund since 2002, and \$432,896 is owed as of December 31, 2011. Additionally, as of December 31, 2011, property tax levies have not been adequately reduced by \$39,607.

Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected and provides for actual sales tax revenue of the preceding year which is higher or lower than that year's estimated sales tax revenue to be included in the subsequent year's property tax revenue roll back calculation.

### Special Road and Bridge property tax levy reduction

Annually Wayne County certifies to the State Auditor's office the annual property tax levy including the amount the levy is reduced for sales tax collections, as well as any voluntary reductions. Each year the General Revenue property tax levy is reduced to approximately 14.5 cents and the Special Road and Bridge property tax levy is reduced to 11 cents. Because reducing the General Revenue property tax levy to 14.5 cents is not sufficient to compensate for 50 percent of the sales taxes collected, the county reports a portion of the Special Road and Bridge levy reduction as related to sales tax and the rest as voluntary. Since revenues of the Special Road and Bridge Fund are required by Section 137.555, RSMo, to be used only for improving and maintaining county roads and bridges, lost property tax revenues of the Special Road and Bridge Fund that relate to the sales tax rollback requirement should be reimbursed by the General Revenue Fund. The county has reduced the Special Road and Bridge property tax levy each year since 2002 to satisfy a portion of the levy rollback requirement, but made no transfers from the General Revenue Fund to the Special Road and





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Wayne County  
Management Advisory Report - State Auditor's Findings

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Bridge Fund to replace lost property taxes. As a result, the General Revenue Fund owes the Special Road and Bridge Fund \$432,896 as of December 31, 2011. Based upon 2012 property tax levy information provided to the State Auditor's office by the county, it is estimated that this liability will increase by more than \$35,000 if the county again fails to make a transfer to the Special Road and Bridge Fund. Also, this liability is becoming significant and represents approximately 23 percent of the county's typical annual General Revenue Fund receipt activity.

Overall reduction of property tax levies

The county has not established a procedure to monitor or assess results of actual property tax reductions for sales tax collections. As a result, the county has not sufficiently reduced its property tax levies to account for excess collections which have continued to accumulate since 2007 and total approximately \$39,607 as of December 31, 2011.

Additional Sales Tax Levy

As discussed in MAR finding number 1, an additional 1/2-cent general sales tax levy was approved by county voters in April 2012. The sales tax ballot language requires the General Revenue Fund property tax levy to be reduced annually by an additional 50 percent of the sales taxes collected, totaling a 100 percent reduction of the General Revenue Fund property tax levy. Because this new sales tax also requires a rollback, the county's rollback calculations will become more complicated and it is possible that reduction of the Special Road and Bridge Fund levy will now be required, not optional.

Overall

To better document decisions regarding property tax levies and ensure the Special Road and Bridge Fund receives general sales tax monies equivalent to the property tax reduction, the County Commission should monitor the portion of the Special Road and Bridge property tax levy reduction which relates to sales tax, transfer \$432,896 from the General Revenue Fund to the Special Road and Bridge Fund, and ensure transfers are made in the future when appropriate. The County Commission should determine the effect of the new sales tax on the property tax levies of the General Revenue and Special Road and Bridge Funds.

Recommendation

The County Commission and County Clerk adequately reduce property tax levies for 50 percent of all General Revenue sales tax revenue and develop a plan to correct the accumulation of prior years' excess property tax collections. In addition, the County Commission should transfer \$432,896 from the General Revenue Fund to the Special Road and Bridge Fund. Subsequent property tax levy rollbacks should be made entirely from the General Revenue Fund or the Special Road and Bridge Fund should be repaid the appropriate amount on an annual basis.



Wayne County  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The County Commission and County Clerk provided the following response:*

*Beginning in 2013, we will roll the General Revenue property tax levy back to zero. We did not intend to roll back the Special Road and Bridge property tax levy for the new sales tax. If funding becomes available in the future, we will make every attempt to reduce the liability to the Special Road and Bridge Fund.*

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## 3. Prosecuting Attorney Procedures

Prior audit reports have addressed the inadequacy of the Prosecuting Attorney's office procedures. Although some improvements have been made, significant weaknesses still exist. The Prosecuting Attorney's office collected bad check fees totaling approximately \$35,000 and donations totaling approximately \$180,000, during the 2 years ended December 31, 2011.

### 3.1 Unallowable donations

The Prosecuting Attorney frequently reduces charges filed on traffic tickets by requiring defendants to make a donation, ranging from \$50 to \$1,500, to the county's Special Law Enforcement Fund as a condition of reducing the charges. During the 2 years ended December 31, 2011, donations totaling \$180,000 were deposited into this fund. Although the Prosecuting Attorney has a fee schedule, the amount paid to the Special Law Enforcement Fund to amend traffic violations to non-moving violations can be negotiated with the Prosecuting Attorney. The county has also established a Law Enforcement Restitution Fund to account for assessments paid by defendants for certain offenses. The Prosecuting Attorney indicated both the Law Enforcement Restitution Fund and the Special Law Enforcement Fund are needed because there are restrictions on the type of cases for which the Law Enforcement Restitution Fund can be utilized and the amount assessed cannot exceed \$300.

There appears to be no authority for the Prosecuting Attorney to require a donation to reduce charges filed on traffic tickets. Article IX, Section 7, Missouri Constitution, states the proceeds of all penalties, forfeitures, and fines are to be distributed to the County School Fund. In addition, while Section 50.565, RSMo, provides for the deposit of certain assessments and payments into a county law enforcement restitution fund, the section provides that, "No court may order the assessment and payment authorized by this section if the plea of guilty or the finding of guilt is to the charge of speeding, careless and imprudent driving.... No assessment and payment ordered pursuant to this section may exceed three hundred dollars for any charged offense."

### 3.2 Segregation of duties

The duties of receiving, recording, and transmitting monies are not adequately segregated. One of the Prosecuting Attorney's secretaries is responsible for receipting, recording, and transmitting monies received for bad checks and another secretary performs these same duties for donations



Wayne County  
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to the Special Law Enforcement Fund. As a result, there is less assurance all transactions are accounted for properly and accounting records are complete and accurate.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of accounting records are essential.

### 3.3 Restitution

Receipt slips are not issued for restitution monies received and a detailed record of restitution receipts is not maintained. While the Prosecuting Attorney's secretary makes a copy of each money order and places it in the defendant's file, there is no centralized record of all monies collected to ensure all monies are properly recorded and transmitted to the victims.

To adequately account for collections and reduce the risk of loss, theft, or misuse of funds, official prenumbered receipt slips should be issued for all monies immediately upon receipt and a centralized record of restitution receipts and disbursements should be maintained.

### 3.4 Bad check fee and donation receipts

Receipt slips are not issued immediately upon receipt of monies, checks and money orders are not restrictively endorsed promptly, and monies are not transmitted timely. Per office personnel, receipt slips are usually issued and checks and money orders are endorsed when receipts are transmitted to the County Treasurer. The Prosecuting Attorney's office transmits bad check fees approximately once each month and donation receipts approximately every two weeks. A March 28, 2012, cash count identified 8 checks and money orders for bad check fees totaling \$1,737 and 31 money orders for donations totaling \$7,100 which had not been endorsed. Receipt slips had been issued for none of the bad check fees and for only seven of the donation receipts on hand.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipt slips should be issued and checks and money orders endorsed immediately upon receipt of monies, and transmittals should be made intact on a timely basis.

Similar conditions  
previously reported

Similar conditions to sections 3.1, 3.2, and 3.3 were noted in our prior audit report.

### Recommendations

The Prosecuting Attorney:

- 3.1     Reevaluate the practice of requiring donations to the county as part of reducing charges filed.



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Management Advisory Report - State Auditor's Findings

- 3.2 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.
- 3.3 Issue receipt slips for all monies received and maintain a centralized record of restitution receipts and disbursements.
- 3.4 Issue receipt slips and restrictively endorse money orders and checks immediately upon receipt of monies and transmit all monies intact on a timely basis.

## Auditee's Response

*The Prosecuting Attorney provided the following written responses:*

- 3.1 *We will take this recommendation under advisement, however, since the last audit in 2008, the county has passed an ordinance which relates to the handling of charitable contributions for law enforcement purposes through the County Treasurer's office.*
- 3.2 *The Prosecutor's office has engaged in a method of independent verification of receipts, recording and transmitting of monies by having a different employee than the one who receives, records or transmits monies to verify the accuracy of those activities.*
- 3.3 *Receipts will be maintained in the form of a log showing the name of the recipient, the name of the payor, the date and the amount; additionally a copy of the money order will be placed in the relevant file.*
- 3.4 *Prosecutor's personnel will attempt to immediately receipt the checks and money orders with restrictive endorsements rather than aggregating them. Restrictive endorsements will be placed upon the check or money orders immediately upon receipt and notation made in a record maintained by the office, and monies will be transmitted to the County Treasurer or victim.*

## Auditor's Comment

- 3.1 The county ordinance was passed in May 2012. An ordinance passed by the County Commission does not supersede constitutional provisions which do not allow such donations.

## 4. Sheriff Procedures

The Sheriff's office accounting procedures are not sufficient and do not provide assurance that monies collected are accounted for properly. In addition, controls over seized property are not adequate. The Sheriff's office collected various fees related to civil services fees, mileage, and concealed carry permits totaling approximately \$143,000 annually during the 2 years ended December 31, 2011.



## Wayne County Management Advisory Report - State Auditor's Findings

### 4.1 Monthly disbursements

Fees are not always disbursed to the County Treasurer intact and on a timely basis. A review of fees collected in 2011 indicated disbursements generally occurred approximately 2 to 3 months after collection. For example, fees for August 2011 totaling \$4,771 were disbursed to the County Treasurer on October 31, 2011; and, fees for September and October 2011 totaling \$3,791 and \$1,507, respectively, were disbursed to the County Treasurer in December 2011. In addition, the Sheriff indicated monies from the fee account are sometimes used to pay for employees' personal purchases (guns, bullet proof vests, etc.) and office operating costs and equipment and later repaid by the employee and/or County Treasurer. For example, the purchase of a siren in March 2012 for \$120 was reimbursed by the County Treasurer in May 2012 and car registration fees paid in March 2012 for \$22 had not been reimbursed to the Sheriff's fee account as of July 2012.

Timely disbursement of fees collected is necessary to provide adequate controls over account balances and increase the likelihood discrepancies are promptly detected. Sections 50.360 and 50.370, RSMo, require all county officials who receive fees or any other remuneration for official services to pay such monies monthly to the County Treasurer. In addition, there is no statutory authority for the Sheriff to make disbursements from accountable fees.

### 4.2 Seized property

Controls and records for seized property are not sufficient. While the Sheriff's office records seized property in the computer for each case, a summary control log documenting all seized property is not maintained. In addition, the Sheriff's office has not conducted a physical inventory of all seized property. Further, the Sheriff's office does not maintain adequate documentation of seized property that has been destroyed and the witness to the destruction.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of theft or misuse of the items. Inventory records of all seized property items, including information such as description, current location, case number, date of seizure, and disposition of such property, along with the performance of periodic physical inventories, are necessary to ensure items are accounted for properly. Also, a detailed listing of the items destroyed including the signatures of witnesses should be maintained.

### 4.3 Liabilities

As noted in our prior audit, a monthly list of liabilities is not prepared and reconciled to the cash balance for the Sheriff's fee account. As a result, the Sheriff's office was unaware of discrepancies and cannot ensure sufficient funds are available to meet liabilities.

At our request, Sheriff's office personnel prepared a list of liabilities as of March 31, 2012. The reconciled bank balance of \$13,717 exceeded identified liabilities by \$1,115. Sheriff's office personnel noted liabilities for



Wayne County  
Management Advisory Report - State Auditor's Findings

civil fees, drug testing fees, board bill receipts, commissions, and carry and conceal weapon fees had not been disbursed for October 2010. Also, as noted in our prior audit report, the seizure account has maintained an unidentified balance of \$6,646 since August 2005, prior to the beginning of the current Sheriff's term of office.

To ensure records are in balance, identify errors timely, and ensure sufficient cash is available for payment of amounts due, liabilities should be identified monthly and reconciled to cash balances. Prompt follow up on discrepancies is necessary to resolve errors and ensure monies are properly disbursed. Various statutory provisions address the disposal of unidentified monies.

## Recommendations

The Sheriff:

- 4.1 Disburse fees to the County Treasurer monthly in accordance with state law and discontinue the practice of using accountable fees for purchases.
- 4.2 Ensure a seized property inventory control log is maintained and a periodic physical inventory is conducted and reconciled to the log. In addition, the Sheriff should maintain a list of all seized property destroyed, including a description of the property and signatures of the witnesses.
- 4.3 Ensure a list of liabilities is prepared monthly and compared to the available cash balance. Differences should be promptly investigated. After sufficient efforts are made to resolve discrepancies, any remaining unidentified monies, including the old seizure account, should be disposed of in accordance with state law.

## Auditee's Response

*The Sheriff provided the following responses:*

- 4.1 *We will implement.*
- 4.2 *We are trying to obtain a new software program that will allow us to scan seized property and create a bar code. We will add the date destroyed and witness signature to the destruction order.*
- 4.3 *I will ensure the \$6,646 from the old seizure account is turned over to the County Treasurer as unclaimed fees. We are trying to do monthly listings of liabilities as time allows.*

## 5. Payroll and Mileage

County procedures and controls over employee compensation, records and mileage reimbursement are in need of improvement



## Wayne County Management Advisory Report - State Auditor's Findings

### 5.1 Bailiff compensation

As similarly noted in our prior audit report, the county has not documented reasons for classifying individuals hired to perform bailiff duties as independent contractors rather than employees, and did not consult with legal counsel for clarification as indicated in response to a prior report recommendation. The county did not withhold payroll and income taxes from payments made to these individuals. Rather, these payments were reported to the Internal Revenue Service (IRS) on 1099 forms.

The county considers individuals hired to perform bailiff duties to be independent contractors; however, these individuals were required to complete a standard county timesheet similar to other Sheriff's employees. Payments to the six bailiffs totaled \$25,706 for the 2 years ended December 31, 2011.

Section 105.300, RSMo, defines an elected or appointed officer or employee of a county as an employee for Social Security and Medicare tax purposes. For employees, the IRS requires employers to report compensation on W-2 forms and withhold and remit income and payroll taxes. Similarly, Chapter 143, RSMo, includes requirements for reporting wages and withholding state income taxes. State and federal laws require employers to pay the employer share of Social Security and Medicare on the compensation paid to employees.

### 5.2 Employee leave records

Although the County Clerk indicated his office reviewed and recalculated employee leave balances, some leave balances were not accurate. Each employee is responsible for recording and accumulating leave balances on their timesheets, which are reviewed and approved by the official or department head. We reviewed vacation, sick, and compensatory time leave balances of seven employees as recorded on their timesheets, and determined balances were incorrect for five of these employees as a result of math or recording errors. In addition, vacation and sick leave were not accrued at the correct amounts for one employee and compensatory time earned was not calculated on one time sheet when the employee had worked more than 40 hours during the week.

Without proper review and approval of leave records, the County Commission cannot ensure vacation, sick, and compensatory balances are accurate and in compliance with county policy, and all employees are treated equitably. Accurate leave records also aid in determining unused vacation and compensatory leave upon termination of employment, in the event disputes arise, and in demonstrating compliance with the Fair Labor Standards Act of 1938 (FLSA).

### 5.3 Additional compensation

During 2011 and 2010, the custodian received additional compensation from the Special Election Fund for performing election work while performing his normal job duties, which does not appear proper. A total of



## Wayne County Management Advisory Report - State Auditor's Findings

\$305 was paid from the Special Election Fund for these 2 years. There were no timesheets to document the additional hours worked and these payments were not included in the county payroll records, were not reported on employee W-2 forms, and were not subject to proper payroll tax withholdings. In addition, the custodian was paid \$589 from the General Revenue Fund for working overtime for two election nights in 2010; however, his timesheets did not document working overtime during either pay period.

The Internal Revenue Code generally indicates individuals treated as employees should have all compensation reported on W-2 forms. Processing these payments through the county's normal payroll process would help ensure the payments are properly reported and withholdings are made. In addition, the FLSA requires accurate records of actual time worked be maintained by employees.

### 5.4 Mileage reimbursement

The custodian received an annual mileage reimbursement of \$500 during 2011 and 2010 for commuting to and from the courthouse at night or on weekends for emergencies. The County Commission did not require the custodian to submit itemized reports indicating the date of trips, nature of business, and locations traveled, and did not report the amount paid on his W-2 form.

In addition, during 2011, the County Clerk received mileage of approximately \$572 at the IRS rate even though the County Commission had established a lower rate of 37 cents per mile on February 1, 2011.

The IRS Code specifically requires expenses not accounted for to the employer to be considered as gross income and payroll taxes to be withheld from the undocumented payments. Therefore, the annual mileage reimbursement should be considered gross income and reported on the W-2 form for the custodian. In addition, the county's approved mileage rate should be utilized for all mileage reimbursements.

## Recommendations

The County Commission:

- 5.1 Ensure all persons hired by the county are properly classified as employees or contract employees in compliance with state and federal laws and regulations, and all compensation paid is subject to applicable income and payroll taxes and properly reported.
- 5.2 Ensure the balance of leave accumulated and taken for each employee is reviewed by the County Clerk and all elected officials to ensure accuracy.





Wayne County  
Management Advisory Report - State Auditor's Findings

- 5.3 Ensure all compensation is processed through the county's payroll system and is subject to payroll withholdings and reported on employee W-2 forms. In addition, ensure all payments to employees are supported by time sheets which document hours worked.
- 5.4 Require employees to submit itemized mileage expense reports or report the mileage reimbursements as compensation to the IRS. In addition, the County Commission and County Clerk should ensure mileage reimbursements comply with county policy.

## Auditee's Response

*The County Commission and County Clerk provided the following responses:*

- 5.1 *We consider these individuals to be contract employees. The timesheet is just completed to document the hours to be paid.*
- 5.2 *The County Clerk will continue to review leave balances and will work with elected officials to correct errors.*
- 5.3 *This issue was addressed during the 2012 election. Separate timesheets were prepared for the Election Fund and no hours worked were recorded on the timesheets paid from the General Revenue Fund for these dates.*
- 5.4 *The custodian now submits itemized mileage reports and everyone receives 37 cents per mile except the sheriff's department.*

## 6. Property Tax System Controls and Procedures

As noted in our prior audit report of the County Collector, the County Commission and the County Clerk do not provide adequate monitoring of the property tax system activities. The County Collector's office processed property taxes totaling approximately \$5.5 million annually for the 2 years ended February 29, 2012.

The County Assessor enters information for additions and abatements into the property tax system and provides documentation to the Collector's office. The Deputy Collector prepares the court orders at the end of the month and provides a copy of each court order to the Assessor and the County Clerk. The Deputy Collector also generates a report of additions and abatements from the computer system which is provided to the County Clerk. Although the County Clerk initials each court order and the County Clerk and Presiding Commissioner sign the summary report, there is no independent comparison of additions and abatements to the actual changes in the property tax system. Furthermore, the County Assessor, who enters additions and abatements into the computer system, is the mother-in-law of the County Collector. Because of this close relationship and inadequate independent reviews of changes to the property tax system, there is a greater



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Wayne County  
Management Advisory Report - State Auditor's Findings

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risk in this area and it is especially important that the County Clerk and County Commission thoroughly review the property tax system changes.

While the County Clerk maintains files of tax charges, additions and abatements, and the County Collector's monthly settlements, the County Clerk does not use this information to create an account book or other record summarizing property tax transactions and changes. Therefore, the County Clerk and County Commission do not have information readily available, and do not adequately review the monthly and annual settlements prepared by the County Collector. As a result, errors and irregularities could go undetected.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission. If it is not feasible for the County Clerk to make corrections to the tax books, an independent reconciliation of approved additions and abatements to actual corrections made to the property tax system would help ensure changes are proper.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records which summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector each year are complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's monthly and annual settlements.

## Recommendation

The County Clerk maintain a complete and accurate account book with the County Collector. In addition, the County Commission and the County Clerk should monitor property tax system activities and perform a thorough review of the County Collector's monthly and annual settlements.

## Auditee's Response

*The County Commission and County Clerk provided the following response:*

*The County Clerk will begin an account book in 2013. In addition, the County Commission will review property tax activities as closely as possible.*

*The County Assessor provided the following response:*

*A new County Collector has been elected and will take office March 1, 2013. At that time, there will no longer be a relationship between the County Assessor and the County Collector.*



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## 7. Capital Assets and Vehicles

Capital asset and vehicle records are in need of improvement. At December 31, 2011, county property, excluding buildings and vehicles, was valued at approximately \$1.7 million on the county insurance policy.

### 7.1 Capital assets

As noted in our prior audit reports, procedures and records to account for county property are not adequate. Procedures have not been developed to identify capital asset purchases and dispositions throughout the year. In addition, records lack some necessary information such as purchase date and disposition information. Also, annual inventories are not performed in some offices. The County Clerk requests each office submit an inventory list annually; however, no follow up is performed with those offices that do not submit a list. In 2011, the Sheriff, Prosecuting Attorney, Public Administrator, and Eastern District County Road and Bridge department did not submit inventory lists. As a result, the county is unable to ensure county-owned property is accounted for properly.

Adequate capital asset records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Procedures to track capital asset purchases and dispositions throughout the year and compare to physical inventory results would enhance the county's ability to account for capital assets and potentially identify unrecorded additions and dispositions, identify obsolete assets, and deter and detect theft of assets. Section 49.093, RSMo, provides that the officer or their designee of each county department is responsible for performing annual inspections and inventories of county property used by their department and for submitting an inventory report to the County Clerk.

### 7.2 Vehicles and fuel use

Effective monitoring procedures have not been established for vehicle and equipment fuel use in the road and bridge department and the Sheriff's office. The road and bridge department spent approximately \$344,000 and the Sheriff's office spent approximately \$65,000 for fuel during the 2 years ended December 31, 2011, for the 33 road and bridge vehicles and equipment items and 5 patrol cars.

Logs of fuel dispensed from bulk fuel tanks are maintained; however, these logs are not used to reconcile to fuel purchased and are not always complete. For example, the Sheriff's office did not record 256 gallons of the 847 gallons of fuel dispensed for 1 month. In addition, the Sheriff's bulk fuel tank is not secured to prevent unauthorized use.

Procedures for maintaining and reviewing fuel usage logs and reconciling log information to fuel purchased and related records are necessary to ensure vehicles and equipment are properly utilized, prevent paying vendors for improper amounts, and decrease the risk of theft or misuse of fuel



Wayne County  
Management Advisory Report - State Auditor's Findings

occurring without detection. Logs should provide sufficient details to enable the county to effectively monitor vehicle and equipment fuel costs.

## Recommendations

The County Commission and the County Clerk:

- 7.1 Work with the Sheriff, Prosecuting Attorney, and Public Administrator to ensure complete and accurate inventory records are maintained and annual physical inventories are conducted, and implement procedures for tracking capital asset purchases and dispositions throughout the year.
- 7.2 Work with the Sheriff and establish procedures to maintain adequate records to effectively monitor vehicle, equipment, and fuel use. In addition, bulk fuel inventory records should be maintained, fuel use should be reconciled to fuel purchases, and any significant discrepancies should be investigated. Also, the Sheriff's fuel tank should be secured to prevent unauthorized use.

## Auditee's Response

*The County Commission and County Clerk provided the following responses:*

- 7.1 *It is the statutory duty of each elected official and department head to conduct an inventory. In 2012, second requests were sent out by the County Clerk.*
- 7.2 *The Sheriff's fuel tank is now secured. The County Commission reviews the logs of fuel dispensed into each road and bridge vehicle and if usage appears excessive, more extensive monitoring is performed. We will also consider comparing the invoices to the fuel log.*

*The Sheriff provided the following responses:*

- 7.1 *I will update the inventory listing.*
- 7.2 *The tank cannot be turned on unless the dispatcher turns it on in the office. When the dispatcher is called to turn on the tank, the mileage readings are recorded. Invoices will be compared to fuel logs.*

*The Prosecuting Attorney provided the following written response:*

- 7.1 *An inventory of capital assets for the Prosecuting Attorney's office was prepared for 2012. It is possible that the County Clerk's request for this inventory was misplaced or overlooked by Prosecuting Attorney personnel. Effort will be made to obtain such an inventory each year as of October 10th of each calendar year.*



Wayne County  
Management Advisory Report - State Auditor's Findings

*The Public Administrator provided the following response:*

7.1 *The only county property I have is a fax machine. I will ask the County Clerk if it should be inventoried.*

## 8. Recorder of Deeds Reconciliation Procedures

The Recorder of Deeds does not identify and resolve monies remaining in the account after the monthly distribution of fees. The Recorder of Deeds processed approximately \$80,000 annually during the 2 years ended December 31, 2011.

Although monthly bank reconciliations are prepared by the Recorder of Deeds, unidentified amounts have continued to accumulate in the bank account since it was opened in January 2011. Office personnel indicated all monies received are usually disbursed at the end of each month and the bank account should zero out. However, at April 30, 2012, the bank account had an unidentified balance of \$666. At our request, the Recorder of Deeds identified these monies as undistributed interest, unidentified monies from the former Recorder of Deeds, a bad check collected on behalf of the former Recorder of Deeds, undisbursed receipts, and overpayments which had not been refunded. These amounts were disbursed in May 2012.

Procedures to ensure all receipts are properly disbursed are necessary to ensure accounting records are in balance and to identify errors in a timely manner. Unidentified monies should be disposed of in accordance with state law.

### Recommendation

The Recorder of Deeds ensure all amounts received are properly disbursed. In addition, any unidentified differences between the accounting records and bank reconciliations should be investigated and resolved. Unidentified monies should be disposed in accordance with state law.

### Auditee's Response

*The Recorder of Deeds provided the following response:*

*I am reconciling monthly and disbursing everything except interest monthly.*

## 9. Computer Controls

Controls over computer systems are not sufficient to prevent unauthorized access and data is not backed-up by the County Clerk. As a result, county records are unprotected and susceptible to damage or theft.

### 9.1 User passwords

Passwords are not required to be periodically changed in the County Collector's, Recorder of Deeds', and County Clerk's offices. Changing passwords periodically reduces the possibility of unauthorized access to county computers and data.



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Wayne County  
Management Advisory Report - State Auditor's Findings

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## 9.2 Back-up data

Data is not backed up by the County Clerk. The County Clerk's computers are used to process disbursements, maintain budget files, prepare payroll and maintain annual payroll information.

Preparation of backup data, preferably on a daily or at least weekly basis, periodic testing to ensure it is adequate, and off-site storage would provide increased assurance county data could be recreated if necessary.

## Recommendations

The County Commission:

- 9.1 Work with the County Collector, Recorder of Deeds, and County Clerk to require passwords be periodically changed.
- 9.2 Ensure data is periodically backed up by the County Clerk and stored in a secure off-site location and backups are tested on a regular, predefined basis.

## Auditee's Response

*The County Commission and County Clerk provided the following responses:*

- 9.1 *We will consider implementing this recommendation. We do not believe this is a significant security threat for the county.*
- 9.2 *This will be implemented.*

*The Recorder of Deeds provided the following response:*

- 9.1 *I will start changing passwords periodically.*

*The County Collector provided the following response:*

- 9.1 *I will be leaving office at the end of February. I will let the new collector know about this finding and decide how she wants to handle passwords in the future.*

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# Wayne County

## Organization and Statistical Information

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Wayne County is a county-organized, third-class county. The county seat is Greenville.

Wayne County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 48 full-time employees and 13 part-time employees on December 31, 2011.

In addition, county operations include the Law Enforcement Restitution Fund Board and the Senate Bill 40 Board.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2012	2011
Brian M. Polk, Presiding Commissioner	\$	27,177
James (Bill) Hovis, Associate Commissioner		25,177
Chad Henson, Associate Commissioner		25,177
Cindy Stout, Recorder of Deeds		38,147
Alan R. Lutes, County Clerk		38,147
Robert M. Ramshur, Prosecuting Attorney		45,175
Phillip P. Burton, Sheriff		42,163
Carol Hale, County Treasurer		38,147
Gary Umfleet, County Coroner		11,043
Donna Eads, Public Administrator		25,000
Erica Huitt, County Collector, year ended February 29,	38,147	
Frances K. Huitt, County Assessor , year ended August 31,		38,147
Brian Ferguson, County Surveyor (1)		

(1) Compensation on a fee basis.

### Financing Arrangements

The county entered into a lease-purchase agreement in May 2008, with the Wayne County Improvement Corporation to build the Justice Center. The terms of the agreement are for the Wayne County Improvement Corporation to build the facility and lease the facility back to the county for payments totaling the principal and interest due on the lease-purchase. The county



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Wayne County  
Organization and Statistical Information

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makes the lease payments from the General Revenue Fund. The final payment for the lease-purchase is scheduled to be in 2038. The remaining principal and interest due on the lease-purchase agreement at December 31, 2011, was \$680,745.

The county has entered into several lease-purchase agreements for road and bridge equipment. Principal and interest payments are made from the Special Road and Bridge Fund. Final payments for the various leases are scheduled to occur from 2013 through 2016. As of December 31, 2011, the principal balance of the leases totaled \$324,917.

American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)

According to county personnel, the county was awarded the following American Recovery and Reinvestment Act of 2009 funding during the 2 years ended December 31, 2011:

A \$205,190 Recovery Act: Homelessness Prevention and Rapid Re-housing grant was awarded by the U.S. Department of Housing and Urban Development to the Missouri Department of Social Services to help families and individuals who are at risk of becoming homeless and those experiencing homelessness who need temporary assistance obtaining and retaining housing. Wayne County signed as the sponsor for this grant for Carter, Dent, Reynolds, Shannon, and Wayne Counties. During the 2 years ended December 31, 2011, \$126,458 was received and expended by the county related to this grant. The county passed these monies through to the South Central Missouri Community Action Agency.





# Thomas A. Schweich

Missouri State Auditor

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## City of Diamond

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January 2013  
Report No. 2013-07



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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the City of Diamond

City Sales Tax and Lease	The city no longer allocates a portion of sales tax revenue to parks and recreation as originally outlined in the city ordinance at the time the issue was approved by voters. The city's attorney entered into a \$11,173 tax exempt lease arrangement in the city's name to finance a copy machine for his private law office. There is no documentation indicating the Board approved this lease, and city officials indicated they did not know of the lease until they received a notice from the Internal Revenue Service. The city's attorney said the payments are made by his law office, but this arrangement has potentially obligated the city to pay for property that does not belong to the city and has resulted in various taxes related to this transaction not being paid.
Disbursement Procedures	Some disbursements are not properly approved and supported by adequate documentation, and no documentation was maintained to support the allocation of expenses among funds. The city did not always comply with city code bid requirements. For example, the city did not advertise for bids for the purchase of two patrol cars and has not solicited bids for mowing services. The city did not document its evaluation and selection of engineering services for the sewer construction project.
Accounting Controls and Procedures	Accounting duties are not adequately segregated, and adequate independent reviews are not conducted. Receipt slips were not always issued for payments made by check, do not always correctly document the method of payment, and were not always issued in numerical order. Receipts were not always deposited intact or timely or deposited into the proper city bank account. Monies received are not always timely posted to the computer system, and computer system controls are not adequate. The city should consider closing some of its nine bank accounts and evaluate options which might reduce the \$1,800 monthly fee paid to the contracted accountant or result in in-house preparation of monthly reconciliations.
Utility System Controls and Procedures	The Board approved a 5 percent increase in water and sewer rates, but it did not maintain documentation to support the amount of the rate increase. The city has had significant increases in the amount of unbilled water (water loss), including approximately 783,000 gallons in July 2010 (25 percent of the water pumped) and 2.5 million gallons in June 2012 (49 percent of the water pumped), but there is no documented effort by the Board to address the losses. The city does not have a policy regarding partial payments of utility charges, but some customers are allowed to make partial payments without Board approval. For the year ended June 30, 2012, the city paid approximately \$1,800 more than required by contract for trash services, and it paid approximately \$1,500 more than required for the year ended June 30, 2011.
Payroll Procedures	The city does not always follow its personnel policy regarding overtime. Employees do not sign time cards and time cards are not adequately reviewed, resulting in inaccurate payroll calculations for some employees. Five of the seven time cards we reviewed had errors.

Property Tax Controls and Procedures	The city did not comply with various statutory provisions related to property taxes. The City Collector did not prepare monthly and annual reports summarizing the amount of property taxes collected as well as delinquent property taxes and present them to the Board. The City Clerk did not verify the accuracy of the property tax books or charge the City Collector with the amount to be collected. There was no documentation to indicate the Board held a public hearing on the city's proposed property tax levy.
Financial Statements and Budgets	Annual budgets did not contain all required elements. The Board did not adequately monitor budget to actual revenues and expenditures and did not properly amend the budget. For the year ended June 30, 2011, actual disbursements exceeded budgeted amounts by \$81,319 in the city's General Fund, and for the year ended June 30, 2012, unaudited financial statements indicate disbursements in the General and Park/Storm Water Funds exceeded budgeted amounts by approximately \$11,000 each. The city did not publish its financial statements in accordance with state law.
Meetings and Ordinances	The Board did not prepare minutes for some open meetings, and minutes did not always contain some necessary information. Open meetings do not always document a roll call vote to enter into closed session or a specific reason for entering into closed session. Closed meeting minutes were not prepared for five of eleven closed meetings, and some issues discussed in closed meetings were not allowable under the Sunshine Law. Some ordinances have not been properly updated, and some ordinances were not signed and dated to document approval by the Board.

In the areas audited, the overall performance of this entity was **Fair**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The city was approved to receive Recovery Act loan funds of \$650,000, and on June 21, 2012, the Board of Aldermen approved City Ordinance Number 363 to issue these waterworks and sewerage system bonds.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# City of Diamond

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# THOMAS A. SCHWEICH

## Missouri State Auditor

To the Honorable Mayor  
and  
Members of the Board of Aldermen  
City of Diamond, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Diamond. We have audited certain operations of the city in fulfillment of our duties. The city engaged Taylor and Associates, Certified Public Accountants (CPAs), to audit the city's financial statements for the years ended June 30, 2012 and 2011. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm for the year ended June 30, 2011, audit, since the year ended June 30, 2012, audit had not been completed. The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2012. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Diamond.

An additional report, No. 2012-78, *Fortieth Judicial Circuit, City of Diamond Municipal Division*, was issued in August 2012.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Donna Christian, CPA, CGFM
In-Charge Auditor:	Candi Copley
Audit Staff:	Michelle Crawford, M.Acct. Joshua Allen, CPA, CFE

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# City of Diamond

## Management Advisory Report

### State Auditor's Findings

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#### **1. City Sales Tax and Lease**

The city no longer allocates a portion of sales tax revenue to parks and recreation as originally outlined in the city ordinance at the time the issue was approved by voters. Additionally, a tax exempt lease agreement in the city's name was used to finance a copy machine for the private law office of the city's attorney.

##### **1.1 City sales tax**

The city is not allocating a portion of the revenue generated from a one-half cent city sales tax to parks and recreation. A city ordinance requiring a portion of the city's sales tax revenue to be allocated to parks and recreation was amended after the sales tax issue was approved by voters.

In November 2003, voters approved a one-half cent general sales tax. The ballot language specifically referenced City Ordinance No. 256 which was passed by the Board of Aldermen in August 2003 and states in part, "A portion of the tax, equal to one-eighth of one percent (.0125 percent) shall be earmarked for expenditures for the parks and recreation."

According to city officials the percentage stated in Ordinance Number 256 was not correct. In February 2005, Ordinance Number 262 was passed to amend the initial ordinance and list the percent allocated to parks and recreation as 0.125 percent. Then, in November 2006, Ordinance Number 262 was amended with the passage of Ordinance 285 which indicates that the portion previously allocated to parks and recreation would now be distributed to the city's General Fund. As a result, the city discontinued allocating a portion of the sales tax revenue to parks and recreation.

According to documentation prepared by the city in 2003, the city estimated total sales tax revenues of \$20,000 with \$5,000 to be used for parks. This sales tax generated approximately \$35,000 during the year ended June 30, 2012, and, using the same calculation method as the city, this results in approximately \$8,750 that could have been used for parks and recreation.

Although the city's original sales tax ordinance earmarked a portion of the sales tax revenue for parks and recreation, city officials believe the city is not legally required to follow the restriction because the ballot language only referred to the ordinance and did not specifically restrict the funds. However, the city does not have any documentation to indicate legal counsel was consulted prior to lifting the restriction of these sales tax revenues.

##### **1.2 Tax exempt lease**

In February 2011, the city's attorney entered into a \$11,173 tax exempt lease agreement in the city's name to finance a copy machine for his private law office. Current city officials indicated they were unaware of the lease until they received a notice from the Internal Revenue Service of the outstanding tax exempt obligation.



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City of Diamond  
Management Advisory Report - State Auditor's Findings

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All financing documents and IRS reporting documents are in the city's name with only the signature of the city's attorney. There is no documentation in Board meeting minutes to indicate the Board approved the obligation. According to the city's attorney, the monthly payments for the obligation are paid by his law office and the arrangement was verbally approved by a former Mayor.

This arrangement appears to have potentially obligated the city to pay an \$11,173 lease for property that does not belong to the city. In addition, this arrangement has resulted in sales taxes and income taxes not being paid related to this transaction, depriving the federal, state and local governments of these taxes.

To ensure the city is not obligated for the lease agreement and avoid misunderstandings related to tax consequences, the city's attorney should be required to amend the lease agreement and other related documents, and provide adequate documentation to the city verifying the situation has been resolved.

## Recommendations

The Board of Aldermen:

- 1.1 Consult legal counsel to determine if the city is legally authorized to amend the original sales tax ordinance to eliminate the parks and recreation restriction, and if applicable, calculate the amount of park and recreation revenue for prior years and transfer that amount from the city's General Fund to a fund restricted for parks and recreation.
- 1.2 Instruct the city's attorney to correct the filings he has made with the IRS, bank, and copier company, and provide documentation to the city to support these corrections.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 1.1 *We have addressed this recommendation by passing Resolution #092012 on September 10, 2012 to allocate one eighth of the one percent sales tax into the city's parks and recreation account. We will determine if any prior year amounts of sales tax collections should be transferred.*
- 1.2 *We will review the tax exempt lease with our attorney and ask him to remove the obligation from the city's name. This apparently was an arrangement agreed to by a prior city official, but it will not be continued. All financing obligations issued in the city's name must now have approval by the Board of Aldermen and provide a clear benefit to the city.*





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## 2. Disbursement Procedures

### 2.1 Approval and documentation

The Board needs to improve procedures for approving and documenting disbursements, allocating expenses to city funds, and soliciting bids or proposals for goods and services.

Some disbursements are not properly approved and supported by adequate documentation. Although the Board approves a list of disbursements each meeting, the list is not always complete, and in some instances not retained.

Four electronic payments totaling \$736 were made from the city's General Fund bank account for credit card payments between July and October 2010 without adequate documentation. The city was unable to provide credit card statements or documentation to show what was purchased, and these payments were not included on the list of bills the Board approved. Accounting records reflect these transactions as general operating expenses but do not specify what was purchased. The former City Clerk thought these were on-line purchases of supplies, such as checks.

Additionally, the monthly list of disbursements approved by the Board could not be located for November 2010 through March 2011, and June 2011. Further, payroll disbursements are not reviewed and approved by the Board.

To ensure all disbursements are an appropriate use of city funds, adequate supporting documentation should be maintained, and the list of disbursements approved by the Board should be complete and retained to document the Board's review and approval.

### 2.2 Allocation of expenses

No documentation was maintained to support the allocation of expenses among funds. The Board votes to alternate some expenses, such as accounting fees, from the Water/Sewer Fund to the General Fund every other year. Additionally, employee salaries are not allocated based upon the work performed. For example, salaries of the city's two maintenance employees are allocated entirely to the Water/Sewer Fund even though they also perform street repair duties. The City Collector's main duty is to account for water and sewer monies; however, her entire salary is paid from the General Fund.

Proper allocation of expenses, including payroll, is necessary for the city to accurately determine the results of operations of specific activities, thus enabling the city to establish the level of taxation and/or user charges necessary to meet all operating costs. Documentation should be maintained to support the allocation of expenses.

### 2.3 Procurement procedures

The city did not always comply with Chapter 130 of the City Code which requires city officials to advertise for bids for items or services costing more than \$5,000. For example, the city did not advertise for bids for the purchase of two patrol cars costing a total of approximately \$25,000. Procurement



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documentation maintained by the city only included advertisement flyers from three law enforcement car dealers. Additionally, the city has not solicited bids for mowing services costing \$8,455 during the year ended June 30, 2012.

In addition to complying with city code, competitive bidding helps ensure the city has made sufficient effort to receive goods or services at the best and lowest price and all parties are given an equal opportunity to participate in city business. Complete documentation of all bids and proposals received and reasons why a bid or proposal was selected helps demonstrate the city conducts a fair procurement process and provides information needed should questions arise.

### 2.4 Engineering services

The city did not document its evaluation and selection of engineering services for the sewer construction project. In April 2010, an agreement was signed with an engineering firm with estimated costs of \$55,000, and in October 2011, two change orders were approved increasing engineering costs to \$115,000.

Sections 8.289 and 8.291, RSMo, provide requirements for obtaining, evaluating, and negotiating engineering services.

## Recommendations

The Board of Aldermen:

- 2.1 Ensure documentation is maintained for all disbursements and the list of disbursements approved at the monthly Board meeting is complete and retained.
- 2.2 Ensure city expenses are properly allocated to the applicable city funds and allocations are supported by adequate documentation.
- 2.3 Ensure bids are solicited in accordance with city code.
- 2.4 Comply with state law when procuring engineering services and document the evaluation and selection process.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 2.1 *The listing of invoices approved for payment by the Board of Aldermen is now retained with monthly Board of Aldermen meeting minutes. Adequate documentation is now maintained for all city disbursements.*
- 2.2 *The City conducted a time allocation survey of personnel duties in July, August and September 2012 for all employees except the City Clerk. We will allocate personnel costs accordingly and reassess allocations periodically. The City Clerk will also document her time*



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*and allocate her salary appropriately. The allocation of other expenses will also be reviewed.*

2.3 *We will review the city's procurement requirements to determine if current requirements are sufficient for the city's purchasing needs. Additionally, better documentation will be maintained to support bidding procedures.*

2.4 *On future projects we will comply with state law when obtaining engineering services.*

### 3. Accounting Controls and Procedures

The City's accounting controls and procedures need improvement.

The City Collector receives various revenues including water, sewer, trash, fire protection fees, property tax assessments, sales taxes, franchise fees, and other miscellaneous revenues. Cash, checks, money orders and credit card payments are accepted. Revenues totaling approximately \$650,000 were collected during the year ended June 30, 2012.

#### 3.1 Segregation of duties

The Board has not established adequate segregation of duties or supervisory review over the City Collector's duties.

The duties of receiving, recording, and depositing all monies are primarily performed by the City Collector. Additionally, the City Collector is responsible for billing and tracking all utility and property tax accounts. This includes posting adjustments to customer utility accounts. While the city has contracted with an outside accountant to perform bank reconciliations and prepare the city's financial reports, no one compares receipts to deposits or reviews adjustments made to customer utility accounts.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are safeguarded. If segregating these duties is not possible, at a minimum, procedures for adequate independent reviews should be established and documented.

#### 3.2 Receipting and depositing procedures

The city's receipting and depositing procedures are poor. As a result, there is no assurance all monies collected were properly deposited in city bank accounts.

Receipt slips are not always issued for payments made by check. In addition, receipt slips do not always correctly document the method of payment received, and the method of payment recorded on the receipt slips is not reconciled to the composition of the deposit.

- Receipts were not always deposited intact or timely. For example, a \$50 utility deposit received on June 29, 2011, was not deposited until



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September 14, 2011. Additionally, a \$200 building rental deposit was held and returned to the renter after building use rather than being deposited.

- Receipt slips are not always issued in numerical order and all copies of some voided receipt slips were not retained.
- Receipts are not always deposited into the proper city bank account. For example, water and sewer receipts are often deposited into the city's General Fund bank account. Adjustments are routinely made to correct depositing errors.

Failure to implement adequate receipting and depositing procedures increases the risk that loss or misuse of monies received will go undetected and accounting records will contain errors.

### 3.3 Recording procedures

Monies received are not always posted to the city's computer system timely, and computer system controls are not adequate.

Several instances were noted where payments were posted several days after received. Additionally, the city's computerized utility/property tax system allows receipt transactions to be posted in prior periods. For example, a customer's \$153 utility deposit received in August 2010, was not entered into the computer system until November 2011, when the resident notified the city of a pending move. The system allowed for the receipt to be entered into the prior period dated August 2010. While the system can generate a report of back dated transactions, this report is not generated and reviewed by city personnel. The ability to post transactions to prior periods allows manipulation of receipts information and provides less assurance all monies received are deposited.

To ensure receipts are properly recorded and deposited, and computerized records are up-to-date, receipts should be posted to the computer system in the proper period and immediately upon receipt. Additionally, to prevent receipts from being entered into prior periods, consideration should be given to contacting the software programmer to add control features to the program to prevent these changes. If programming changes cannot be made, a report of back dated transactions should be generated and reviewed periodically.

### 3.4 Bank accounts

The city has nine bank accounts, resulting in cumbersome recordkeeping. Several deposits were made into the wrong account and the city pays a contracted accountant a monthly fee of \$1,800 to reconcile all bank accounts monthly and determine the amount of transfers needed to correct errors.



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To help simplify city records, the Board should consider reducing the number of bank accounts and evaluate options which might reduce the monthly fee paid to the contracted accountant or result in in-house preparation of monthly reconciliations.

## Recommendations

The Board of Aldermen:

- 3.1 Adequately segregate the duties of the City Collector. If this is not possible, at a minimum, the Board should perform and document the review of the City Collector's work.
- 3.2 Ensure receipt slips are issued for all monies received, the composition is documented correctly on receipt slips, all monies are deposited intact in the proper city bank account and in a timely manner, and reconcile the composition of receipts to the composition of deposits. Additionally, the Board should ensure the numerical sequence of receipt slips is accounted for properly and all copies of voided receipt slips are retained.
- 3.3 Ensure receipts are posted to the computer system timely and contact the programmer to determine if control features can be incorporated into the computer system to prevent receipts from being recorded in a prior period. If software changes cannot be made, the back dated transaction report should be generated and reviewed periodically.
- 3.4 Consider reducing the number of city bank accounts and evaluate options which might reduce the monthly fee paid to the contracted accountant or result in in-house preparation of monthly reconciliations.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 3.1 *Some City Collector duties have now been segregated. The City Clerk is currently processing the city's utility bills. A review of manual receipt slips and deposit records will also now be performed.*
- 3.2 *Proper receipting and depositing procedures have now been implemented.*
- 3.3 *Receipts are now posted to the system daily. We will contact the city's software provider to determine the feasibility of implementing stronger computer controls.*



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3.4 *We will communicate with the contracted accountant to determine the appropriate number of city bank accounts and any cost saving measures the city can implement to reduce accounting costs.*

## 4. Utility System Controls and Procedures

The city did not adequately review the costs associated with operating the water and sewer system prior to raising rates in April 2011. Additionally, the city's water loss has increased significantly in the last 2 years and some customers are allowed to make partial payments on their water and sewer accounts without Board approval or signed payment agreements. Amounts paid to the city's trash service vendor are more than required by contract.

### 4.1 Water and sewer rates

The city has not performed a formal review of water and sewer rates and did not adequately document the calculation of the water and sewer rate increase approved in April 2011.

A 5 percent increase in water and sewer rates was approved by the Board in April 2011, based upon the city's need to collect \$14,500 monthly in water and sewer fees to offset monthly expenses; however, there is no documentation to support how the \$14,500 was determined. According to city financial statements, the Water/Sewer Fund incurred a net loss of approximately \$12,000 for the year ended June 30, 2012.

Section 67.042, RSMo, provides that fees may be increased if supported by a statement of costs, which shows the increase is necessary to cover costs of providing the service. Water and sewer fees are user charges which should cover the cost of providing the related services. The city should perform a detailed review of its water and sewer costs, including depreciation and debt service costs, and set rates to cover the total cost of operation. Preparing a statement of costs would not only allow the city to determine the rates necessary to support current and future operations, but also provide documentation to customers of the rationale behind the rates. Such rate studies should be performed periodically.

### 4.2 Water loss

The city has experienced a significant increase in the amount of unbilled water (water loss) each month and has not documented efforts to resolve the losses.

The city's computerized water and sewer billing system compares total water pumped to total water billed to customers to determine the amount of water loss. In 2 years the amount of water loss each month has increased significantly. In July 2010, the city water loss was approximately 783,000 gallons (25 percent of the water pumped); however, in June 2012, the water loss was approximately 2.5 million gallons (49 percent of the water pumped).

While the Board meeting minutes occasionally reference the city's water losses, there is no documented effort by the Board to address the losses. City



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officials indicated that water lines are deteriorating and need to be replaced and some unmetered water is also suspected.

To help detect significant water loss and ensure all water use is properly billed, the Board should review the reconciliation of gallons of water pumped to gallons of water billed on a monthly basis and document efforts to investigate and resolve the differences. According to the United States Environmental Protection Agency, the water industry goal for unaccounted for water is 10 percent or less.<sup>1</sup>

#### 4.3 Partial payments

Although the city does not have a policy regarding partial payments by utility customers, some customers are allowed to make partial payments without Board approval to avoid being disconnected. In addition, these customers are not required to sign an agreement for the payment arrangements. The City Collector indicated about five customers are currently making partial payments on their utility bills.

To ensure all customers are treated equitably, a formal policy should be established documenting the process to determine when payment plans are allowed, how the payment amount is to be established, and the approval process for these arrangements. In addition, a signed written payment agreement is necessary to indicate the intent of the customer to pay the outstanding balance and to aid in accounting for and collecting amounts due to the city.

#### 4.4 Trash services

The city pays more for trash service than required by contract.

Charges for trash services are included on customer water and sewer bills, collected by the city, and remitted to the trash service vendor monthly. According to the city's contract with its trash vendor, the city should pay the vendor based upon the number of residential units billed each month; however, during the year ended June 30, 2012, the city calculated the monthly payment based upon 395 residents even though the actual number of residents billed has varied from 376 to 388 monthly. As a result, the city paid approximately \$1,800 more for trash services than required by contract. City officials believe the billing amount of 395 units was orally negotiated by a former city official.

During the year ended June 30, 2011, the method the city used to calculate the amount paid to the trash service vendor was not documented and seemed to vary from month to month. For several months the city appears to have paid either the same dollar amount as the city collected from residents or an amount reasonably close to collections; however, the city's monthly trash

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<sup>1</sup> United States Environmental Protection Agency, "Using Water Efficiently: Ideas for Utilities," <<http://www.epa.gov/watersense/pubs/utilities.html>>, accessed on August 16, 2012.



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rate includes an administrative fee of 70 cents which is to be retained by the city and not included in the contracted amount to be paid to the trash service vendor. For the year ended June 30, 2011, the city paid the trash vendor approximately \$1,500 more than required by contract.

To ensure amounts paid for trash service are calculated in accordance with contract terms, the actual number of residents billed should be used to calculate the amount owed.

## Recommendations

The Board of Aldermen:

- 4.1 Document formal reviews of water and sewer rates periodically to ensure revenues are sufficient to cover all costs of providing these services and to support any rate increases.
- 4.2 Review the reconciliation of gallons of water pumped to gallons of water billed on a monthly basis and document efforts to investigate and resolve the differences.
- 4.3 Establish a formal written policy regarding partial payments for delinquent accounts, and obtain a signed written agreement to support the payment arrangement.
- 4.4 Calculate payments to the trash vendor based upon contract terms.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 4.1 *With the current sewer bond requirements, rates were increased again in September 2012. We believe water and sewer rates were properly reviewed and calculated by our engineer or the United States Department of Agriculture. We will contact them to obtain a copy of the statement of costs to support our recent rate increase.*
- 4.2 *The city's past meter maintenance program was poor. We recently began recalibrating and replacing city meters as needed to ensure meter readings are accurate. Some water system leaks have also been discovered and water system controls have been identified to obtain more accurate system reconciliation reports. We are reviewing reconciliation reports monthly and working to resolve the significant water losses.*
- 4.3 *We will review city procedures for partial utility payments and update the city's procedures as necessary.*





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4.4 *This recommendation has been implemented. Payments to the city's trash vendor are now being made in accordance with the contracted terms.*

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## 5. Payroll Procedures

Procedures for compensating employees for overtime are not consistent and do not always agree with the city personnel policy. Additionally, improvement is needed in calculating, reviewing and approving hours reported as worked on employee time cards.

### 5.1 Overtime Compensation

The city personnel policy regarding overtime is not always followed, and the city has not consistently followed the same procedures for awarding compensatory time or overtime to employees.

According to city officials and Board meeting minutes, the positions of City Clerk, City Collector, and Police Chief are salaried positions and these employees do not receive compensatory time or payment for overtime. However, the city personnel policy indicates overtime compensation for city employees is based upon hours worked in excess of 40 hours in a week or over 8 hours per day. The policy further defines individuals serving in these positions as city employees. Employees serving in these positions complete time cards and routinely work more than 40 hours per week but do not receive overtime payment or compensatory time.

The September 2011 Board meeting minutes indicate the newly appointed City Clerk and City Collector are not allowed compensatory time; however, in November 2011, the Board approved paying the former City Clerk \$1,973 for unpaid overtime worked between January 2009 and September 2011.

To ensure city personnel policies are followed and employees are properly compensated, the Board should review city policies and procedures to ensure they are consistently applied and comply with the Fair Labor Standards Act (FLSA) of 1938. The personnel policy should be updated if necessary.

### 5.2 Time cards

Employees do not sign time cards certifying hours recorded are accurate. Additionally, time cards are not adequately reviewed resulting in inaccurate payroll calculations for some employees.

We reviewed time cards for seven city employees for the pay period dated February 6 through 11, 2012, and noted errors in calculating total time worked on five of the seven time cards. Errors ranged from insignificant amounts to a 49 minute shortage on one part-time employee's time card who only worked approximately 8 hours during the pay period. City employees use a time clock to document their time in and time out. A conversion chart is used to help calculate the total hours an employee worked; however, apparently errors were made when using the conversion chart.



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To ensure the accuracy of the hours worked, time recorded and payroll amounts disbursed, time cards should be signed by the employee and reviewed and approved by the supervisor.

## Recommendations

The Board of Aldermen:

- 5.1 Compare the city personnel policy regarding employee overtime to procedures followed by the city to ensure they are consistent and comply with the FLSA. If necessary the Board should update the personnel policy.
- 5.2 Implement procedures to ensure time cards are signed by the employee, time worked is properly calculated, and time cards are adequately reviewed and approved by a supervisor.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 5.1 *The Board will consult with legal counsel and review and update the city's current policy to ensure FLSA requirements are followed.*
- 5.2 *This recommendation has been implemented. Employees are now signing time cards and time cards are reviewed and signed by supervisors.*

## 6. Property Tax Controls and Procedures

Improvement is needed in reporting property taxes to the Board and in verifying the accuracy of the property tax book. Additionally, documentation was not available to show that a public hearing was held to set the city's tax levy. The city collects approximately \$14,500 in property taxes annually.

### 6.1 Monthly and annual property tax reports

Monthly and annual reports were not prepared and presented to the Board summarizing the amount of property taxes collected as well as property taxes which remain delinquent. In January 2012, the Collector reported to the Board there were unpaid taxes on 33 properties totaling \$1,960; however, a detailed list was not provided.

Sections 79.310, 94.320, and 94.330, RSMo, require the City Collector to prepare and submit monthly and annual reports to the Board of the amount of taxes collected and annual lists of delinquent taxes, including a detailed list of persons who have not paid. The Board is to examine and approve the reports and charge the City Collector with collection of the amounts due.

Monthly and annual reports which comply with state law would help provide assurance taxes have been properly collected, written off, or determined to be delinquent. Without such reports, examined by the Board, any errors or irregularities that might occur are likely to go undetected.



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## 6.2 Property tax books

The City Clerk does not verify the accuracy of the property tax books, or charge the City Collector with the amount to be collected. The City Collector enters the information received from Newton County into the city's computer system and generates the tax book and tax statements.

Section 94.290, RSMo, requires the City Clerk to charge the City Collector with the amount to be collected. Verification of tax book information and totals is necessary to ensure the amount charged to the City Collector is complete and accurate and to provide some independent review and control over city tax collections.

## 6.3 Property tax rates

Documentation could not be provided to indicate the Board held a public hearing on the city's proposed property tax levy. While the Board annually approves the city's tax levy during regular open Board meetings in August, there is no documentation to indicate that a notice of public hearing was published or posted by the city.

Section 67.110.2, RSMo indicates the governing body will hold at least one public hearing to be published in at least one newspaper or posted in three public places prior to approval of the proposed tax rates.

## Recommendations

The Board of Aldermen:

- 6.1 Require the City Collector prepare detailed monthly and annual reports as required by state law. The Board should examine the reports for propriety and accuracy.
- 6.2 Require the City Clerk to verify the accuracy of the property tax book and charge the City Collector with the amount of taxes to be collected.
- 6.3 Hold a public hearing prior to setting the city's property tax rates in accordance with state law.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 6.1 *Detailed city tax reports are now being provided to the Board.*
- 6.2 *The City Clerk is now verifying the accuracy of the city's tax books and charging the City Collector with the amount of taxes to be collected.*
- 6.3 *The Board held a public hearing to set the 2012 property tax levy.*



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## **7. Financial Statements and Budgets**

The city does not comply with state law related to budget preparation, budget monitoring, budget amendments, and published financial statements.

### **7.1 Budget preparation**

Annual budgets do not contain all elements required by state law. Budgets for the years ended June 30, 2012, and 2011, did not include a budget message and actual and budgeted amounts for the 2 preceding years. The budgets only included projected receipts and disbursements for the coming year.

Section 67.010, RSMo, sets specific guidelines for the format of the annual operating budget. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in setting tax levies and utility rates and informing the public about city operations and current finances.

### **7.2 Excess disbursements and budget amendments**

The Board does not adequately monitor budget to actual revenues and expenditures and does not properly amend the budget.

According to audited financial statements for the year ended June 30, 2011, General Fund actual disbursements exceeded budgeted amounts by \$81,319. Additionally, the city's unaudited financial statements for the year ended June 30, 2012, indicate disbursements in the General and Park/Storm Water Funds exceeded budgeted amounts by approximately \$11,000 each. Although monthly budget to actual comparison financial reports are received from the contracted accountant the Board does not adequately review the reports and amend the budget when necessary. According to Board meeting minutes for December 2011, the Board approved amending budgets; however, the city officials indicated there was no official resolution of the Board and no documentation could be located to indicate which funds were amended or the amount of the amendments. City officials indicated that apparently amendments were not completed as approved.

Section 67.080, RSMo, provides that no disbursement of public monies should be made unless it is authorized in the budget. In addition, Section 67.040, RSMo, allows for budget increases, but only after the governing body officially adopts a resolution setting forth the facts and reasons. To ensure compliance with state law, the Board should properly monitor actual expenditures compared to budgeted amounts and formally amend the budget by resolution of the Board.

### **7.3 Financial statements**

The city did not comply with state law regarding publishing financial statements. Financial statements for the 6 months ending December 31, 2011, were not published until March 9, 2012, after we inquired about the



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city's published financial statements. The city subsequently published a financial statement for the year ending June 30, 2011, on March 18, 2012.

Section 79.160, RSMo, requires the Board to prepare and publish financial statements of each six month period which include a full and detailed account of the receipts, expenditures, and indebtedness of the city. In addition, Section 79.165, RSMo, states the city cannot legally disburse funds until the financial statements are published.

## Recommendations

The Board of Aldermen:

- 7.1 Prepare annual budgets that contain all information as required by state law.
- 7.2 Perform adequate reviews of budget to actual financial information monthly, ensure actual disbursements do not exceed budgeted amounts, and if necessary, amend the city's budget through resolution of the Board.
- 7.3 Ensure financial statements are published in accordance with state law.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 7.1 *We plan to amend the city's 2012-2013 budget to comply with state law.*
- 7.2 *In the future, we will monitor the city's expenditures to ensure budgeted amounts are not exceeded and if necessary amend the budget through the city's budget process.*
- 7.3 *Financial statements will be published timely, and documentation will be obtained to verify the publication.*

## 8. Meetings and Ordinances

Procedures for conducting and documenting open and closed Board meetings need improvement. Additionally, some ordinances were not properly updated or signed as approved.

### 8.1 Open meetings

Minutes were not prepared for some open meetings of the Board. For example, no minutes were taken during the Board meeting held on May 19, 2012, when the City Clerk was appointed, and open meeting minutes referenced budget work sessions held on April 13 and 27, 2011, by the Board; however, no minutes were prepared for these work sessions.

Additionally, meeting minutes do not always contain some necessary information. For example, appointments, made by the Mayor and approved by the Board, to the city Planning and Zoning Commission and Parks Board



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are not always documented in meeting minutes, and some open meeting minutes do not include the time and place of the meeting.

Section 610.020, RSMo, requires meeting minutes be maintained to retain a record of business conducted and to provide an official record of board actions and decisions.

## 8.2 Closed meetings

Significant weaknesses were identified during our review of closed meetings of the Board.

- Open meeting minutes do not always record a roll call vote of the Board members to enter into closed session or a specific reason for entering into closed session is not always documented.
- Closed meeting minutes were not prepared for 5 of 11 closed meetings held by the Board during the 2 years ended June 30, 2012.
- Based upon closed meeting minutes documentation, some issues discussed in closed meetings were not allowable under the Sunshine Law. For example closed meeting minutes indicated the Board discussed employee work hours, job descriptions, and the court computer system during closed sessions.
- The April 19, 2012, open meeting minutes indicate the Mayor wanted to go into closed session but some members objected because the closed session was not included on the agenda. According to meeting minutes the Mayor stated that since a closed session was not on the agenda the Board should adjourn the open meeting and immediately meet again in a special closed meeting following the adjournment. According to closed meeting minutes the Board discussed on-line bill paying, employee benefits, email accounts for Board members, and city budgetary procedures during the special closed meeting.

The Sunshine Law, Chapter 610, RSMo, requires that before any meeting may be closed, the question of holding the closed meeting and the reason for the closed meeting, including reference to a specific section of the law, shall be voted on at an open session. In addition, this law limits discussions in closed meetings to only those items specifically allowed by law; requires governmental bodies to prepare and maintain minutes of closed meetings; and requires reasonable notice of meetings.

## 8.3 Ordinances

Improvement is needed in maintaining city ordinances. Some ordinances have not been properly updated and some ordinances were not signed and dated to document approval by the Board. For example, the city did not update the ordinance defining the compensation for the Police Chief when the new Chief was hired in August 2011. Additionally, in April 2011, Board meeting minutes indicate the Board approved an increase in water and sewer



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rates and a new ordinance was prepared with the updated rate structure; however, it was not officially read and approved, signed and dated.

Since ordinances represent legislation passed by the Board to govern the city and its residents, it is important ordinances be approved, signed, dated, and maintained in a complete and up-to-date manner.

## Recommendations

The Board of Aldermen:

- 8.1 Maintain complete and accurate minutes for open meetings.
- 8.2 Ensure the vote to close a session is documented in the open minutes, along with the reason for closing the session. In addition, the Board should ensure only allowable subjects are discussed in closed session, minutes are maintained for all closed sessions, and reasonable notice is given for all meetings.
- 8.3 Ensure ordinances are approved, signed, dated and maintained in a complete and up-to-date manner.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 8.1 *This recommendation has been implemented. We are now maintaining complete and accurate minutes of all Board meetings.*
- 8.2 *We will comply with state law while conducting closed meetings.*
- 8.3 *More complete and up-to-date ordinances are now maintained.*

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# City of Diamond

## Organization and Statistical Information

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The City of Diamond is located in Newton County. The city was incorporated in 1950 and is currently a fourth-class city. The city employed six full-time employees and four part-time employees on June 30, 2012.

City operations include utilities (water/sewer), law enforcement, recreational facilities (parks), and contracted fire protection services.

### Mayor and Board of Aldermen

The city government consists of a mayor and four-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2 year term, presides over the Board of Aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at June 30, 2012, are identified below. The Mayor is paid an annual salary of \$3,603 and members of the Board of Aldermen are not compensated. The compensation of city officials is established by ordinance.

Shane Hunter, Mayor  
Brian Navarro, Alderman, Ward One  
Nancy Lewis, Alderwoman, Ward One  
Lisa Mitchell, Alderwoman, Ward Two  
Billie Jo Hardy, Alderman, Ward Two

### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

On March 18, 2010, the City of Diamond was approved to receive discretionary Recovery Act loan funds of \$650,000 through the United States Department of Agriculture, Rural Development for completion of a sewer upgrade project. On June 21, 2012, City Ordinance Number 363 was approved by the Board of Aldermen to issue these waterworks and sewerage system bonds for \$650,000.





Thomas A. Schweich  
Missouri State Auditor

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# INSURANCE, FINANCIAL INSTITUTIONS, AND PROFESSIONAL REGISTRATION

## Insurance



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January 2013  
Report No. 2013-08

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Department of Insurance, Financial Institutions, and Professional Registration - Insurance

Examination Tax Credit	Missouri is one of only five states which allow insurance companies to receive tax credits for examination costs, thereby shifting a significant portion of examination costs from insurance companies to the state General Revenue Fund. During the 10 years ended December 31, 2011, examination credits of over \$25.9 million were redeemed.
Payment of Operating Costs of the Governor's Office	In fiscal years 2011 and 2010, the Division of Insurance, Financial Institutions, and Professional Registration-Insurance (DIFP-Insurance) paid over \$23,000 for 70 flights of the Governor's office, only 8 of which included DIFP-Insurance personnel. In addition, approximately \$5,000 was paid from the Insurance Dedicated Fund toward the salaries of Governor's office staff physically located in and supervised by the Governor's office and performing duties related to programs and functions of that office.
Consumer Affairs Division	The Insurance Consumer Affairs Division does not have adequate policies and procedures in place to ensure complaints received are investigated and resolved in a timely manner. Of the 1,123 agent investigation cases open as of June 30, 2012, 502 had been open since June 30, 2010, and some dated back to as early as 2005.

In the areas audited, the overall performance of this entity was **Good**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The Department of Insurance, Financial Institutions, and Professional Registration did not receive any federal stimulus monies during the audited time period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: <http://auditor.mo.gov>

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# Department of Insurance, Financial Institutions, and Professional Registration - Insurance

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
John M. Huff, Director  
Department of Insurance, Financial Institutions,  
and Professional Registration  
Jefferson City, Missouri

We have audited certain operations of the Department of Insurance, Financial Institutions, and Professional Registration - Insurance, in fulfillment of our duties under Chapters 29 and 374, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2012, 2011, and 2010. The objectives of our audit were to:

1. Evaluate the department's internal controls over significant management and financial functions.
2. Evaluate the department's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified (1) a deficiency in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Insurance, Financial Institutions, and Professional Registration - Insurance.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Matthew Schulenberg, CFE
Audit Staff:	April Campbell
	Alexander Druzenko, MBA
	Nicholas Schafer

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# Department of Insurance, Financial Institutions, and Professional Registration - Insurance

## Management Advisory Report - State Auditor's Findings

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### **1. Examination Tax Credit**

Missouri is one of only five states to allow insurance companies to receive tax credits for examination costs, resulting in a significant portion of examination costs being borne by the state General Revenue Fund instead of insurance companies. According to Department of Insurance, Financial Institutions, and Professional Registration (DIFP)-Insurance officials, North Dakota, Alabama, Utah, and Texas are the other four states that offer tax credits similar to Missouri.

Chapter 374, RSMo, requires the DIFP-Insurance to examine insurance companies on a predetermined basis and to bill the insurance companies for the costs of these examinations. However, Section 148.400, RSMo, allows all insurance companies to deduct the entire cost of examinations from premium taxes paid to the state and deposited into the state's General Revenue Fund. Additionally, this statute allows insurance companies to carry forward these credits for 5 years. For tax year 2011, total examination tax credits available were approximately \$10 million and examination tax credits redeemed were approximately \$2.2 million. Also, examination tax credits of approximately \$2 million expired during 2011, because they had not been redeemed in 5 years, leaving a balance of approximately \$5.8 million that carried forward to 2012. In addition, according to documentation obtained from the DIFP-Insurance, examination credits of over \$25.9 million were redeemed during the 10 years ended December 31, 2011.

Other industries regulated by the DIFP do not receive similar tax credits for examination costs. Banks, savings and loan associations, and credit unions also pay assessments to cover DIFP examination costs and may expense the costs when determining taxable income for state income taxes purposes. However, these industries are not allowed to claim examination costs as a tax credit from the actual tax liability.

To ensure revenue is maximized, the cost of tax credits is contained, and tax treatment for various industries is equitable, the costs and benefits of the insurance examination tax credit should be evaluated periodically.

A similar condition was noted in our three prior reports.

### **Recommendation**

The DIFP-Insurance examine issues related to the appropriateness of the examination tax credit and report its findings to the General Assembly.

### **Auditee's Response**

*The department will continue to track and provide information on the examination tax credit to the General Assembly as required under the Tax Credit Accountability Act, RSMo 135.800-135.830. The department will also continue to present this finding as part of the tax credit hearing held each year by the General Assembly.*



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## 2. Payment of Operating Costs of the Governor's Office

In fiscal years 2011 and 2010, the DIFP-Insurance paid salaries and other costs totaling over \$28,000 related to operations of the Governor's office, thus circumventing the appropriation process established by the General Assembly. These costs were paid from the Insurance Dedicated Fund, the purpose of which is to pay for expenditures incurred by the DIFP-Insurance.

The DIFP-Insurance paid over \$23,000 for 70 flights of the Governor's office. These flights typically included the Governor, members of his staff, and his security; however, only eight of these flights included DIFP-Insurance personnel. House Bill No. 7, First Regular Session, 96th General Assembly prohibited funding from the DIFP-Insurance to be expended for the purposes of costs associated with travel or staffing for the Governor's office for the time period of July 1, 2011 to June 30, 2012, and no payments were made during this time period. In addition, during fiscal year 2011, a portion of the salaries of Governor's office staff, totaling approximately \$5,000, was paid from the Insurance Dedicated Fund. It appears these employees were physically located in and supervised by the Governor's office, and performed duties related to programs and functions of that office.

While some of these flights may have related to DIFP-Insurance, it appears the primary purposes of these flights were for functions associated with the Governor's office. It is not appropriate for state agencies to bear the cost of such flights and personnel costs that provide no clear benefit to the applicable agencies. These funding practices distort the actual costs of operating the DIFP-Insurance and the Governor's office. In addition, Section 374.150, RSMo, requires appropriations from the Insurance Dedicated Fund to be used solely for payment of expenditures incurred by the department in performing its duties.

### Recommendation

The DIFP-Insurance ensure all disbursements made from the Insurance Dedicated Fund are reasonable and proper and relate to the overall function of the department.

### Auditee's Response

*The department will continue to ensure all disbursements made from the Insurance Dedicated Fund are reasonable and proper and relate to the overall function of the department. In FY2010 and FY2011, the expenditures described in the finding were properly disbursed and handled in a manner that reflected the nature of the work the Governor's office performs for state agencies. No costs prohibited by House Bill 7 (FY2012) were charged to the Fund.*

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## 3. Consumer Affairs Division

The Insurance Consumer Affairs Division does not have adequate policies and procedures in place to ensure complaints received are investigated and resolved in a timely manner. The purpose of the Insurance Consumer Affairs Division is to help consumers resolve complaints and inquiries; provide information on insurance policy questions; investigate insurance



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Department of Insurance, Financial Institutions, and Professional  
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agents, public adjusters and bail bond agents suspected of violations; and provide insurance education and outreach activities to Missouri consumers. As of June 30, 2012, the Insurance Consumer Affairs Division had a total of 1,414 open cases.

These 1,414 open cases include 1,123 agent investigation cases, 77 consumer complaints cases, and 214 Health and Human Services Consumer Assistance Program cases. Of the 1,123 open agent investigation cases, 502 have been open since June 30, 2010, and some date back to as early as 2005.

Although the division does not have written policies and procedures for resolving complaints in a timely manner, division personnel indicated that consumer complaints are prioritized over agent investigations. Without adequate policies and procedures to resolve complaints in a timely manner, the division has less assurance it is adequately protecting the interests of the general public.

## Recommendation

The Insurance Consumer Affairs Division establish policies and procedures to ensure complaints are resolved in a timely manner.

## Auditee's Response

*The nature and complexity of consumer complaints and investigations vary widely and, consequently, the time required to resolve these matters varies widely. The Consumer Affairs Division has measurable efficiency criteria regarding consumer complaints and investigations. Given the variance in these matters, management believes measurable efficiency criteria are the superior management tool.*



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# Department of Insurance, Financial Institutions, and Professional Registration - Insurance

## Organization and Statistical Information

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The Missouri Division of Insurance was created by an act of the Missouri legislature in 1869. With the enactment of the state Omnibus Reorganization Act of 1974, the agency was transferred to the Department of Consumer Affairs, Regulation and Licensing. Constitution Amendment No. 6 passed in August 1984, changed the name of the Department of Consumer Affairs, Regulation and Licensing, to the Department of Economic Development, effective September 7, 1984. Constitutional Amendment No. 4, passed in August 1990, created a new Department of Insurance, effective July 1, 1991. Executive Order 06-04 consolidated the former Department of Insurance, the Division of Finance, the State Banking Board, the Division of Credit Unions, and the Division of Professional Registration into one department and changed the name of the department to the Missouri Department of Insurance, Financial Institutions, and Professional Registration (DIFP), effective August 28, 2006.

The DIFP-Insurance operates under the authority of Chapter 374, RSMo. The management and control of the DIFP is vested in a director who is nominated by the Governor with the advice and consent of the Senate. John Huff was appointed Director on February 9, 2009, and continues to serve in that capacity.

When the agency was organized in 1869, 51 domestic and 120 foreign insurance companies were licensed in Missouri. As of June 30, 2012, there were 208 domestic and 1,834 foreign insurance companies licensed in Missouri.

The DIFP-Insurance regulates the insurance industry in the state through enforcement of Chapters 325, 354, and 374 through 385, RSMo. The department regulates and licenses the insurance industry in the state; ensures the insurance industry is financially sound, trustworthy, competent, and responsive to the insurance-buying public; and ensures the insurance industry complies with the laws of the state. To fulfill these responsibilities, the department maintains a central office in Jefferson City and branch offices in St. Louis and Kansas City. The DIFP-Insurance is organized into the following functional units: Insurance Company Regulation Division, Insurance Market Regulation Division, Insurance Consumer Affairs Division, and Administration Division. The DIFP-Insurance had 190 employees as of June 30, 2012.

The DIFP-Insurance administers transactions in the funds listed below.

The Insurance Examiner's Fund is authorized by Section 374.160 and 374.162, RSMo, to receive all monies paid to the state by insurance companies for the costs incurred by the department in conducting examinations, valuations, or proceedings against such companies.



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Expenditures, authorized by appropriations, are to be used for the purpose of paying the compensation of insurance examiners and expenses directly related to examinations. Any unexpended balances in this fund are perpetually maintained for the purposes of this fund.

The Insurance Dedicated Fund is authorized by Section 374.150, RSMo, to receive all fees due to the state under the provisions of the insurance laws. Appropriations from this fund are to be used solely for payment of expenditures incurred by the department in performing the duties required by law which are not paid for by another source of funds. Any unexpended balance in this fund is perpetually maintained for the purposes of this fund unless the unencumbered balance at the close of the biennium year exceeds two times the total amount appropriated, paid, or transferred to the fund during such fiscal year.

The DIFP-Insurance administers programs financed partially by federal monies maintained in the state treasury in the Federal Missouri Department of Insurance (MDI) Fund. Appropriations from this fund authorize disbursements of the department's federal monies.

The DIFP-Insurance does not receive any appropriations from the General Revenue Fund and does not maintain any proprietary interest in this fund. Receipts collected by the Department of Revenue (DOR) on behalf of the department and deposited into the state's General Revenue Fund include the following:

- **Premium Taxes:** In accordance with various provisions of Chapter 148, RSMo, insurance companies licensed in the state are required to pay a 2 percent tax on direct premiums received during the calendar year. The department certifies to the DOR the amount of premium taxes due together with the amount of quarterly installments to be paid by the insurance companies. The DOR collects the premium taxes and deposits them into the General Revenue Fund. Some premium taxes deposited into the General Revenue Fund are not available for general revenue purposes. The provisions of Chapter 148, RSMo, restrict about 50 percent of such premium taxes for distribution to the various school districts in the state.
- **Surplus Lines:** In accordance with the various provisions of Chapter 384, RSMo, surplus lines insurers are required to pay a 5 percent tax on net premiums for high risk insurance that is underwritten. The DOR collects the surplus lines taxes, penalties, and interest and deposits them into the General Revenue Fund. The department certifies to the DOR all penalties and interest due as a result of late payments.



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- **Captive Insurance Premium Taxes:** In accordance with various provisions of Chapter 379, RSMo, captive insurance companies licensed in the state are required to pay a premium tax at the rate of thirty-eight-hundredths of 1 percent on the first \$20 million and two hundred eighty-five-thousandths of 1 percent on the next \$20 million and nineteen-hundredths of 1 percent on the next \$20 million dollars and seventy-two-thousandths of 1 percent on each dollar thereafter on the direct premiums received during the calendar year. The department certifies to the DOR the amount of premium taxes due.
- **Special Purpose Life Insurance Captive (SPLRC) Premium Taxes:** In accordance with various provisions of Chapter 379, RSMo, each SPLRC is required to pay a premium tax at the rate of two hundred fourteen thousandths of 1 percent on the first \$20 million of assumed reinsurance premium, and one hundred forty-three thousandths of 1 percent on the next \$20 million, and forty-eight thousandths of 1 percent on the next \$20 million, and twenty-four thousandths of 1 percent of each dollar thereafter on the direct premiums received during the calendar year. The department certifies to the DOR the amount of premium taxes due.

In accordance with Section 287.690, RSMo, on October 31 of each year, the director of the Division of Workers' Compensation estimates the amount of revenue required to administer this chapter and determines the rate of tax for the following calendar year based on that estimate as well as the estimated December 31 balance of the fund. The tax, which is imposed upon all insurance companies providing workers' compensation insurance coverage and authorized self-insurers, shall not exceed 2 percent in lieu of all other taxes on the workers' compensation net deposits, net premiums, or net assessments. The DOR collects these taxes and deposits them into the Workers' Compensation Fund.

Fines and forfeitures imposed and collected by the department under the Missouri Insurance Code are deposited into the State School Moneys Fund.

The DIFP-Insurance is authorized to administer Missouri chartered insurance companies requiring rehabilitation or liquidation, commonly referred to as receiverships. At June 30, 2012, 16 insurance companies were in rehabilitation or liquidation. Such companies placed into receivership are under circuit court supervision with the judge appointing the Director as receiver. The Director may appoint a special deputy receiver or agent. The DIFP-Insurance is the special deputy receiver for one of these receiverships and controls the operations and assets of this company. There are seven companies that do not have a special deputy receiver assigned to them. The department has contracted with vendors to act as agents for these



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companies. The eight remaining companies were assigned special deputy receivers by the court, and these special deputy receivers directly supervise the companies. The contracted vendors and the special deputy receivers submit disbursements to DIFP-Insurance for approval. The financial activity of the 16 companies in receivership is presented in Appendix E for the 3 years ended December 31, 2011.

According to the National Association of Insurance Commissioners (NAIC), for calendar year 2011, Missouri ranked fifteenth nationally in the number of companies incorporated in the state. The department's budget for fiscal year 2012 ranks twentieth nationally.



Department of Insurance, Financial Institutions, and Professional  
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The following provides a breakdown of the type of companies licensed in the state.

Type of Company	As of June 30, 2012	
	Missouri Domicile	Foreign
Assessment	2	0
Fair Access to Insurance Requirements Plan	1	0
Foreign Fire	0	3
Fraternal Benefit	1	31
Health Maintenance Organization	15	6
Health Services	1	0
Life	27	477
Life Care Facility	1	0
Malpractice	6	0
Missouri (Farm) Mutuals	5	0
Missouri Mutuals	82	0
Mutual Casualty	7	72
Prepaid Dental Plan	7	8
Reciprocal Inter-Insurance Exchange	4	14
Reinsurer	0	326
Risk Retention Group	0	96
Self-Insured Liability	10	0
Stock Casualty	37	784
Title	2	17
Total	208	1,834

American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)

The Department of Insurance, Financial Institutions, and Professional Registration - Insurance did not receive any federal stimulus monies during the 3 years ended June 30, 2012.

# Appendix A-1

## Department of Insurance, Financial Institutions, and Professional Registration - Insurance Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments Year Ended June 30, 2012

	Federal MDI Fund	Insurance Examiners Fund	Insurance Dedicated Fund	Total (Memorandum Only)
<b>RECEIPTS</b>				
Federal grant	\$ 1,943,717	0	0	1,943,717
Recovery costs	0	4,559,580	19,546	4,579,126
County foreign insurance tax	0	0	165,145	165,145
Producers	0	0	6,889,610	6,889,610
Business entities	0	0	1,415,366	1,415,366
Filing fees	0	0	753,260	753,260
Service contract fees	0	0	95,200	95,200
Insurance regulation fees	0	0	2,451,999	2,451,999
Miscellaneous insurance fees	0	0	89,220	89,220
Appropriated transfers in	0	0	141,518	141,518
Other	0	12	15,107	15,119
Interest	0	0	89,171	89,171
Total Receipts	1,943,717	4,559,592	12,125,142	18,628,451
<b>Disbursements</b>				
Personal service	309,976	3,044,885	6,674,045	10,028,906
Employee fringe benefits	138,737	1,093,079	2,804,573	4,036,389
Expense and equipment	54,009	369,610	1,201,051	1,624,670
Insurance refunds	0	12	13,481	13,493
State office building rent, maintenance, and repair	0	17,989	432,994	450,983
Worker's compensation claims	0	0	1,527	1,527
DIFP- Department Administration	0	0	11,681	11,681
Cost allocation plan	0	65,498	145,516	211,014
Unemployment benefits	0	0	5,610	5,610
Health insurance counseling	1,300,713	0	200,000	1,500,713
Insurance leasing	0	0	7,753	7,753
Other	140,083	0	0	140,083
Total Disbursements	1,943,518	4,591,073	11,498,231	18,032,822
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>				
OTHER FINANCING USES	199	(31,481)	626,911	595,629
<b>CASH AND INVESTMENTS, JULY 1</b>				
	0	1,017,040	15,011,637	16,028,677
<b>CASH AND INVESTMENTS, JUNE 30</b>				
	\$ 199	985,559	15,638,548	16,624,306

## Appendix A-2

### Department of Insurance, Financial Institutions, and Professional Registration - Insurance Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments Year Ended June 30, 2011

	Federal MDI Fund	Insurance Examiners Fund	Insurance Dedicated Fund	Total (Memorandum Only)
<b>RECEIPTS</b>				
Federal grant	\$ 1,164,607	0	0	1,164,607
Recovery costs	0	5,007,580	150	5,007,730
County foreign insurance tax	0	0	48,939	48,939
Producers	0	0	6,817,930	6,817,930
Business entities	0	0	1,325,077	1,325,077
Filing fees	0	0	723,600	723,600
Service contract fees	0	0	86,950	86,950
Insurance regulation fees	0	0	2,720,667	2,720,667
Miscellaneous insurance fees	0	0	91,920	91,920
Appropriated transfers in	0	0	919	919
Other	0	144	14,355	14,499
Interest	0	0	105,934	105,934
Total Receipts	1,164,607	5,007,724	11,936,441	18,108,772
<b>Disbursements</b>				
Personal service	0	3,174,343	6,653,202	9,827,545
Employee fringe benefits	0	1,176,789	2,908,620	4,085,409
Expense and equipment	0	498,317	1,111,271	1,609,588
Insurance refunds	0	50,787	11,617	62,404
State office building rent, maintenance, and repair	0	19,154	458,202	477,356
Worker's compensation claims	0	0	8,903	8,903
DIFP- Department Administration	0	0	5,772	5,772
Cost allocation plan	0	58,762	135,576	194,338
Unemployment benefits	0	0	6,562	6,562
Health insurance counseling	1,164,607	0	150,000	1,314,607
Insurance leasing	0	0	7,207	7,207
Total Disbursements	1,164,607	4,978,152	11,456,932	17,599,691
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>				
OTHER FINANCING USES	0	29,572	479,509	509,081
<b>CASH AND INVESTMENTS, JULY 1</b>				
	0	987,468	14,532,128	15,519,596
<b>CASH AND INVESTMENTS, JUNE 30</b>				
	\$ 0	1,017,040	15,011,637	16,028,677

# Appendix A-3

## Department of Insurance, Financial Institutions, and Professional Registration - Insurance Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments Year Ended June 30, 2010

	Federal MDI Fund	Insurance Examiners Fund	Insurance Dedicated Fund	Total (Memorandum Only)
<b>RECEIPTS</b>				
Federal grant	\$ 996,159	0	0	996,159
Recovery costs	0	5,089,701	558	5,090,259
Producers	0	0	6,329,830	6,329,830
Business entities	0	0	1,265,295	1,265,295
Filing fees	0	0	733,425	733,425
Service contract fees	0	0	82,600	82,600
Insurance regulation fees	0	0	2,068,293	2,068,293
Miscellaneous insurance fees	0	0	93,180	93,180
Appropriated transfers in	0	0	2,493	2,493
Other	0	102	22,892	22,994
Interest	0	0	189,417	189,417
Total Receipts	996,159	5,089,803	10,787,983	16,873,945
<b>Disbursements</b>				
Personal service	0	3,216,462	6,475,389	9,691,851
Employee fringe benefits	0	1,182,199	2,838,924	4,021,123
Expense and equipment	0	551,292	1,192,978	1,744,270
Insurance refunds	0	0	14,427	14,427
State office building rent, maintenance, and repair	0	11,501	481,401	492,902
Worker's compensation claims	0	0	22,385	22,385
DIFP- Department Administration	0	0	6,222	6,222
Cost allocation plan	0	63,851	122,726	186,577
Unemployment benefits	0	8,320	19,852	28,172
Health insurance counseling	996,159	0	159,999	1,156,158
Insurance leasing	0	0	9,505	9,505
Total Disbursements	996,159	5,033,625	11,343,808	17,373,592
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>				
OTHER FINANCING USES	0	56,178	(555,825)	(499,647)
CASH AND INVESTMENTS, JULY 1	0	931,290	15,087,953	16,019,243
CASH AND INVESTMENTS, JUNE 30	\$ 0	987,468	14,532,128	15,519,596



## Appendix B

### Department of Insurance, Financial Institutions, and Professional Registration - Insurance Comparative Statement of Receipts

	Year Ended June 30,		
	2012	2011	2010
<b>GENERAL REVENUE FUND</b>			
Premium taxes	\$ 197,058,424	216,437,030	199,141,207
Captive insurance tax	408,117	193,465	92,635
Special purpose life insurance	499,602	449,406	396,753
Surplus lines taxes	23,254,218	22,300,553	23,053,334
Surplus lines penalties	38,307	83,128	74,821
Total General Revenue Fund	\$ 221,258,668	239,463,582	222,758,750
<b>WORKERS' COMPENSATION FUND</b>			
Workers' compensation taxes	\$ 13,245,133	12,452,794	9,583,345
<b>STATE SCHOOL MONEYS FUND</b>			
Fines and forfeitures	\$ 2,587,932	705,819	2,324,467

Appendix C

Department of Insurance, Financial Institutions, and Professional Registration - Insurance  
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,								
	2012			2011			2010		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
FEDERAL - MDI FUND									
Health Insurance Counseling	1,300,713	1,300,713	0	1,173,686	1,164,607	9,079	996,160	996,159	1
Federal Grants Authority	0	0	0	1,000,000	0	1,000,000	0	0	0
Federal Grants Personal Service	969,459	309,976	659,483	0	0	0	0	0	0
Federal Grants Expense and Equipment	1,443,344	54,009	1,389,335	0	0	0	0	0	0
Total Federal - MDI Fund	3,713,516	1,664,698	2,048,818	2,173,686	1,164,607	1,009,079	996,160	996,159	1
INSURANCE EXAMINERS FUND									
Personal Service	3,239,880	3,044,814	195,066	3,418,090	3,174,414	243,676	3,418,090	3,216,462	201,628
Expense and Equipment	801,776	303,328	498,448	801,776	435,166	366,610	801,776	485,342	316,434
Refunds	21	12	9	50,789	50,787	2	1	0	1
State office building rent, maintenance, and repair	18,318	17,989	329	19,155	19,154	1	12,484	11,501	983
Total Insurance Examiners Fund	4,059,995	3,366,143	693,852	4,289,810	3,679,521	610,289	4,232,351	3,713,305	519,046
INSURANCE DEDICATED FUND									
State office building rent, maintenance, and repair	439,256	432,994	6,262	458,203	458,202	1	481,402	481,401	1
Insurance Leasing	8,782	7,753	1,029	9,081	7,207	1,874	11,531	9,505	2,026
Health Insurance Counseling	200,000	200,000	0	200,000	150,000	50,000	200,000	159,999	40,001
Personal Service	7,091,213	6,302,628	788,585	6,964,725	6,215,616	749,109	6,964,725	5,978,231	986,494
Expense and Equipment	1,955,711	985,632	970,079	1,955,711	883,202	1,072,509	1,958,066	970,107	987,959
Refunds	75,000	13,481	61,519	75,000	11,617	63,383	75,000	14,427	60,573
Total Insurance Dedicated Fund	9,769,962	7,942,488	1,827,474	9,662,720	7,725,844	1,936,876	9,690,724	7,613,670	2,077,054
Total All Funds	17,543,473	12,973,329	4,570,144	16,126,216	12,569,972	3,556,244	14,919,235	12,323,134	\$2,596,101

## Appendix D

### Department of Insurance, Financial Institutions, and Professional Registration - Insurance Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,		
	2012	2011	2010
Salaries and wages	\$ 9,657,418	9,390,031	9,194,693
Travel, in-state	264,287	296,897	290,530
Travel, out-of-state	154,818	262,022	326,617
Supplies	232,456	216,238	226,240
Professional development	118,372	114,610	118,904
Communication service and supplies	122,330	128,749	147,848
Services:			
Professional	307,430	160,454	190,701
Housekeeping and janitorial	254	214	142
Maintenance and repair	6,400	6,531	8,164
Computer equipment	12	0	0
Motorized equipment	0	0	46,492
Office equipment	94,602	99,829	82,966
Other equipment	1,815	3,658	45
Property and improvements	28,856	13,398	7,322
Building lease payments	465,644	491,109	503,798
Equipment rental and leases	1,920	1,728	1,485
Miscellaneous expenses	2,510	7,493	6,602
Refunds	13,492	62,404	14,427
Program distributions	1,500,713	1,314,607	1,156,158
Total Expenditures	\$ 12,973,329	12,569,972	12,323,134

Note: Certain classification of expenditures changed during the 3-year period, which may affect the comparability of the amounts.

Appendix E-1

Department of Insurance, Financial Institutions, and Professional Registration - Insurance  
Statement of Receipts, Disbursements, and Changes in Cash and Investments  
For Active Receiverships  
Year Ended December 31, 2011

	Bel-Aire Insurance Company	Casualty Reciprocal Exchange / Equity Mutual Insurance Company	General American Mutual Holding Company	Guarantee Title Insurance Company	Holland America Insurance Company	Integral Insurance Company	International Financial Security Life Insurance Company	Lutheran Benevolent Insurance Exchange
Receipts								
Premiums/investment income	\$ 920	7,974,571	5,099,710	477,222	45,271	5,751	65,435	7,311
Net increase (decrease) in reserve balance	0	(70,007)	0	0	0	0	0	0
Net increase (decrease) in the fair value of investments	382	73,543	(2,621)	1	13,072	(22)	84,027	930
Total Receipts	1,302	7,978,107	5,097,089	477,223	58,343	5,729	149,462	8,241
Disbursements								
Professional fees and expenses	4,508	339,033	2,665,978	90,292	309,262	74,482	257,257	77,517
Salaries and related expenses	0	64,690	123,763	67,555	0	0	0	0
General/facility expenses	7,903	64,533	1,143,267	23,093	0	7,398	490,870	2,192
Distributions	0	16,350,192	2,191,182	0	0	1,758,267	1,375,953	1,996,721
Investment expense	84	11,054	68,536	4,316	1,028	6,000	0	3,936
Income tax	0	0	927,014	0	0	0	0	0
Total Disbursements	12,495	16,829,502	7,119,740	185,256	310,290	1,846,147	2,124,080	2,080,366
RECEIPTS OVER (UNDER) DISBURSEMENTS	(11,193)	(8,851,395)	(2,022,651)	291,967	(251,947)	(1,840,418)	(1,974,618)	(2,072,125)
CASH AND INVESTMENTS, JANUARY 1	2,699,137	42,262,590	69,296,114	1,479,732	28,921,651	9,057,295	11,108,937	3,568,968
CASH AND INVESTMENTS, DECEMBER 31	\$ 2,687,944	33,411,195	67,273,463	1,771,699	28,669,704	7,216,877	9,134,319	1,496,843

Appendix E-1

Department of Insurance, Financial Institutions, and Professional Registration - Insurance  
Statement of Receipts, Disbursements, and Changes in Cash and Investments  
For Active Receiverships  
Year Ended December 31, 2011

	M&M Companies	Mission Reinsurance Corporation	National States Insurance Company	Ozark Benefit Association Life Insurance Company	Riscorp National Insurance Company	Transit Casualty Company	Watkins Life and Benefit Association
Receipts							
Premiums/investment income	\$ 543	29,840	55,363,403	22,076	11,882	144,019	5,895
Net increase (decrease) in reserve balance	0	0	(450,993)	0	0	0	0
Net increase (decrease) in the fair value of investments	0	2,149	4,117,542	0	(3,132)	(16,779)	(197)
Assets placed in receivership	0	0	0	0	0	0	196,344
Total Receipts	543	31,989	59,029,952	22,076	8,750	127,240	202,042
Disbursements							
Professional fees and expenses	0	107,124	635,262	1,835	28,168	2,649,451	100
Salaries and related expenses	0	0	2,552,715	0	0	578,902	0
General/Facility expenses	2,400	0	511,329	244	54	269,918	423
Distributions	0	171,305	54,520,305	39,750	0	8,592	2,585
Investment expense	0	231	83,090	0	0	24,469	41
Other	0	0	0	0	0	8,940	0
Total Disbursements	2,400	278,660	58,302,701	41,829	28,222	3,540,272	3,149
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,857)	(246,671)	727,251	(19,753)	(19,472)	(3,413,032)	198,893
CASH AND INVESTMENTS, JANUARY 1	225,850	5,031,706	20,199,786	77,866	4,063,313	23,767,443	0
CASH AND INVESTMENTS, DECEMBER 30	\$ 223,993	4,785,035	20,927,037	58,113	4,043,841	20,354,411	198,893

Appendix E-2

Department of Insurance, Financial Institutions, and Professional Registration - Insurance  
Statement of Receipts, Disbursements, and Changes in Cash and Investments  
For Active Receiverships  
Year Ended December 31, 2010

	Bel-Aire Insurance Company	Casualty Reciprocal Exchange / Equity Mutual Insurance Company	General American Mutual Holding Company	Guarantee Title Insurance Company	Holland America Insurance Company	Integral Insurance Company	International Financial Security Life Insurance Company	Lutheran Benevolent Insurance Exchange
Receipts								
Premiums/investment income	\$ 1,048	3,800,193	5,547,594	329,186	11,259,491	6,511	61,280	55,601
Net increase (decrease) in reserve balance	0	5,942	0	25,000	0	0	0	0
Net increase (decrease) in the fair value of investments	1,856	(6,795)	25,643	(25,000)	853	92	32,077	4,068
Total Receipts	2,904	3,799,340	5,573,237	329,186	11,260,344	6,603	93,357	59,669
Disbursements								
Professional fees and expenses	5,104	409,618	1,686,772	82,137	335,090	107,701	458,102	91,254
Salaries and related expenses	0	86,976	119,115	65,575	0	0	0	0
General/facility expenses	8,040	13,248	1,308,301	25,365	0	8,372	134	2,486
Distributions	0	55,189	19,712,963	0	57,575,056	3,887	0	0
Investment expense	84	9,577	112,308	2,242	2,717	20,365	360	6,742
Income tax	0	0	1,230,920	0	0	0	0	0
Other	137	0	0	0	0	0	0	0
Total Disbursements	13,365	574,608	24,170,379	175,319	57,912,863	140,325	458,596	100,482
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,461)	3,224,732	(18,597,142)	153,867	(46,652,519)	(133,722)	(365,239)	(40,813)
CASH AND INVESTMENTS, JANUARY 1	2,709,598	39,037,858	87,893,256	1,325,865	75,574,170	9,191,017	11,474,176	3,609,781
CASH AND INVESTMENTS, DECEMBER 31	\$ 2,699,137	42,262,590	69,296,114	1,479,732	28,921,651	9,057,295	11,108,937	3,568,968

Appendix E-2

Department of Insurance, Financial Institutions, and Professional Registration - Insurance  
Statement of Receipts, Disbursements, and Changes in Cash and Investments  
For Active Receiverships  
Year Ended December 31, 2010

	M&M Companies	Maxicare Life and Health Insurance Company	Mission Reinsurance Corporation	National States Insurance Company	Ozark Benefit Association Life Insurance Company	Riscorp National Insurance Company	Transit Casualty Company
Receipts							
Premiums/investment income	\$ 606	6,927	825,436	105,128,854	23,762	14,432	219,586
Net increase (decrease) in reserve balance	0	0	0	971	0	0	0
Net increase (decrease) in the fair value of investments	0	0	205	7,929,046	0	3,025	15,319
Assets placed in receivership	0	0	0	35,196,231	0	0	0
Total Receipts	606	6,927	825,641	148,255,102	23,762	17,457	234,905
Disbursements							
Professional fees and expenses	0	4,716	126,233	1,878,033	1,855	46,375	989,750
Salaries and related expenses	0	0	0	6,190,978	0	0	418,198
General/Facility expenses	0	0	0	1,545,450	655	985	390,266
Distributions	6,766	83,676	13,710,612	118,270,839	25,500	0	88,647,589
Investment expense	0	0	1,166	170,016	0	1,802	80,486
Other	0	0	3,618,134	0	0	0	34
Total Disbursements	6,766	88,392	17,456,145	128,055,316	28,010	49,162	90,526,323
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,160)	(81,465)	(16,630,504)	20,199,786	(4,248)	(31,705)	(90,291,418)
CASH AND INVESTMENTS, JANUARY 1	232,010	81,465	21,662,210	0	82,114	4,095,018	114,058,861
CASH AND INVESTMENTS, DECEMBER 31	\$ 225,850	0	5,031,706	20,199,786	77,866	4,063,313	23,767,443

Appendix E-3

Department of Insurance, Financial Institutions, and Professional Registration - Insurance  
Statement of Receipts, Disbursements, and Changes in Cash and Investments  
For Active Receiverships  
Year Ended December 31, 2009

	Bel-Aire Insurance Company	Exchange / Equity Mutual Insurance Company	General American Mutual Holding Company	Guarantee Title Insurance Company	Holland America Insurance Company	Integral Insurance Company	Financial Security Life Insurance Company
Receipts							
Premiums/investment income	\$ 2,088	9,575,326	6,253,027	57,913	1,906,419	91,342	59,283
Net increase (decrease) in reserve balance	0	(18,940)	0	0	0	0	0
Net increase (decrease) in the fair value of investments	2,531	382,639	(365,718)	(3,442)	(430,817)	(16,289)	(92,259)
Total Receipts	4,619	9,939,025	5,887,309	54,471	1,475,602	75,053	(32,976)
Disbursements							
Professional fees and expenses	6,251	329,461	1,037,475	115,662	429,120	82,034	463,296
Salaries and related expenses	0	87,350	116,804	70,410	0	0	0
General/facility expenses	7,370	(786,408)	1,056,731	25,457	1,996	10,707	165
Distributions	0	19,247,295	60,254,392	0	0	11,005	0
Investment expense	56	11,243	271,222	3,303	37,733	40,741	360
Income tax	0	0	23,439,004	0	0	0	0
Total Disbursements	13,677	18,888,941	86,175,628	214,832	468,849	144,487	463,821
RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,058)	(8,949,916)	(80,288,319)	(160,361)	1,006,753	(69,434)	(496,797)
CASH AND INVESTMENTS, JANUARY 1	2,718,656	47,987,774	168,181,575	1,486,226	74,567,417	9,260,451	11,970,973
CASH AND INVESTMENTS, DECEMBER 31	\$ 2,709,598	39,037,858	87,893,256	1,325,865	75,574,170	9,191,017	11,474,176



Appendix E-3

Department of Insurance, Financial Institutions, and Professional Registration - Insurance  
Statement of Receipts, Disbursements, and Changes in Cash and Investments  
For Active Receiverships  
Year Ended December 31, 2009

	Lutheran Benevolent Insurance Exchange	M&M Companies	Maxicare Life and Health Insurance Company	Mission Reinsurance Corporation	Ozark Benefit Association Life Insurance Company	Riscorp National Insurance Company	Transit Casualty Company
Receipts							
Premiums/investment income	\$ 326,847	1,024	7,531	755,374	31,327	26,699	2,300,685
Net increase (decrease) in reserve balance	0	0	0	0	0	0	(22,623)
Net increase (decrease) in the fair value of investments	6,448	0	0	(106,088)	(405)	10,402	(316,564)
Total Receipts	333,295	1,024	7,531	649,286	30,922	37,101	1,961,498
Disbursements							
Professional fees and expenses	69,214	0	29,004	60,016	3,476	38,508	896,109
Salaries and related expenses	0	0	0	0	0	0	408,802
General/Facility expenses	2,260	2,563	7,203	(209)	330	68	461,717
Distributions	0	910	1,301,633	37,301	39,200	0	72,544
Investment expense	6,765	204	9	9,720	234	1,038	130,850
Income tax	434	0	7,438	0	0	0	0
Other	0	120,421	0	0	0	0	11,940
Total Disbursements	78,673	124,098	1,345,287	106,828	43,240	39,614	1,981,962
RECEIPTS OVER (UNDER) DISBURSEMENTS	254,622	(123,074)	(1,337,756)	542,458	(12,318)	(2,513)	(20,464)
CASH AND INVESTMENTS, JANUARY 1	3,355,159	355,084	1,419,221	21,119,752	94,432	4,097,531	114,079,325
CASH AND INVESTMENTS, DECEMBER 31	\$ 3,609,781	232,010	81,465	21,662,210	82,114	4,095,018	114,058,861



# THOMAS A. SCHWEICH

## Missouri State Auditor

### INDEPENDENT AUDITOR'S REPORT

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Members of the General Assembly

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the state's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain entities that comprise the state of Missouri. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors. Those entities were:

1. The Missouri Road Fund, a major fund; the Missouri Highway 63 Transportation Corporation, a blended transportation corporation identified in Note 1A.; the Missouri Road Bond Fund; the Transportation Self-Insurance Plan; the Missouri State Employees' Insurance Plan; the Missouri Consolidated Health Care Plan; and the Missouri Department of Transportation and Missouri State Highway

Patrol Medical and Life Insurance Plan, which represent 78 percent and 12 percent of the assets and revenues, respectively, of the governmental activities.

2. The State Lottery and the Petroleum Storage Tank Insurance Fund, which are both major funds and represent 37 percent and 49 percent of the assets and revenues, respectively, of the business-type activities.
3. The aggregate discretely presented component units.
4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation Local Fund, which represent 94 percent and 97 percent of the assets and additions, respectively, of the fiduciary funds.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Missouri Highway 63 Transportation Corporation, a blended transportation corporation; the Missouri State Employees' Insurance Plan and the Missouri Consolidated Health Care Plan, internal service funds; the Missouri Development Finance Board, a discretely presented component unit; and the pension (and other employee benefit) trust funds were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Basis for Qualified Opinions on the Governmental Activities and General Fund***

We were not allowed access to tax returns and related source documents for income taxes. Access was denied based on the Director of Revenue's interpretation of the decision rendered by the Missouri Supreme Court in the case of *Director of Revenue v. State Auditor* 511 S.W.2d 779 (Mo. 1974). Approximately 27 percent of governmental activity revenues and 32 percent of General Fund revenues are from this source. We were unable to satisfy ourselves by appropriate audit procedures as to the income tax revenue beyond the amounts recorded.

### ***Qualified Opinions***

In our opinion, based on our audit and the reports of other auditors, and except for the possible effects of the matter described in the "Basis for Qualified Opinions on the Governmental Activities and General Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the General Fund of the state of Missouri, as of June 30, 2013, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Unmodified Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, each major fund excluding the General Fund, and the aggregate remaining fund information of the state of Missouri, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 1-13 and the Budgetary Comparison Schedule-General Fund, Major Special Revenue Funds on pages 104-105 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the state of Missouri's basic financial statements. The supplementary information, as listed in the table of contents, and the other information, such as the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, and except for the effects on the supplementary information of the matter discussed in the "Basis for Qualified Opinions on the Governmental Activities and General Fund" paragraph, the supplementary information, as listed in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

The information in the introductory and statistical sections has not been subjected to the audit procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, our report dated January 10, 2014, on our consideration of the state of Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters is issued under separate cover in the Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the state of Missouri's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is written in a cursive, flowing style.

Thomas A. Schweich  
State Auditor

January 10, 2014



**Thomas A. Schweich**  
Missouri State Auditor

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# Thirtieth Judicial Circuit

## City of Marshfield Municipal Division



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January 2013  
Report No. 2013-10

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the Thirtieth Judicial Circuit, City of Marshfield Municipal Division

Accounting Controls and Procedures	Accounting duties are not adequately segregated, and neither the Municipal Judge nor other personnel independent of the cash custody and recordkeeping functions adequately supervise or review the work performed. The former Court Clerk stopped issuing manual receipt slips for several months, and monies received were not always recorded and deposited timely or intact. The date and payee were not always documented on manual receipt slips, and manual receipt slips were not always issued in numerical sequence. Monthly lists of liabilities are prepared, but not compared to the reconciled bank account balance, and the bond liability listing is not adequately reviewed to ensure bonds are disbursed in a timely manner.
Records and Reporting	The Court Clerk has not established procedures to ensure all case activity is recorded in the Justice Information System timely and accurately. Some receipt and case records could not be located, and a monthly list of all cases heard is not prepared and filed with the city, as required by state law.

In the areas audited, the overall performance of this entity was **Fair**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The Thirtieth Judicial Circuit, City of Marshfield Municipal Division did not receive any federal stimulus monies during the audited time period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Thirtieth Judicial Circuit

## City of Marshfield Municipal Division

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# THOMAS A. SCHWEICH

## Missouri State Auditor

Presiding Judge  
Thirtieth Judicial Circuit  
and  
Municipal Judge  
Marshfield, Missouri

We have audited certain operations of the City of Marshfield Municipal Division of the Thirtieth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2011. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Marshfield Municipal Division of the Thirtieth Judicial Circuit.

A petition audit of the City of Marshfield, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Kelly Davis, M.Acct., CPA, CFE
In-Charge Auditor:	Natalie B. McNish, CGAP
Audit Staff:	Joshua Allen, CPA, CFE

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# Thirtieth Judicial Circuit

## City of Marshfield Municipal Division

### Management Advisory Report - State Auditor's Findings

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#### **1. Accounting Controls and Procedures**

Accounting duties are not adequately segregated; procedures to receipt, record, and deposit monies received by the municipal division need improvement; and liabilities listings are not compared to the reconciled bank account balance or adequately reviewed.

##### **1.1 Segregation of duties**

Accounting duties are not adequately segregated. The Court Clerk issues manual receipt slips, records receipts in the Justice Information System (JIS), the Missouri courts automated case management system, and deposits monies received. A part-time court clerk issues manual receipt slips when necessary and completes the bank reconciliations. Neither the Municipal Judge nor other personnel independent of the cash custody and record-keeping functions provide adequate supervision or review of the work performed by the court clerks.

To reduce the risk of possible loss or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, the Municipal Judge should establish procedures to ensure a documented independent review of accounting records is performed.

##### **1.2 Receipting, recording, and depositing procedures**

Receipting, recording, and depositing procedures need improvement.

- Manual receipt slips were not issued as required by the city between December 13, 2010, and July 5, 2011. The Court Clerk is unsure why the former Court Clerk stopped using manual receipt slips in December 2010.
- Monies receipted using manual receipt slips were not always recorded in the JIS timely and subsequently were not deposited timely or intact. For example, three of the ten manual receipt slips issued on October 4, 2011, were recorded in the JIS more than 2 days after the manual receipts slips were issued. In addition, eight of the ten receipts totaling \$594 were not deposited until October 10, 2011, and the other two receipts totaling \$64 were not deposited until October 13, 2011.
- The date and payee were not always documented on manual receipt slips and manual receipt slips were not always issued in numerical sequence. In addition, we noted instances where changes were made to the duplicate copy of manual receipt slips or information was written directly on the duplicate copy.



Thirtieth Judicial Circuit  
City of Marshfield Municipal Division  
Management Advisory Report - State Auditor's Findings

To reduce the possibility of loss, theft, or misuse of funds, monies received should be promptly receipted and properly recorded into the JIS and deposited intact and in a timely manner.

### 1.3 Liabilities

Monthly lists of liabilities are not compared to the reconciled bank account balance and the bond liability listing is not adequately reviewed to ensure bonds are disbursed in a timely manner. Lists of liabilities, including the bond liability listing, are generated and printed monthly from the JIS; however, they are not reviewed and reconciled to other records. For example, on March 1, 2011, the Municipal Judge ordered a \$435 bond to be applied to fines and court costs due; however, the bond was not applied until December 27, 2011. The Municipal Judge ordered another \$132 bond to be forfeited to the city on August 17, 2010. The Court Clerk, instead, held the bond until a guilty plea was entered in September 2011, and the bond was refunded to the defendant on December 27, 2011. As of August 2012, the reconciled bank account balance agreed with the total liabilities included on the monthly listings.

The lists of liabilities should be reconciled to cash balances to ensure accounting records are in balance and sufficient cash is available for payment of all amounts due. To properly monitor bond liabilities and ensure monies are appropriately disbursed, procedures should be established to routinely investigate bonds remaining on the bond liabilities list over a specified period of time.

### Recommendations

The City of Marshfield Municipal Division:

- 1.1 Segregate accounting duties to the extent possible. If it is not possible to segregate duties, documented periodic reviews of municipal division records should be performed by a person independent of the accounting functions.
- 1.2 Issue manual receipt slips for all monies received and ensure manual receipt slips are complete, accurate, and legible. In addition, the municipal division should ensure all monies received are recorded in the JIS immediately and deposited timely and intact.
- 1.3 Reconcile monthly lists of liabilities to the available cash balance and develop procedures to monitor liabilities and ensure bond monies are appropriately disbursed in a timely manner.

### Auditee's Response

*The Municipal Judge provided the following written response:*

- 1.1 *I have required, by Municipal Court Operating Order dated 12/17/2010, the court administrator to reconcile all financial records and to have those records reviewed by a person*



Thirtieth Judicial Circuit  
City of Marshfield Municipal Division  
Management Advisory Report - State Auditor's Findings

*"independent of the Court". (see section VIII.G. of said order) It was my understanding that these records were being reviewed by an accountant at City Hall. Further the use of the state JIS system provides internal accounting and "error" reports. Segregating duties between one and one-third court administrators is exceedingly difficult. Upon your recommendation, we will ask the city to provide the personnel necessary for these independent and segregated reviews of all financial records.*

1.2 *Again, by my Municipal Court Operating Order, I have required that all manual receipts as well as all other documents be completed fully and promptly entered into the JIS system. All accounting is ordered to be consistent with Court Operating Rule 4.51 as set forth in the Clerk's Manual in the recommended accounting principle section. After receiving your audit report, I have stressed to the court administrator the priority of this duty.*

1.3 *The recommendations which you make are ordered to be done by my Municipal Court Operating Order. I have directed the court administrators to follow your recommendations.*

## 2. Records and Reporting

### 2.1 Case activity

Case activity is not always recorded in the JIS timely or accurately, some records are missing, and a report of cases heard is not filed with the city as required by state law.

The Court Clerk has not established procedures to ensure all case activity is recorded in the JIS timely and accurately. For example, on December 21, 2010, the Municipal Judge heard a case, issued a judgment, and ordered fines and court costs totaling \$182 be paid; however, this activity was not recorded in the JIS until January 19, 2011.

In addition, the Municipal Judge often hears multiple cases for a single defendant simultaneously; however, the case activity is not always properly recorded for all cases heard. The JIS case activity differed on each of one defendant's three cases although the cases were heard simultaneously on September 4, 2012. One case shows no activity since July 20, 2011, another shows no activity since November 16, 2011, and the third shows a hearing scheduled for November 6, 2012. Failure to properly record case activity resulted in two of the three cases becoming suspended in the JIS. When case activity is suspended, the case no longer appears on the docket and any activity, including payment, could go unrecorded without detection by the court.

To reduce the possibility of loss, theft, or misuse of funds, and to ensure cases are processed properly, case activity should be properly recorded in the JIS in a timely manner.



Thirtieth Judicial Circuit  
City of Marshfield Municipal Division  
Management Advisory Report - State Auditor's Findings

## 2.2 Missing records

Some receipt and case records could not be located. One booklet of 25 manual receipt slips issued by the city to the former Court Clerk in June 2010, could not be located. Based upon records of receipts issued before and after this booklet, it appears these manual receipt slips would have been used to record monies received in 2011. In addition, two case files requested by auditors could not be located.

Supreme Court Operating Rule No. 8 requires all financial records be maintained for five years or upon completion of an audit. Retention of applicable records is necessary to properly account for the municipal division's financial activity.

## 2.3 Report of cases heard

A monthly list of all cases heard is not prepared and filed with the city. Without such a report, the city cannot effectively monitor municipal division activity and ensure monies are properly remitted.

Section 479.080.3, RSMo, requires the Court Clerk to prepare a monthly list of all cases heard in the municipal division court, including the names of the defendants and fines and court costs imposed, to be verified by the Court Clerk or Municipal Judge and filed with the city.

## Recommendations

The City of Marshfield Municipal Division:

- 2.1 Require case activity be recorded timely and accurately for all cases.
- 2.2 Ensure records are retained.
- 2.3 Ensure a monthly list of cases heard in the municipal division is prepared and filed with the city in accordance with state law.

## Auditee's Response

*The Municipal Judge provided the following written response:*

- 2.1 *During each court session, I handwrite a description of all activity for each case and for each defendant on a case-file docket and on the day's court docket so that the activity can be cross-checked. According to the Municipal Court Operating Order, all cases must be entered into the JIS system as soon as possible. After receiving your recommendation, I have asked the court administrator to make these entries as quickly as she can given the resource limitations she has.*
- 2.2 *The Municipal Court Operating Order dated 12/17/2010 requires all records, financial documents, and other file matters to be safely stored and organized. I will work with the court administrator to see that your recommendations are followed.*



Thirtieth Judicial Circuit  
City of Marshfield Municipal Division  
Management Advisory Report - State Auditor's Findings

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- 2.3 *Section III.A. of the Municipal Court Operating Order entered 12/17/2010 requires that within the first 10 days of each month, the court administrator is to submit to the City Clerk a docket of all cases heard during the month after appropriate redacting. At each court session I write out by hand all activity which takes place in each case on a paper docket which I sign and date at the end of each court session. After redaction, this docket is to be delivered to the City Clerk. After reviewing your findings, I have discussed this matter with the court administrator and directed her attention to this requirement in the court operating order.*

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# Thirtieth Judicial Circuit

## City of Marshfield Municipal Division

### Organization and Statistical Information

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The City of Marshfield Municipal Division is in the Thirtieth Judicial Circuit, which consists of Benton, Dallas, Hickory, Polk and Webster Counties. The Honorable John W. Sims serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

#### Personnel

At December 31, 2011, the municipal division employees were as follows:

Title	Name
Municipal Judge	Kenneth Thompson
Court Clerk	Stephanie Hughes
Deputy Court Clerk	Wanda Lowe

#### Financial and Caseload Information

	Year Ended December 31, 2011
Receipts	\$42,831
Number of cases filed	547

#### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The City of Marshfield Municipal Division did not receive any federal stimulus monies during the year ended December 31, 2011.





Thomas A. Schweich  
Missouri State Auditor

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## JUDICIARY

### Missouri Court of Appeals

### Western District

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January 2013

Report No. 2013-11



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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the Missouri Court of Appeals, Western District

Bidding Procedures	The court does not have a formal bidding policy; some purchases were not bid, and documentation of sole source awards was not retained. Audit staff identified 6 items during the 3 years ended June 30, 2012, totaling almost \$200,000 for which no bids or proposals were obtained.
Payroll and Personnel Policies and Procedures	Court employees do not prepare timesheets and no formal record of leave taken is prepared and submitted for law clerks and judicial administrative assistants, making it difficult to ensure hours worked and leave taken by court employees is properly documented. The court has not established a leave policy for law clerks and judicial administrative assistants. Most law clerks and judicial administrative assistants do not accrue annual or sick leave but are given time off at the discretion of the judge for whom they work, and, as such, the court cannot ensure all employees are treated equally. The auditor's survey of the judges revealed some have not established standard amounts of time off for those staff. A written leave policy for law clerks and judicial administrative assistants is necessary to ensure these employees are treated equitably and to prevent misunderstandings.
Law Library	A physical inventory of law library assets is not periodically conducted. Controls could be improved by performing periodic physical inventories of law library materials and reconciling to the court's inventory listing of law library materials.

In the areas audited, the overall performance of this entity was **Good**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The Missouri Court of Appeals, Western District received and expended \$125,074 from the Federal Budget Stabilization - Medicaid Reimbursement Fund to fund general operations of the court.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Missouri Court of Appeals

## Western District

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Chief Judge and Court en banc  
Missouri Court of Appeals, Western District  
Kansas City, Missouri

We have audited certain operations of the Missouri Court of Appeals, Western District, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2012, 2011, and 2010. The objectives of our audit were to:

1. Evaluate the court's internal controls over significant management and financial functions.
2. Evaluate the court's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the court, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the court's management and was not subjected to the procedures applied in our audit of the court.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Missouri Court of Appeals, Western District.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible, and a middle initial "A" in between.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Assistant Director:	Douglas Porting, CPA, CFE
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Tania Williams, MBA

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# Missouri Court of Appeals

## Western District

### Management Advisory Report - State Auditor's Findings

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#### **1. Bidding Procedures**

The court does not have a formal written bidding policy. Some purchases were not bid or documentation of sole source was not retained. As a result, the court cannot ensure the best price for services was obtained. Bids or proposals were not solicited for the following purchases during the 3 years ended June 30, 2012:

Item	Cost
Building maintenance (1)	\$ 68,506
Office supplies (1)	72,723
Security services (1)	25,912
Elevator services (1)	13,480
IPADS and accessories (1)	11,151
Printers	3,750

(1) Total amount expended for the 3 years ended June 30, 2012

Court personnel indicated the unwritten office policy is to solicit bids for purchases if the individual item being purchased exceeds \$1,000, regardless of the number of items purchased. Court personnel stated IPADS were sole source purchases; however, this was not documented by the court. In addition, the court has not solicited proposals for elevator, security and building maintenance services since 1990, 1996 and 1992, respectively. Court personnel indicated the elevator contract was renegotiated with the same vendor in 2011, resulting in significant savings.

Formal written bidding procedures for major purchases provide a framework for economical management of court resources. Competitive bidding helps ensure the court receives fair value by contracting with the lowest and best bidders. Bidding also helps ensure all parties are given an equal opportunity to participate in the court's business. Documentation of the selection process and criteria, including justification for sole source procurement, should be retained to support purchasing decisions.

#### **Recommendation**

The Clerk of the Court develop a written purchasing policy and ensure bids are solicited for all applicable purchases and sufficient documentation is maintained, including documentation to support sole source purchases.

#### **Auditee's Response**

*The Clerk and Fiscal Officer will develop written policies for bidding where the collective total for a purchase exceeds \$1,000. The Court will ensure that documentation for sole source procurement of items is maintained.*

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#### **2. Payroll and Personnel Policies and Procedures**

Several concerns related to payroll and personnel policies and procedures were identified. Payroll expenditures total over \$3 million each year, representing approximately 90 percent of the court's total expenditures.



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Missouri Court of Appeals  
Western District  
Management Advisory Report - State Auditor's Finding

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The court has two groups of employees. Court support staff, which includes the fiscal officer, librarian, computer information specialist, maintenance, marshal, staff counsel, and court clerks, work for the court overall and report to the Clerk of the Court. In addition, each judge has one or two law clerks that work directly for them and also share a judicial administrative assistant with another judge. All court employees work full-time and are provided a salary and the same benefits as other state employees, with the exception of annual leave and sick leave for law clerks and judicial administrative assistants.

## 2.1 Timesheets

Records of time worked or leave taken are not adequate. Timesheets are not prepared by any court employees, and while leave request forms are prepared and retained by the fiscal office for leave taken by court support staff, they are not prepared by law clerks and judicial administrative assistants. Without timesheets or a record of leave taken, the court cannot ensure hours worked and leave taken by all court employees are properly documented. The work schedules of the law clerks and judicial administrative assistants are at the discretion of the judge for whom they work. We surveyed the judges and many indicated they consider the law clerks and judicial administrative assistants to be professional staff, who are required to put in the hours needed to complete their tasks and they do not consider timesheets necessary.

To ensure payroll costs are adequately documented, records detailing hours worked or leave taken should be prepared by all employees, approved by their supervisor, and filed with the fiscal office.

## 2.2 Leave records and policies

The court has not established a leave policy for law clerks and judicial administrative assistants. Most law clerks and judicial administrative assistants do not accrue annual or sick leave, but are given time off at the discretion of the judge for whom they work. As a result, the court cannot ensure all employees are treated equally. Each judge is responsible for maintaining leave records for his or her law clerks and the Fiscal Officer is responsible for maintaining leave records for all other court employees. Our survey of the judges indicated some do record when leave is used in their monthly calendars or keep an email record of the request for time off, although permanent leave records are not maintained by any of the judges for the law clerks and judicial administrative assistants.

Our survey of the judges regarding leave practices for law clerks and judicial administrative assistants also revealed some have not established standard amounts of time off for those employees. Some clerks and assistants do not receive a set amount of annual or sick leave, while others receive various amounts of annual leave from 10 to 22 days, and some as much sick and vacation time as they require, with their judge's approval.



Missouri Court of Appeals  
Western District  
Management Advisory Report - State Auditor's Finding

Court personnel indicated this arrangement was established many years ago and is traditionally how law clerks and judicial administrative assistants are handled. A written leave policy for law clerks and judicial administrative assistants is necessary to provide assurance these employees are treated equitably and to prevent misunderstandings. Leave records should be maintained for all court employees and monitored to provide assurance the balances are accurate and in compliance with the leave policy, and employees are treated equitably.

## Recommendations

The Clerk of the Court:

- 2.1 And the Court en banc require a record of hours worked or leave taken be prepared and signed by all employees, approved by their supervisor, and filed with the fiscal officer.
- 2.2 And the Court en banc establish a leave policy for law clerks and judicial administrative assistants, ensure leave records are maintained for all employees, and periodically monitor those records for compliance with the court leave policy.

## Auditee's Response

- 2.1 &
- 2.2 *The Court appreciates the Auditor's recommendation in regard to the leave issue. However, the Court is convinced that its long standing practice regarding leave is not only consistent with the other appellate courts including the Missouri Supreme Court but also allows for the flexibility needed to conduct the business of the Court effectively and efficiently.*

## 3. Law Library

A physical inventory of law library assets is not periodically conducted. Expenditures for law library publications and subscriptions, which represent approximately 30 percent of all court expenditures, excluding payroll, totaled approximately \$390,000 during the 3 years ended June 30, 2012.

The law library, which includes legal publications kept in the library and each of the judges offices, is maintained for use by court personnel only. The court librarian indicated she regularly inserts updates into the law books and would be aware of any books missing from the library and not checked out by a judge or law clerk. Controls could be improved by performing periodic physical inventories of law library materials and reconciling to the court's inventory listing of law library materials. Physical inventories of law library materials and reconciliation of those inventories to the inventory records are necessary to ensure inventory records are accurate, identify unrecorded additions and dispositions, detect and deter theft of assets, and identify obsolete materials.

## Recommendation

The Clerk of the Court ensure periodic physical inventories of law library materials are performed, reconciled to inventory records, and documented.





Missouri Court of Appeals  
Western District  
Management Advisory Report - State Auditor's Finding

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**Auditee's Response**

*The Clerk will ensure that periodic inventories of the library are conducted, reconciled to electronic inventory records and documented.*

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# Missouri Court of Appeals

## Western District

### Organization and Statistical Information

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The Missouri Court of Appeals, Western District, was formed in 1884, and is governed by Article V, Missouri Constitution, and Chapter 477, RSMo. The court has appellate jurisdiction over 45 counties in Western Missouri, except for those cases within the exclusive jurisdiction of the Supreme Court. The court has its offices in Kansas City, Missouri. The court holds oral arguments year round in Kansas City but sessions are also routinely conducted in Jefferson City, Columbia, St. Joseph, Kirksville and at other locations within the Western District. The court is composed of 11 judges who sit in 4 divisions, each with 3 judge positions, that rotate on a quarterly basis.

The salaries of the judges are set by statute. Judges are selected under the Missouri Plan, which includes selection by the Appellate Judicial Commission, appointment by the Governor, and retention by voters. Judges must be at least 30 years old, residents of their district, United States citizens for at least 15 years, and Missouri voters for 9 years before their selection. Judges serve 12-year terms. The judges elect a chief judge to serve a 2-year term. At June 30, 2012, the judges of the Missouri Court of Appeals, Western District, were as follows:

#### Judges and Court Personnel

Name and Title	Term Expires
Lisa White Hardwick, Chief Judge	December 31, 2014
James M. Smart, Jr.	June 28, 2015 (1)
Joseph M. Ellis	October 25, 2016 (1)
Victor C. Howard	July 9, 2022 (1)
Thomas H. Newton	December 31, 2012
James Edward Welsh	May 26, 2018 (1)
Alok Ahuja	December 31, 2022
Mark D. Pfeiffer	December 31, 2022
Karen King Mitchell	December 31, 2022
Cynthia L. Martin	December 31, 2012
Gary D. Witt	December 31, 2012

(1) Represents the date on which the judge will reach mandatory retirement age.

Terence Lord has served as the Clerk of the Court since July 1995. The Clerk of the Court supervises the internal administrative functions of the court and reports directly to the chief judge. In addition to the judges and Clerk of the Court, the court employed 43 full-time employees at June 30, 2012.

#### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The court spent American Recovery and Reinvestment Act of 2009 monies of \$125,074 during the year ended June 30, 2010. These monies were appropriated to the court from the Federal Budget Stabilization - Medicaid Reimbursement Fund (see Appendix B) and were used to fund general operations of the court.

Appendix A

Missouri Court of Appeals  
Western District  
Comparative Statement of Receipts

		Year Ended June 30,		
		2012	2011	2010
GENERAL REVENUE FUND				
Court fees	\$	9,338	9,416	8,056
Copy fees		786	1,135	1,425
Total General Revenue Fund	\$	<u>10,124</u>	<u>10,551</u>	<u>9,481</u>
BASIC CIVIL LEGAL SERVICES FUND				
Court fees	\$	<u>2,860</u>	<u>3,160</u>	<u>2,640</u>

Appendix B

Missouri Court of Appeals

Western District

Comparative Statement of Appropriations and Expenditures

		Year Ended June 30,								
		2012			2011			2010		
		Appropriation	Lapsed		Appropriation	Lapsed		Appropriation	Lapsed	
		Authority	Expenditures	Balances *	Authority	Expenditures	Balances *	Authority	Expenditures	Balances *
GENERAL REVENUE FUND										
Personal Service-Judges' Salaries	\$	1,410,279	1,410,275	4	1,413,583	1,413,580	3	1,410,279	1,285,698	124,581
Personal Service		1,887,954	1,866,902	21,052	1,904,670	1,884,631	20,039	1,717,138	1,703,026	14,112
Expense and Equipment		443,385	443,378	7	423,365	423,362	3	489,126	489,125	1
Total General Revenue Fund		3,741,618	3,720,555	21,063	3,741,618	3,721,573	20,045	3,616,543	3,477,849	138,694
FEDERAL BUDGET STABILIZATION - MEDICAID REIMBURSEMENT FUND										
Personal Service		0	0	0	0	0	0	95,298	95,297	1
Expense and Equipment		0	0	0	0	0	0	29,777	29,777	0
Total Federal Budget Stabilization - Medicaid Reimbursement Fund		0	0	0	0	0	0	125,075	125,074	1
Total All Funds	\$	3,741,618	3,720,555	21,063	3,741,618	3,721,573	20,045	3,741,618	3,602,923	138,695

\* The lapsed balances include the following withholdings made at the Governor's request:

		Year Ended June 30,		
		2012	2011	2010
General Revenue Fund				
Personal Service-Judges' Salaries	\$	0	0	0
Personal Service		21,051	20,039	0
Total General Revenue Fund	\$	21,051	20,039	0

## Appendix C

Missouri Court of Appeals

Western District

Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2012	2011	2010	2009	2008
Personal service	\$ 3,277,177	3,298,211	3,084,021	3,106,887	2,936,256
Travel, in-state	23,657	22,769	29,242	21,379	19,270
Travel, out-ofstate	1,423	3,153	2,458	6,419	2,438
Fuel & utilities	56,136	72,842	78,821	74,498	77,244
Supplies	149,676	170,869	174,668	165,669	206,946
Profesional development	19,548	18,105	16,990	18,479	17,326
Communication services and supplies	35,018	34,295	35,030	34,825	33,765
Services:					
Professional	19,387	23,319	23,227	21,328	26,575
Housekeeping and janitor services	28,003	29,057	29,323	30,703	31,011
Maintenance and repair	11,791	17,336	11,186	12,629	20,079
Equipment					
Computer	71,492	4,749	26,115	19,211	48,638
Office	4,848	791	16,312	3,213	42,572
Other	732	4,003	30,703	314	13,297
Property and improvements	7,380	8,163	30,297	160	138,349
Equipment rental and leases	7,765	8,539	8,485	8,752	7,290
Miscellaneous expenses	6,522	5,372	6,045	7,804	8,578
Total Expenditures	\$ <u>3,720,555</u>	<u>3,721,573</u>	<u>3,602,923</u>	<u>3,532,270</u>	<u>3,629,634</u>



**Thomas A. Schweich**  
Missouri State Auditor

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# Review of 2012 Property Tax Rates



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**January 2013**  
**Report No. 2013-12**

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the Review of 2012 Property Tax Rates

Background	Section 137.073, RSMo, requires the State Auditor's office to annually review the local property tax rates of all taxing authorities in the state to determine whether taxing authorities levied taxes in accordance with Missouri law and adjusted property tax rates to keep property reassessments from affecting revenue.
Results	We reviewed 4,842 property tax rates for 2,813 taxing authorities. The following three taxing authorities, all in St. Louis County, levied tax rates greater than the tax rate certified, resulting in excess property taxes levied of \$24,301: Elmwood Park Street Light District, Kinloch Fire Protection District, and Castle Point Street Light District. In accordance with Section 137.073.6(2), RSMo, we referred the three non-compliant taxing authorities to the Missouri Attorney General's office.
Additional Comments	The State Auditor's office has no authority to determine or review individual tax assessments. All individual tax assessment matters are the responsibility of the county assessor and board of equalization. Appeals to the state on tax assessment matters are handled by the Missouri State Tax Commission

Because of the limited objective of this review, no overall rating is provided.

American Recovery and Reinvestment Act (Federal Stimulus)	Not Applicable.
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# 2012 Property Tax Rates

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# THOMAS A. SCHWEICH

## Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Members of the General Assembly  
Jefferson City, Missouri

The State Auditor's office is required by Section 137.073, RSMo, to annually review local property tax rates of all taxing authorities in the state. The primary objectives of this review were to determine whether:

1. Local governing boards levied taxes in accordance with the Missouri Constitution and state law.
2. Local property tax rates were adjusted to ensure property reassessments were revenue neutral.

Reassessments of existing property are not intended to increase property tax revenue but to equitably reallocate the existing tax burden based on the relative value of property owned by taxpayers.

For 2012, we received substantiating data and issued a finding on 4,842 property tax rates of 2,813 taxing authorities. Three taxing authorities levied tax rates that exceeded the tax rate certified, resulting in excess property taxes levied of \$24,301. The number of taxing authorities levying a non-compliant tax rate is 0.11 percent of all taxing authorities.

Property taxes are the main source of revenue for many of Missouri's special purpose political subdivisions and county boards. The bulk of property taxes, however, fund public schools. General acceptance of these taxes is dependent on fair and equitable assessment practices and public understanding and input regarding the setting of rates. If the tax burden is increased without voter approval, confidence in the fairness and assessment practices is often eroded.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor: Harry J. Otto, CPA  
Director of Audits: Regina Pruitt, CPA  
In-Charge Auditor: Becky Webb, CPA, CFE  
Audit Staff: Dana Wansing, MPA

# 2012 Property Tax Rates Results

## Summary

The State Auditor received substantiating data and reviewed 4,842 property tax rates for 2,813 taxing authorities. Of the rates reviewed, 502 are debt service tax rates, 120 are new property tax rates approved by voters, and 27 are existing property tax rates that were increased by voter approval. The remaining 4,193 tax rates are existing tax rates and were reviewed for compliance with tax rate ceiling rollback requirements only. Three taxing authorities (0.11 percent of all taxing authorities) levied tax rates that are non-compliant. Varying factors contributed to these violations. All three non-compliant rates, resulting in \$24,301 excess property tax revenues levied, are from St. Louis County. Taxing authorities wholly in St. Louis County are required to use the four-rate system of levying a separate rate for each subclass of property. Uncertainty with the implementation of the four-rate system originates from a lack of statutory guidance on the handling of elections, recoupments, voluntary reductions, and debt service levies. In the absence of statutory guidance specifically addressing ballots posed under the four-rate system, the State Auditor's office has reviewed all ballots under the assumption that all elections apply to all property.

In compliance with Section 137.073.6(2), RSMo, the three non-compliant taxing authorities were referred to the Missouri Attorney General's office. The table below lists the taxing authorities that levied tax rates in excess of the legally permissible tax rate provided by state law.

County	Political Subdivision	Levy Purpose	Assessed Valuation	(1) Certified Rate	Actual Rate Levied	(2) Excess Property Tax Revenue
St. Louis	Elmwood Park Street Light District	General Revenue				
	Residential		2,114,620	0.0000	0.1000	2,115
	Commercial		99,160	0.0000	0.1000	99
	Personal Property		395,460	0.0000	0.1000	395
St. Louis	Kinloch Fire Protection District	Dispatch				
	Residential		1,099,920	0.0000	0.0300	330
	Commercial		749,740	0.0000	0.0300	225
	Personal Property		549,487	0.0000	0.0300	165
St. Louis	Castle Point Street Light District	General Revenue				
	Residential		9,291,010	0.0000	0.1900	17,653
	Commercial		278,980	0.0000	0.1900	530
	Personal Property		1,507,780	0.0000	0.1850	2,789
Total						\$24,301

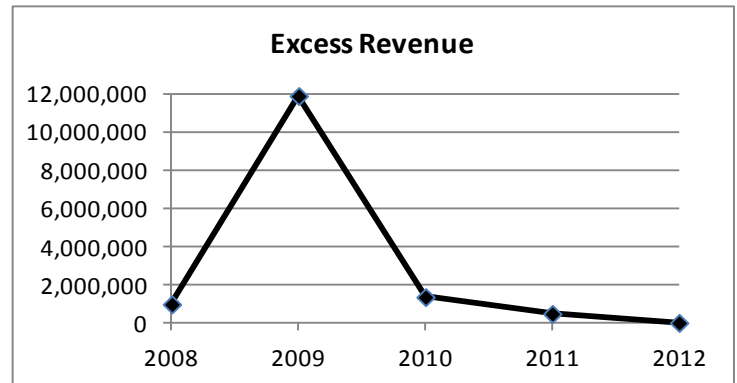
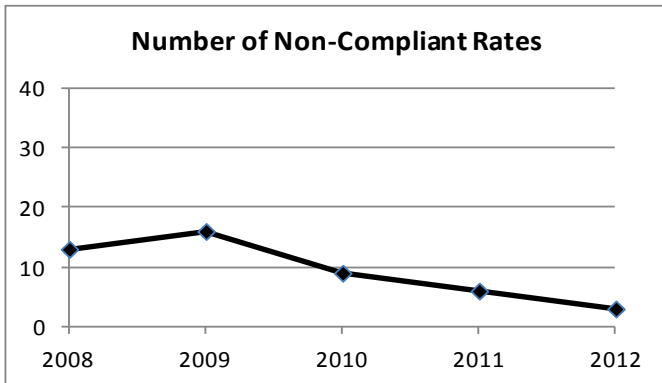
(1) The Certified Rate column represents the rates determined to be legally permissible based on the information submitted by the taxing authority.

(2) The excess property tax revenue is computed by multiplying the excess tax rate (actual rate levied minus the certified rate) by the assessed valuation and dividing by 100.



## 2012 Property Tax Rates Results

The following graphs illustrate the 5-year history of non-compliant rates and revenue. The influx of excess revenues in 2009 was due to St. Louis County levying \$11,447,230 of the total \$11,901,903 (96 percent) in excess revenues.



## Methodology

The State Auditor's office and county officials assist local government officials in determining the data necessary to complete the tax rate computations. Taxing authorities are required to file data supporting the proposed property tax rates with the county, using forms prescribed by the State Auditor. The counties forward the substantiating data received to the State Auditor for review. The data is reviewed and a finding is returned to both the county and the taxing authority advising whether the proposed rates comply with Missouri law.

The 2012 tax rate ceilings were determined based on the requirements of Section 137.073, RSMo, and Article X, Section 22, Missouri Constitution (commonly referred to as the Hancock Amendment). Each tax rate ceiling is determined annually and is adjusted to ensure revenue neutrality. The review of each tax rate ceiling is based on the assessed valuation for the entire political subdivision and is not calculated on an individual taxpayer basis.

To ensure taxing authorities do not receive a windfall from reassessment, the review of property tax rates begins with the prior year allowed revenue. Current year tax rates must be set to yield the same gross revenue as allowed in the prior year. In addition, an adjustment is made for additional revenue permitted for assessment growth. That adjustment is the lower of (1) the actual growth rate, (2) the inflation rate, or (3) 5 percent. Factors such as new construction and improvements, newly added territory, newly separated territory, and changes from locally assessed to state assessed property also affect the tax rate ceiling calculation. The counties use this rate to assess taxes on all property including new construction and improvements.



## 2012 Property Tax Rates Results

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Voters may authorize increases beyond the annual revenue neutral tax rate ceiling. Voter-approved increases are reviewed for compliance with applicable laws and stated ballot restrictions. In addition to reviewing new and existing property tax levies for revenue neutrality, the State Auditor's office also reviews debt service tax rates. A tax levied to meet the annual debt service requirement is compliant if the revenue to be generated plus the existing fund balance does not exceed the current payment requirements plus a reserve for the following year's payments.

A taxing authority's total assessed valuation submitted by the County Clerk or a representative of the taxing authority is used in the State Auditor's office review of property taxes. The State Auditor's office does not review the assessed valuation of individual pieces of property. Chapter 138, RSMo, governs the appeals process for assessed valuations. Citizens may appeal their individual assessed valuations calculated by the County Assessor to the local Board of Equalization. Citizens not satisfied with the resolution by the Board of Equalization may appeal the decision to the Missouri State Tax Commission. Any decision of the Missouri State Tax Commission may be reviewed by a court of law.

As assessed valuations increase, tax rate ceilings generally decrease, depending on the amount of the increase, to produce substantially the same amount of revenue as allowed in the prior year. As assessed valuations decrease, tax rate ceilings may increase to produce substantially the same revenue as allowed in the prior year from existing property, limited by voter authorization. See Appendixes I and II for a summary of the changes in assessed valuation by type of taxing authority, and Appendixes III and IV for a summary of changes in tax rate ceilings by type of taxing authority.

In addition, Appendix V is a map that provides a statewide geographical perspective of total county valuation changes prior to adjustments. This map reflects the change in total assessed valuation from the previous year prior to any adjustments for new construction and reassessment. Appendix VI is a map of the adjusted assessed valuation by county. This map reflects the inflationary change in each county's valuation from the previous year. A significant inflationary change generally indicates a major reassessment occurred. However, 2012 assessed valuations indicate the majority of county adjusted assessed valuation changes were less than the Consumer Price Index, which does not indicate a major reassessment.

Taxing authorities are listed by primary county (as designated by the taxing authority when established) in Appendixes VII, VIII-A, and VIII-B and categorized by type of taxing authority. The counties are listed alphabetically (Adair through Wright, followed by the City of St. Louis). A taxing authority located in more than one county is listed under the primary county only.



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## 2012 Property Tax Rates Results

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The assessed valuations presented for taxing authorities in Appendixes VII, VIII-A, and VIII-B, except school districts, include all taxable locally assessed and state assessed property. The assessed valuations presented for school districts include only taxable locally assessed property. The abated portions of property valuations that are not taxable under various economic development programs are omitted from the taxable assessed valuations used to compute the annual tax rate ceiling.

Sales tax rollbacks required by law for some county levies were not reviewed as part of this report. Any concerns in that area would be addressed in State Auditor's office reports of individual counties. Sales tax (Proposition C) rollbacks for school levies were subjected to a limited review to ensure the district did not waive all or part of the rollback without voter approval in order to generate additional local revenues. A majority of the 518 school districts have obtained voter approved waivers of the required sales tax rollback of their 2012 property tax, including 443 with a full waiver and 40 with a partial waiver. Appendixes VII and VIII-A indicate the 483 school districts that have either full or partial waivers of Proposition C (sales tax) reductions.

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## Legislative Issues

Sections 137.073.5(3) and 137.073.5(4), RSMo, were revised in 2008, requiring taxing authorities that voluntarily reduce a tax rate in an even numbered year to base the following (odd numbered) year on the voluntarily reduced rate instead of the tax rate ceiling. These provisions also allow taxing authorities that voluntarily reduce a tax rate in a previous even numbered year to undo that voluntary reduction in the following even numbered year. To increase the tax rate in the following even numbered year, the taxing authority must conduct a public hearing, and adopt an ordinance, a resolution, or a policy statement justifying its action prior to setting and certifying its tax rate.

Sections 137.180.3 and 137.180.4, RSMo, were revised in 2010 to reschedule the date new estimated tax rates had to be calculated and mailed for taxing authorities not partially in first class charter counties or the City of St. Louis. Effective dates were changed from January 1, 2011, to January 1, of the year following receipt of software necessary for implementation provided by the State Tax Commission. As of December 31, 2012, such software has not been provided.

Section 137.073.2, RSMo, was revised in 2011 to change the maximum authorized levy definition for some taxing authorities. This affects taxing authorities that had elections applied to tax rate year 2009 or after that experienced a decrease in assessed valuation in the election year.

APPENDIX I  
2012 PROPERTY TAX RATES  
SUMMARY OF CHANGES IN ASSESSED VALUATION FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates			
			With Increases In Assessed Valuation	With Decreases In Assessed Valuation	With No Change In Assessed Valuation	Other (1)
Ambulance Districts	104	110	96	13	0	1
Hospitals	13	13	13	0	0	0
Nursing Home Districts	29	31	26	3	0	2
Public Water Supply District	1	1	1	0	0	0
Soil and Water Conservation Subdistricts	28	28	23	1	4	0
Drainage and Levee Districts	2	2	0	1	1	0
Special Road Districts	216	283	191	56	1	35
Municipalities	757	1,304	890	314	0	100
Tax Supported Public Libraries	81	88	73	8	0	7
Townships	312	829	660	107	0	62
Fire Protection Districts	346	430	342	54	0	34
Sewer Districts	9	10	4	5	0	1
Miscellaneous	27	31	17	11	0	3
Regional Recreational District	1	1	0	1	0	0
Community Improvement Districts	5	5	1	2	1	1
Health Centers	90	90	82	7	0	1
Special Road District Subdistrict	1	1	0	1	0	0
Transportation Development District	1	1	1	0	0	0
Junior Colleges	12	16	11	2	0	3
School Districts	497	841	446	84	0	311
Special School Districts	2	3	2	0	0	1
Counties	114	412	363	43	0	6
Totals	2,648	4,530	3,242	713	7	568

(1) This column includes debt service levies, newly voted levies, levies voted to replace expired levies, and dissolving levies. Debt service levies are included in this column because they are not subject to Hancock Amendment limitations.

# APPENDIX II

## 2012 PROPERTY TAX RATES

### SUMMARY OF CHANGES IN ASSESSED VALUATION FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates by Subclass												Other (1)
			With Increases In Assessed Valuation				With Decreases In Assessed Valuation				With No Change In Assessed Valuation				
			Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	
Municipalities	80	128	44	3	32	83	63	8	69	17	1	97	7	8	20
Tax Supported Public Libraries	4	5	3	1	3	2	1	1	1	2	0	2	0	0	1
Fire Protection Districts	22	94	36	15	25	72	46	19	57	10	0	48	0	0	12
Sewer Districts	18	18	5	1	5	16	13	2	13	2	0	15	0	0	0
Street Light Maintenance Districts	5	5	0	0	0	2	4	0	3	3	1	5	2	0	0
Miscellaneous	10	10	4	0	3	1	0	1	6	0	6	9	1	9	0
Community Improvement Districts	4	5	0	0	1	0	2	0	0	0	1	3	2	3	2
School Districts	21	42	12	2	8	20	10	4	14	2	0	16	0	0	20
County	1	5	4	0	4	4	0	4	0	0	0	0	0	0	1
Totals	165	312	108	22	81	200	139	39	163	36	9	195	12	20	56

(1) This column includes debt service levies, newly voted levies, levies voted to replace expired levies, and dissolving levies. Debt service levies are included in this column because they are not subject to Hancock Amendment limitations. Debt service levies are not subject to the multi-rate system; the same rate applies to each subclass of property.

Res. Residential real estate

Ag. Agricultural real estate

Com. Commercial real estate

PP. Personal property

# APPENDIX III

## 2012 PROPERTY TAX RATES

### SUMMARY OF CHANGES IN TAX RATE CEILINGS FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates					Debt Service Levies
			Ceilings Same as Prior Year	Ceilings Revised Upward	Ceilings Revised Downward	Revised Due to An Election (1)	Other (2)	
Ambulance Districts	104	110	53	49	6	1	0	1
Hospitals	13	13	7	6	0	0	0	0
Nursing Home Districts	29	31	15	8	5	1	0	2
Public Water Supply District	1	1	1	0	0	0	0	0
Soil and Water Conservation Subdistricts	28	28	19	9	0	0	0	0
Drainage and Levee Districts	2	2	2	0	0	0	0	0
Special Road Districts	216	283	123	110	14	1	34	1
Municipalities	757	1,304	528	590	83	3	22	78
Tax Supported Public Libraries	81	88	41	38	2	0	2	5
Townships	312	829	543	147	77	0	51	11
Fire Protection Districts	346	430	219	138	34	5	3	31
Sewer Districts	9	10	3	6	0	0	0	1
Miscellaneous	27	31	14	16	0	0	1	0
Regional Recreational District	1	1	0	1	0	0	0	0
Community Improvement Districts	5	5	3	1	0	0	1	0
Health Centers	90	90	46	38	4	1	1	0
Special Road District Subdistrict	1	1	1	0	0	0	0	0
Transportation Development District	1	1	0	1	0	0	0	0
Junior Colleges	12	16	3	10	0	0	0	3
School Districts	497	841	95	178	174	83	2	309
Special School Districts	2	3	2	0	0	0	0	1
Counties	114	412	191	207	8	0	3	3
Totals	2,648	4,530	1,909	1,553	407	95	120	446

(1) This column includes levies that existed in prior years and were revised due to an election. This column also includes school levies that increased due to the school board's election to implement Missouri Constitutional Amendment No. 2 approved by voters on November 3, 1998, which allows school districts to levy a minimum of \$2.7500 by school board action alone.

(2) This column includes new voter approved tax rates, newly formed districts, or a levy voted to replace an expired levy.



# APPENDIX IV

## 2012 PROPERTY TAX RATES

### SUMMARY OF CHANGES IN TAX RATE CEILINGS FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates by Subclass																Debt Service Levies
			Ceilings Same as Prior Year				Ceilings Revised Upward				Ceilings Revised Downward				Revised Due to An Election (1)				
			Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	
Municipalities	80	128	48	98	36	96	54	2	62	2	4	6	8	8	2	2	2	2	20
Tax Supported Public Libraries	4	5	2	3	2	4	2	0	0	0	0	1	2	0	0	0	0	0	1
Fire Protection Districts	22	94	65	69	62	78	10	1	17	0	4	9	0	1	3	3	3	3	12
Sewer Districts	18	18	15	17	11	18	2	1	7	0	1	0	0	0	0	0	0	0	0
Street Light Maintenance Districts	5	5	1	5	2	4	3	0	2	0	1	0	1	1	0	0	0	0	0
Miscellaneous	10	10	5	10	4	10	3	0	5	0	2	0	1	0	0	0	0	0	0
Community Improvement Districts	4	5	2	3	2	3	1	0	0	0	0	0	1	0	0	0	0	0	2
School Districts	21	42	7	14	7	16	9	1	11	3	4	5	2	1	2	2	2	2	20
County	1	5	0	3	2	0	0	1	1	4	4	0	1	0	0	0	0	0	1
Totals	165	312	145	222	128	229	84	6	105	9	20	21	16	11	7	7	7	7	56

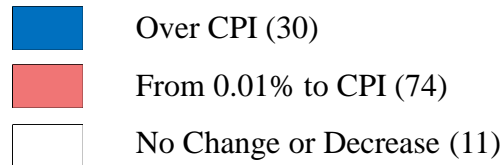
(1) This column includes levies that existed in prior years and were revised due to an election. This column also includes school levies that increased due to the school board's election to implement Missouri Constitutional Amendment No. 2 approved by voters on November 3, 1998, which allows school districts annually to increase its operating levy up to \$2.7500 by school board action alone.

Res. Residential real estate  
 Ag. Agricultural real estate  
 Com. Commercial real estate  
 PP. Personal property

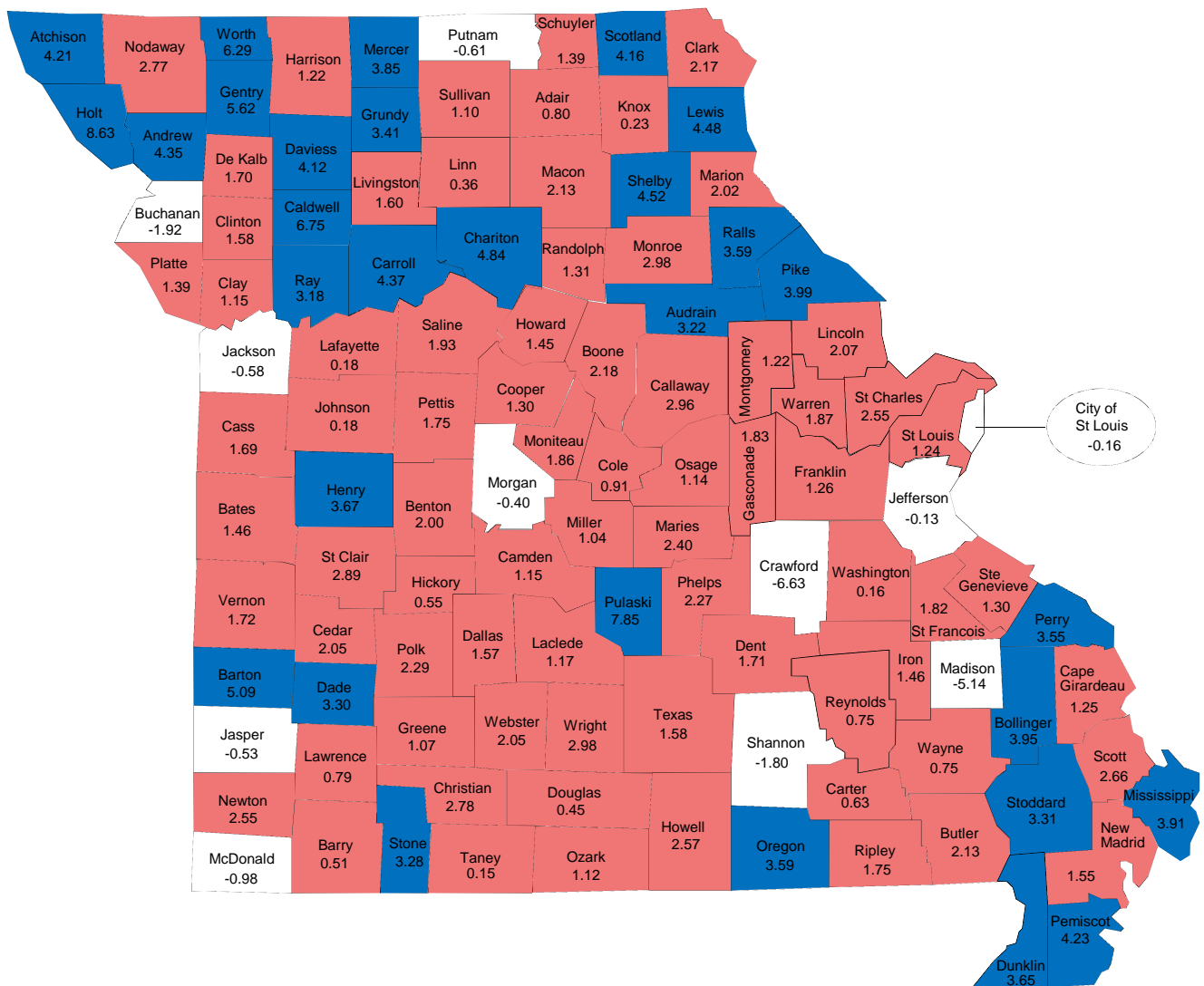
## APPENDIX V

### 2012 PROPERTY TAX RATES

### 2011 – 2012 PERCENTAGE CHANGE IN TOTAL ASSESSED VALUATIONS BY COUNTY, OVERALL COUNTY VALUATION CHANGES PRIOR TO ADJUSTMENTS



The 2012 consumer price index (CPI) of 3.00% was certified by the State Tax Commission.



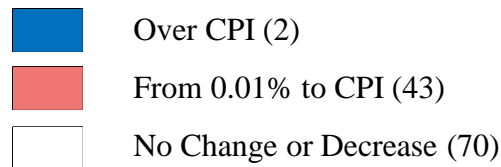
High County: Holt 8.63

Low County: Crawford -6.63

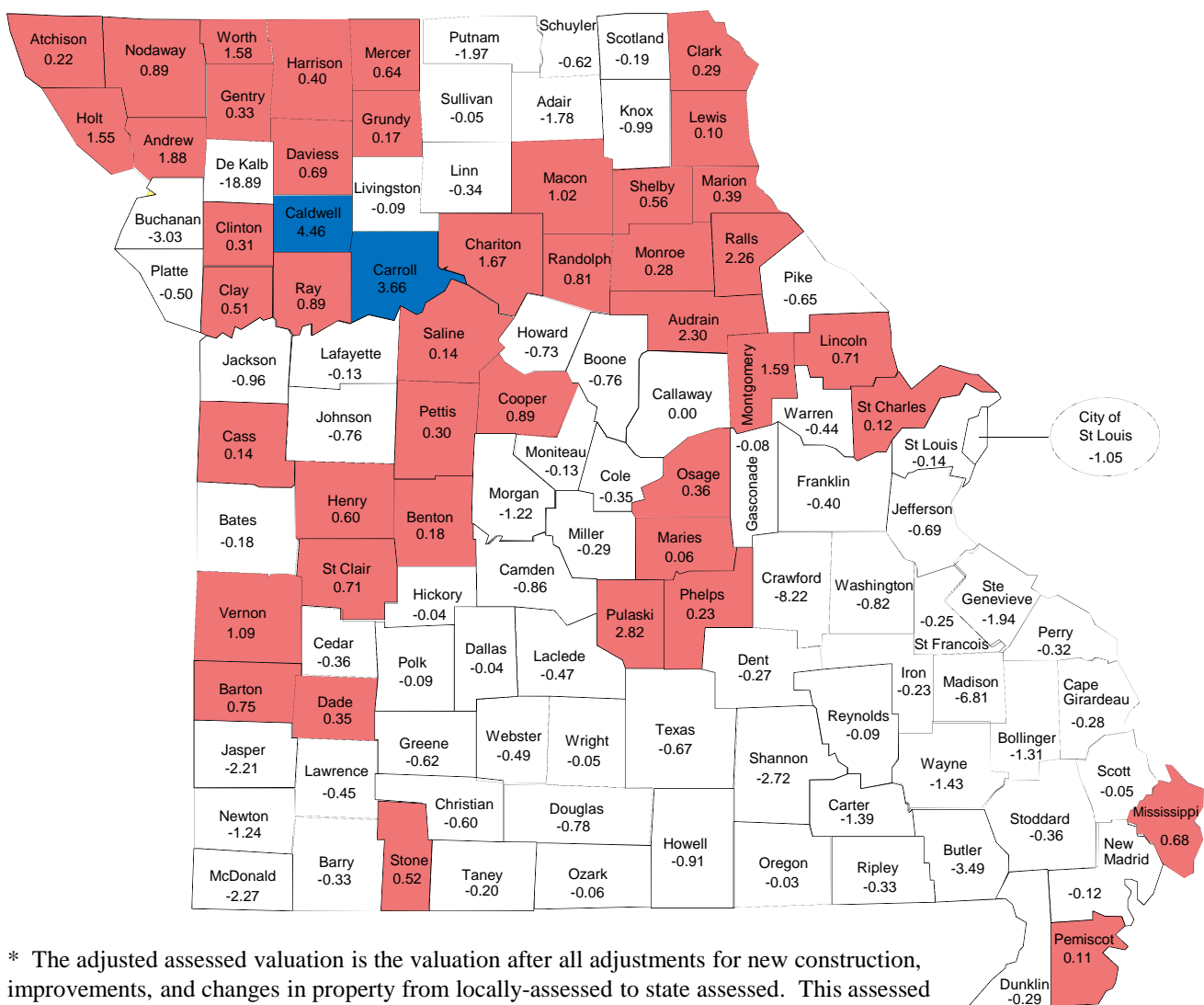
## APPENDIX VI

### 2012 PROPERTY TAX RATES

### 2011 – 2012 PERCENTAGE CHANGE IN ADJUSTED ASSESSED VALUATIONS BY COUNTY\*



The 2012 consumer price index (CPI) of 3.00% was certified by the State Tax Commission.



\* The adjusted assessed valuation is the valuation after all adjustments for new construction, improvements, and changes in property from locally-assessed to state assessed. This assessed valuation is compared to the total prior assessed valuation in the calculation for compliance with the Hancock Amendment.

High County: Caldwell 4.46

Low County: DeKalb -18.89

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Adair</u></b>									
Twin Pines Adult Care Center	General Revenue	244,090,280	0.1500	0.1500	251,410,190	0.1500	0.1500	377,115	
City of Brashear	Fire	1,497,437	0.2910	0.2910	1,513,449	0.2910	0.2910	4,404	2012
	General Revenue-Temp	1,497,437	1.3800	1.3800	**	**	**		2011
	General Revenue-Temp	**	**	**	1,513,449	1.4572	1.4572	22,054	A 2015
City of Kirksville	General Revenue	159,924,478	0.6633	0.6633	158,589,861	0.6823	0.6823	1,082,059	
City of Novinger	General Revenue	1,958,646	0.4667	0.4667	1,993,150	0.4705	0.4705	9,378	
	General Revenue-Temp	1,958,646	0.3500	0.3500	1,993,150	0.3500	0.3500	6,976	2013
Village of Gibbs Village	General Revenue	495,146	0.7716	0.7716	512,808	0.7717	0.7717	3,957	
Adair County Public Library	General Revenue	255,193,989	0.1500	0.1500	257,238,426	0.1500	0.1500	385,858	
Adair County Health Department	General Revenue	255,193,989	0.1996	0.1996	257,238,426	0.2000	0.2000	514,477	
Adair Co. R-I School District	Operating Funds-Schools	13,977,911	3.7500	3.7500	E 14,729,841	3.7274	3.7274	549,040	E
	Debt Service	13,977,911	0.7200	0.5830	14,711,601	0.7287	0.5830	85,769	
Kirksville R-III School District	Operating Funds-Schools	201,222,953	3.3213	3.3213	E 206,259,366	3.3038	3.3038	6,814,397	E
	Debt Service	201,222,953	1.5827	0.8190	206,259,366	1.0766	0.8190	1,689,264	
Adair Co. R-II School District	Operating Funds-Schools	12,407,863	3.6054	3.6054	E 13,124,394	3.5739	3.5739	469,053	E
	Debt Service	12,407,863	0.7970	0.6514	13,124,394	0.6511	0.6511	85,453	
Adair County	General Revenue	255,193,989	0.0000	0.0000	257,238,426	0.0000	0.0000	0	
	Road & Bridge	255,193,989	0.2703	0.2703	257,238,426	0.2752	0.2752	707,920	
	Developmentally Disabled	255,193,989	0.1500	0.1500	257,238,426	0.1500	0.1500	385,858	
<b><u>Andrew</u></b>									
Andrew County Ambulance District	General Revenue	203,839,041	0.2735	0.1769	212,658,865	0.2735	0.1809	384,700	
Andrew County Nursing Home District	General Revenue	212,341,242	0.0293	0.0293	221,586,325	0.0293	0.0293	64,925	
City of Bolckow	General Revenue	853,851	0.8541	0.8541	902,357	0.8542	0.8542	7,708	
Village of Cosby	General Revenue	690,204	0.4912	0.4912	683,632	0.4959	0.4959	3,390	
Village of Country Club	General Revenue	32,961,439	0.3942	0.3942	33,820,011	0.3942	0.3942	133,318	
City of Fillmore	General Revenue	839,062	0.6879	0.6879	859,973	0.6880	0.6880	5,917	
	Debt Service	839,062	0.4872	0.4872	859,973	0.4608	0.4608	3,963	
Village of Rea	General Revenue	362,342	0.3172	0.3172	390,570	0.3171	0.3171	1,238	
Village of Rosendale	General Revenue	495,075	0.9637	0.9637	529,190	0.9637	0.9637	5,100	
City of Savannah	General Revenue	46,945,344	0.4600	0.4600	38,145,875	0.5676	0.5676	216,516	
	Parks & Recreation	46,945,344	0.2935	0.2935	38,145,875	0.3622	0.3622	138,164	
	Debt Service	46,945,344	0.1637	0.1637	38,145,875	0.1303	0.1303	49,704	
City of Amazonia	General Revenue	1,445,708	0.7286	0.7286	1,523,776	0.7286	0.7286	11,102	
Bolckow Fire District	General Revenue	7,287,595	0.2902	0.2902	7,996,266	0.2789	0.2789	22,302	
Rosendale Fire District	General Revenue	11,891,288	0.3143	0.3143	12,623,116	0.3118	0.3118	39,359	
Fillmore Fire Protection District	General Revenue	7,701,863	0.4297	0.4297	8,030,575	0.4297	0.4297	34,507	
Savannah Fire Protection District	General Revenue	97,544,479	0.5668	0.5668	102,360,103	0.5668	0.5668	580,177	
Village of Country Club FPD	General Revenue	19,397,291	0.6569	0.6569	19,772,081	0.6569	0.6569	129,883	
Cosby-Helena Fire Protection Dist	General Revenue	18,464,406	0.2405	0.2405	19,434,415	0.2405	0.2405	46,740	
Andrew County Health Department	General Revenue	212,341,242	0.0899	0.0899	221,586,325	0.0899	0.0899	199,206	
North Andrew Co. R-VI School Dist	Operating Funds-Schools	18,844,578	4.6649	4.6649	E 19,898,675	4.6238	4.6238	920,075	E
Avenue City R-IX School District	Operating Funds-Schools	18,025,870	3.6114	3.6114	E 19,341,191	3.5609	3.5609	688,720	E
	Debt Service	18,025,870	1.0866	0.9800	19,341,191	1.0173	0.9800	189,544	
Savannah R-III School District	Operating Funds-Schools	153,756,614	3.9652	3.9652	E 157,744,904	3.9505	3.9505	6,231,712	E
Andrew County	General Revenue	212,341,242	0.3243	0.2132	221,586,325	0.3243	0.1920	425,446	
	Johnson Grass	212,341,242	0.0146	0.0100	221,586,325	0.0146	0.0100	22,159	
	Road & Bridge	212,341,242	0.2523	0.2523	221,586,325	0.2523	0.2523	559,062	
	Special Road and Bridge	212,341,242	0.2441	0.2441	221,586,325	0.2441	0.2441	540,892	2012
	Developmentally Disabled	212,341,242	0.0810	0.0810	221,586,325	0.0810	0.0810	179,485	
	Senior Services	212,341,242	0.0286	0.0286	221,586,325	0.0286	0.0286	63,374	

# APPENDIX VII

## 2012 PROPERTY TAX RATES

### LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u><b>Atchison</b></u>										
Atchison-Holt Ambulance District	General Revenue	295,986,329	0.2982	0.2982		227,104,569	0.3000	0.3000	681,314	
Langdon Spec Road Dist Atchison Co	Special Road and Bridge	3,085,951	0.3500	0.3500		3,135,278	0.3500	0.3500	10,973	2012
Phelps Cy Spec Rd Dist Atchison Co	Phelps City Special Road	5,999,851	0.3171	0.3171		6,200,213	0.3275	0.3275	20,306	2013
Tarkio Spec Road Dist Atchison Co	Special Road and Bridge	20,964,144	0.3548	0.3548	A	21,538,597	0.3548	0.3548	76,419	2014
Watson Spec Road Dist Atchison Co	Special Road and Bridge	4,440,386	0.3363	0.3363		4,589,964	0.3363	0.3363	15,436	2012
General Road District	Special Road and Bridge	258,168,262	0.3670	0.3670	A	81,732,554	0.3670	0.3670	299,958	2014
City of Fairfax	General Revenue	3,578,611	0.8202	0.8202		3,889,410	0.8202	0.8202	31,901	
	Parks & Recreation	3,578,611	0.2000	0.2000		3,889,410	0.2000	0.2000	7,779	
	General Revenue-Temp	3,578,611	0.3000	0.3000		3,889,410	0.3000	0.3000	11,668	2012
	Street Lights	3,578,611	0.2452	0.2452		3,889,410	0.2452	0.2452	9,537	
City of Rock Port	General Revenue	10,742,581	0.9025	0.9025		10,861,133	0.9038	0.9038	98,163	
	Parks & Recreation	10,742,581	0.3610	0.3610		10,861,133	0.3615	0.3615	39,263	
City of Tarkio	General Revenue	12,086,854	0.8050	0.8050		12,450,915	0.8050	0.8050	100,230	
	Parks & Recreation	12,086,854	0.3100	0.3100		12,450,915	0.3100	0.3100	38,598	
	Lights	12,086,854	0.6640	0.6640		12,450,915	0.6640	0.6640	82,674	
	Debt Service	12,086,854	0.5798	0.5798		12,450,915	0.4253	0.4253	52,954	
Village of Watson	General Revenue	453,513	0.4815	0.4815		440,557	0.4963	0.4963	2,186	
	General Revenue-Temp	453,513	0.2888	0.2888		440,557	0.2977	0.2977	1,312	2012
City of Westboro	General Revenue	877,411	1.0000	1.0000		851,243	1.0000	1.0000	8,512	
	Lights	877,411	0.2500	0.2500		851,243	0.2500	0.2500	2,128	
	Streets	877,411	0.9000	0.9000		851,243	0.9000	0.9000	7,661	
	Debt Service	877,411	1.0822	1.0822		851,243	0.0000	0.0000	0	
Atchison County Library	General Revenue	112,458,594	0.3000	0.3000		117,197,290	0.3000	0.3000	351,592	
Fairfax Rural Fire District	General Revenue	13,387,458	0.3915	0.3915		13,962,827	0.3915	0.3915	54,664	
Tarkio Rural Fire District	General Revenue	16,318,735	0.3946	0.3946		16,869,897	0.3946	0.3946	66,569	
West Atchison Rural Fire Prot Dist	General Revenue	31,494,239	0.2449	0.2449		32,833,650	0.2460	0.2460	80,771	
Westboro Fire Protection District	General Revenue	15,232,010	0.3500	0.3500		16,560,098	0.3500	0.3500	57,960	
Atchison County Health Department	General Revenue	112,458,594	0.1000	0.1000		117,197,290	0.1000	0.1000	117,197	
Tarkio R-I School District	Operating Funds-Schools	39,657,597	3.8783	3.7800	E	41,729,703	3.8072	3.6900	1,539,826	E
	Debt Service	**	**	**		41,729,703	0.0929	0.0900	37,557	
Rock Port R-II School District	Operating Funds-Schools	42,603,763	3.7036	3.7036	E	43,656,823	3.7375	3.7375	1,631,674	E
	Operating Funds-Temp	**	**	**		43,656,823	0.5000	0.5000	218,284	2013
	Operating-Schools Temp	42,603,763	0.5000	0.5000		**	**	**		2013
	Debt Service	42,603,763	0.7577	0.7064		43,656,823	0.6827	0.6827	298,045	
Fairfax R-III School District	Operating Funds-Schools	16,538,625	4.2952	4.2952	E	17,086,956	4.2668	4.2668	729,066	E
Atchison County	General Revenue	112,458,594	0.5000	0.5000		117,197,290	0.5000	0.5000	585,986	
	Solid Waste Landfill	112,458,594	0.0000	0.0000		117,197,290	0.0000	0.0000	0	
	Road & Bridge	112,458,594	0.5000	0.5000		117,197,290	0.5000	0.5000	585,986	
	Senate Bill 40	112,458,594	0.1000	0.1000		117,197,290	0.1000	0.1000	117,197	
	Senior Services	112,458,594	0.0500	0.0500		117,197,290	0.0500	0.0500	58,599	
<u><b>Audrain</b></u>										
Van-Far Ambulance District	General Revenue	47,033,236	0.2930	0.1246		48,775,756	0.2930	0.1504	73,359	
Audrain Ambulance District	General Revenue	238,630,335	0.3000	0.3000		246,164,539	0.3000	0.1179	290,228	
Tri County Nursing Home District	General Revenue	51,798,920	0.2414	0.2414		56,647,910	0.2368	0.2368	134,142	
Laddonia Farber Spec Rd Audrain Co	Special Road and Bridge	19,656,339	0.3500	0.3500		20,120,835	0.3500	0.3500	70,423	2013
Saling Spec Rd Dist #2 Audrain Co	Special Road and Bridge	13,482,132	0.3500	0.3500	A	14,057,417	0.3298	0.3298	46,361	2014
Vandalia Special Rd Dist Audrain Co	Special Road and Bridge	36,115,127	0.3331	0.3331		**	**	**		2011
	Special Road and Bridge	**	**	**		37,210,270	0.3609	0.3500	130,236	A 2015
Village of Benton City	General Revenue	736,694	0.4034	0.4034		741,887	0.4086	0.4086	3,031	
City of Farber	General Revenue	1,874,832	0.6300	0.6300		1,983,216	0.6231	0.6231	12,357	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Audrain</u></b>										
City of Farber	Lights	1,874,832	0.3200	0.3200		1,983,216	0.3165	0.3165	6,277	
City of Laddonia	General Revenue	3,658,853	0.7585	0.7585		3,734,787	0.7586	0.7586	28,332	
	Lights	3,658,853	0.2684	0.2684		3,734,787	0.2684	0.2684	10,024	
City of Martinsburg	General Revenue	3,319,965	0.5436	0.5436		3,447,867	0.5436	0.5436	18,743	
City of Mexico	General Revenue	135,262,523	0.4150	0.4150		138,556,104	0.4150	0.4150	575,008	
	Parks & Recreation	135,262,523	0.2000	0.2000		138,556,104	0.2000	0.1000	138,556	
	Health	135,262,523	0.2000	0.2000		138,556,104	0.2000	0.2000	277,112	
Village of Rush Hill	General Revenue	573,331	0.4292	0.4292		533,145	0.4616	0.4616	2,461	
City of Vandalia	General Revenue	18,695,465	0.7119	0.7119		18,847,471	0.7133	0.7133	134,439	
	Parks & Recreation	18,695,465	0.1618	0.1618		18,847,471	0.1621	0.1621	30,552	
Village of Vandiver	General Revenue	3,379,500	0.3076	0.2900		3,359,691	0.3124	0.3124	10,496	
Mexico Audrain County Library Dist	General Revenue	341,738,223	0.2215	0.2215		352,729,939	0.2215	0.2215	781,297	
Little Dixie Fire District	General Revenue	100,122,636	0.4000	0.4000		103,877,975	0.3955	0.3955	410,837	
Martinsburg Area Fire Prot Dist	Fire	16,812,374	0.2000	0.2000		18,200,884	0.1891	0.1891	34,418	
Audrain County Health Center	General Revenue	**	**	**		352,729,939	0.2555	0.2500	881,825	A
Community R-VI School District	Operating Funds-Schools	27,572,186	3.9657	3.9057	E	27,339,157	4.0000	4.0000	1,093,566	E
	Debt Service	27,572,186	0.7032	0.5500		27,339,157	0.6211	0.5500	150,365	
Van-Far R-I School District	Operating Funds-Schools	39,118,817	3.3654	3.3654	E	40,494,223	3.3727	3.3727	1,365,749	E
	Debt Service	39,118,817	0.7208	0.6346		40,494,223	0.7088	0.6273	254,020	
Mexico 59 School District	Operating Funds-Schools	180,105,074	3.4858	3.0487		184,206,778	3.4366	3.4366	6,330,450	
	Debt Service	180,105,074	0.8297	0.5877		184,206,778	0.6607	0.5877	1,082,583	
Audrain County	General Revenue	341,738,223	0.4021	0.2357		352,729,939	0.4021	0.2180	768,951	
	Road & Bridge	341,738,223	0.3015	0.3015		352,729,939	0.3015	0.3015	1,063,481	
	Common Road District	100,036,369	0.3500	0.3500		104,040,693	0.3428	0.3428	356,651	2012
	Hospital	341,738,223	0.1898	0.1897		352,729,939	0.1898	0.1898	669,481	
	Senate Bill 40	341,738,223	0.2100	0.2100		352,729,939	0.2100	0.2100	740,733	
<b><u>Barry</u></b>										
Barry-Lawrence Co Ambulance Dist	General Revenue	232,918,537	0.1242	0.1242		231,309,269	0.1259	0.1259	291,218	
South Barry County Ambulance Dist	General Revenue	267,368,373	0.0811	0.0811		263,662,938	0.0829	0.0829	218,577	
South Barry Co Memorial Hospital	General Revenue	255,275,115	0.0912	0.0912		256,464,533	0.0915	0.0915	234,665	
Ash Special Road Dist Barry Co	Road & Bridge	4,558,781	0.1674	0.1674		4,660,099	0.1674	0.1674	7,801	
	Special Road and Bridge	4,558,781	0.1300	0.1300		**	**	**		2011
	Special Road and Bridge	**	**	**		4,660,099	0.1324	0.1324	6,170	A 2015
Butterfield Sp Rd Dist Barry Co	Road & Bridge	16,388,736	0.1831	0.1831		16,789,743	0.1831	0.1831	30,742	
	Special Road and Bridge	16,388,736	0.1300	0.1300		**	**	**		2011
	Special Road and Bridge	**	**	**		16,789,743	0.1315	0.1315	22,079	A 2015
Capps Creek Sp Rd Dist Barry Co	Road & Bridge	8,050,963	0.2700	0.2700		8,005,424	0.2700	0.2700	21,615	
Corsicana Special Rd Dist Barry Co	Road & Bridge	4,182,422	0.1929	0.1929		4,366,173	0.1929	0.1929	8,422	
	Special Road and Bridge	4,182,422	0.1300	0.1300		**	**	**		2011
	Special Road and Bridge	**	**	**		4,366,173	0.1330	0.1330	5,807	A 2015
Crane Creek Spec Rd Dist Barry Co	Road & Bridge	7,051,490	0.2099	0.2099		8,217,778	0.1926	0.1926	15,827	
Exeter Spec Rd Dist Barry Co	Road & Bridge	15,289,397	0.1954	0.1954		15,645,534	0.1954	0.1954	30,571	
	Special Road and Bridge	15,289,397	0.1300	0.1300		15,645,534	0.1300	0.1300	20,339	2012
	Special Road and Bridge	71,153,331	0.1512	0.1512		69,326,865	0.1561	0.1561	108,219	
Flat Creek Spec Rd Dist Barry Co	Special Road and Bridge	71,153,331	0.1300	0.1300		**	**	**		2011
	Special Road and Bridge	**	**	**		69,326,865	0.1383	0.1383	95,879	A 2015
	Special Road and Bridge	**	**	**		69,326,865	0.1383	0.1383	95,879	A 2015
Greasy Creek Sp Rd Dist 35 Barry Co	Road & Bridge	2,164,815	0.1804	0.1804		2,236,456	0.1819	0.1819	4,068	
	Special Road and Bridge	2,164,815	0.3500	0.3500		**	**	**		2011
	Special Road and Bridge	**	**	**		2,236,456	0.3636	0.3636	8,132	A 2015
Jenkins Spec Road Dist 20 Barry Co	Road & Bridge	4,005,338	0.1477	0.1477		4,016,158	0.1487	0.1477	5,932	

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2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Barry</u></b>									
Kings Prairie Sp Rd Dist Barry Co	Road & Bridge	10,198,778	0.2003	0.2003	10,188,992	0.2010	0.2010	20,480	
	Special Road and Bridge	10,198,778	0.1300	0.1300	**	**	**		2011
	Special Road and Bridge	**	**	**	10,188,992	0.1344	0.1344	13,694	A 2015
Liberty Common Rd Dist 34 Barry Co	Road & Bridge	655,528	0.1260	0.1260	704,771	0.1243	0.1243	876	
McDonald Sp Rd Dist 19 Barry Co	Road & Bridge	3,581,171	0.1639	0.1639	3,712,694	0.1649	0.1649	6,122	
Mineral Spgs Sp Rd Dist 10 Barry Co	Road & Bridge	7,281,454	0.1820	0.1820	7,636,876	0.1821	0.1821	13,907	
	Special Road and Bridge	7,281,454	0.1300	0.1300	**	**	**		2011
	Special Road and Bridge	**	**	**	7,636,876	0.1340	0.1340	10,233	A 2015
Mountain Special Road District #22	Road & Bridge	2,850,159	0.1890	0.1890	2,956,715	0.1890	0.1890	5,588	
Ozark Special Road Dist Barry Co	Road & Bridge	7,886,608	0.1498	0.1498	8,020,190	0.1504	0.1504	12,062	
	Special Road and Bridge	7,886,608	0.1300	0.1300	**	**	**		2011
	Special Road and Bridge	**	**	**	8,020,190	0.1344	0.1344	10,779	A 2015
Pioneer Special Rd Dist 31 Barry Co	Road & Bridge	1,677,984	0.2009	0.2009	1,731,511	0.2027	0.2027	3,510	
	Special Road and Bridge	1,677,984	0.1300	0.1300	**	**	**		2011
	Special Road and Bridge	**	**	**	1,731,511	0.1350	0.1350	2,338	A 2015
Pleasant Ridge Sp Rd 25 Barry Co	Road & Bridge	4,862,959	0.1564	0.1564	4,963,761	0.1577	0.1577	7,828	
	Special Road and Bridge	4,862,959	0.1300	0.1300	**	**	**		2011
	Special Road and Bridge	**	**	**	4,963,761	0.1350	0.1350	6,701	A 2015
Purdy Spec Rd Dist 28 Barry Co	Road & Bridge	17,582,521	0.1991	0.1991	17,478,134	0.2030	0.2030	35,481	
	Special Road and Bridge	17,582,521	0.1300	0.1300	**	**	**		2011
	Special Road and Bridge	**	**	**	17,478,134	0.1365	0.1365	23,858	A 2015
Roaring River Sp Rd Dist 2 Barry Co	Road & Bridge	22,413,692	0.1376	0.1376	22,689,257	0.1378	0.1378	31,266	
Shell Knob Sp Rd Dist 9 Barry Co	Road & Bridge	28,460,071	0.1609	0.1609	28,566,576	0.1609	0.1609	45,964	
Sugar Creek Sp Rd Dist 3 Barry Co	Road & Bridge	11,984,551	0.1533	0.1533	12,219,548	0.1537	0.1537	18,781	
Viola Sp Rd Dist 21 Barry Co	Road & Bridge	29,424,858	0.1257	0.1257	29,891,749	0.1261	0.1261	37,693	
Washburn Sp Rd Dist 4 Barry Co	Road & Bridge	9,976,745	0.2036	0.2036	10,083,149	0.2049	0.2049	20,660	
	Special Road and Bridge	9,976,745	0.1300	0.1300	10,083,149	0.1300	0.1300	13,108	2013
Wheaton Sp Rd Dist 29 Barry Co	Road & Bridge	12,507,853	0.1846	0.1846	13,104,367	0.1846	0.1846	24,191	
	Special Road and Bridge	12,507,853	0.1300	0.1300	**	**	**		2011
	Special Road and Bridge	**	**	**	13,104,367	0.1315	0.1315	17,232	A 2015
White River Sp Rd Dist 7 Barry Co	Road & Bridge	24,485,516	0.1316	0.1316	24,987,290	0.1316	0.1316	32,883	
Monett Special Road District	Road & Bridge	112,054,494	0.1689	0.1689	107,128,043	0.1779	0.1779	190,581	
City of Butterfield	General Revenue	1,796,102	0.4533	0.4533	1,851,666	0.4550	0.4533	8,394	
City of Cassville	General Revenue	40,658,901	0.0000	0.0000	37,957,307	0.0000	0.0000	0	
City of Exeter	General Revenue	3,762,072	0.4484	0.4484	3,831,214	0.4501	0.4501	17,244	
City of Purdy	General Revenue	4,419,287	0.3956	0.3956	4,579,598	0.3956	0.3956	18,117	
City of Seligman	General Revenue	3,885,876	0.2727	0.2713	4,041,831	0.2727	0.2727	11,022	
	Streets	3,885,876	0.1677	0.1668	4,041,831	0.1677	0.1677	6,778	
City of Washburn	General Revenue	2,523,776	0.3954	0.3954	2,532,845	0.3958	0.3958	10,025	
City of Wheaton	General Revenue	3,505,706	0.4515	0.4515	3,543,404	0.4531	0.4531	16,055	
Barry Lawrence Con Library District	General Revenue	856,998,624	0.1500	0.1500	862,534,793	0.1500	0.1500	1,293,802	
Eagle Rock, Golden & Mano Fire Dist	General Revenue	47,423,806	0.2920	0.2920	48,245,318	0.2920	0.2920	140,876	
Central Crossing Fire Prot Dist	General Revenue	84,667,881	0.3749	0.2735	B 87,869,110	0.3749	0.3749	329,421	
Cassville Fire Protection District	General Revenue	70,213,362	0.3000	0.3000	69,002,991	0.3000	0.3000	207,009	
Butterfield Fire Protection Dist	General Revenue	19,531,545	0.2963	0.2963	19,330,522	0.3000	0.3000	57,992	
Exeter Fire Protection District	General Revenue	15,604,069	0.3000	0.3000	16,232,710	0.3000	0.3000	48,698	
Seligman Fire Protection District	General Revenue	13,374,165	0.3000	0.3000	13,737,715	0.3000	0.3000	41,213	
Purdy Fire Protection District	General Revenue	23,679,057	0.2894	0.2894	23,744,248	0.2928	0.2928	69,523	
Jenkins Fire Protection District	General Revenue	13,760,805	0.2953	0.2953	14,133,736	0.2953	0.2953	41,737	
Barry County Health Department	General Revenue	442,027,132	0.0708	0.0708	444,281,784	0.0710	0.0710	315,440	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Barry</u></b>										
Wheaton R-III School District	Operating Funds-Schools	17,800,180	2.7500	2.7500	E	18,671,728	2.7568	2.7553	514,462	E
	Debt Service	17,800,180	1.0690	0.6800		18,671,728	1.0365	0.8300	154,975	
Southwest Barry Co R-V School Dist	Operating Funds-Schools	33,209,373	2.7500	2.7500	F	33,752,862	2.7500	2.7500	928,204	F
	Debt Service	33,209,373	0.8672	0.8500		33,752,862	0.8502	0.8500	286,899	
Exeter R-VI School District	Operating Funds-Schools	12,700,143	3.4427	3.4427	E	13,029,356	3.4360	3.4360	447,689	E
	Debt Service	12,700,143	0.9700	0.6500		13,029,356	0.9462	0.6500	84,691	
Cassville R-IV School District	Operating Funds-Schools	157,571,468	2.9460	2.9000	E	157,207,154	2.9789	2.9500	4,637,611	E
	Debt Service	157,571,468	0.3972	0.3700		157,207,154	0.4803	0.3700	581,666	
Purdy R-II School District	Operating Funds-Schools	25,142,158	2.7500	2.7500	E	25,287,740	2.7500	2.7500	695,413	E
	Debt Service	25,142,158	0.7488	0.6946		25,287,740	0.7002	0.6900	174,485	
Shell Knob 78 School District	Operating Funds-Schools	58,027,166	3.4304	3.4300	E	59,552,972	3.4576	3.4576	2,059,104	E
Monett R-I School District	Operating Funds-Schools	159,703,857	3.0916	3.0916	E	155,239,840	3.1862	3.1862	4,946,252	E
	Debt Service	159,703,857	0.6353	0.5600		155,239,840	0.7316	0.5600	869,343	
Barry County	General Revenue	442,027,132	0.0000	0.0000		444,281,784	0.0000	0.0000	0	
	Developmentally Disabled	442,027,132	0.0700	0.0700		444,281,784	0.0702	0.0700	310,997	
	Senior Services	442,027,132	0.0500	0.0500		444,281,784	0.0500	0.0500	222,141	
<b><u>Barton</u></b>										
Barton County Ambulance District	General Revenue	158,541,138	0.0000	0.0000		166,890,504	0.0000	0.0000	0	
City of Golden City	General Revenue	5,372,376	0.5774	0.5774		5,412,423	0.5782	0.5782	31,295	
	Parks & Recreation	5,372,376	0.1307	0.1307		5,412,423	0.1309	0.1309	7,085	
	Ambulance	5,372,376	0.1635	0.1635		**	**	**		H
	Public Health	**	**	**		5,412,423	0.1637	0.1637	8,860	H
City of Lamar	General Revenue	56,751,402	0.5877	0.5877		56,189,020	0.5958	0.5958	334,774	
	Parks & Recreation	56,751,402	0.1800	0.1800		56,189,020	0.1800	0.1800	101,140	
	Memorial Fund	56,751,402	0.1800	0.1800		56,189,020	0.1800	0.1800	101,140	
City of Liberal	General Revenue	3,969,624	0.5778	0.5778		4,018,066	0.5789	0.5789	23,261	
Barton County Library	General Revenue	163,952,847	0.0752	0.0752		172,300,928	0.0752	0.0752	129,570	
	Library	163,952,847	0.0800	0.0800		172,300,928	0.0800	0.0800	137,841	
Barton City Township of Barton Co	General Revenue	3,499,437	0.1000	0.1000		3,598,960	0.1000	0.1000	3,599	
	Road & Bridge	3,499,437	0.2542	0.2542		3,598,960	0.2542	0.2542	9,149	
	Special Road and Bridge	3,499,437	0.2500	0.2500		3,598,960	0.2500	0.2500	8,997	2013
Central Township of Barton County	General Revenue	9,807,905	0.0883	0.0883		10,356,213	0.0883	0.0883	9,145	
	Road & Bridge	9,807,905	0.3431	0.3431		10,356,213	0.3431	0.3431	35,532	
	Special Road and Bridge	9,807,905	0.4608	0.4608		10,356,213	0.4608	0.4608	47,721	2012
City Township of Barton County	General Revenue	53,870,894	0.0568	0.0500		51,850,809	0.0592	0.0500	25,925	
	Road & Bridge	53,870,894	0.1932	0.1700		51,850,809	0.2014	0.1700	88,146	
Doylesport Township of Barton Co	General Revenue	4,046,349	0.1000	0.1000		4,053,331	0.1000	0.1000	4,053	
	Road & Bridge	4,046,349	0.2949	0.2949		4,053,331	0.2965	0.2965	12,018	
	Special Road and Bridge	4,046,349	0.2481	0.2481		4,053,331	0.2481	0.2481	10,056	2012
Golden City Township of Barton Co	General Revenue	11,331,672	0.0900	0.0900		11,604,509	0.0900	0.0900	10,444	
	Road & Bridge	11,331,672	0.2344	0.2344		11,604,509	0.2344	0.2344	27,201	
Lamar Township of Barton County	General Revenue	30,324,313	0.0611	0.0600		37,289,243	0.0611	0.0600	22,374	
	Road & Bridge	30,324,313	0.2443	0.2400		37,289,243	0.2443	0.2400	89,494	
Leroy Township of Barton County	General Revenue	5,615,222	0.0940	0.0940		5,979,433	0.0936	0.0936	5,597	
	Road & Bridge	5,615,222	0.3465	0.3465		5,979,433	0.3449	0.3449	20,623	
Milford Township of Barton County	General Revenue	2,961,563	0.0818	0.0818		3,459,688	0.1000	0.1000	3,460	
	Road & Bridge	2,961,563	0.2248	0.2248		3,459,688	0.2721	0.2721	9,414	
Nashville Township of Barton County	General Revenue	5,921,481	0.0960	0.0958		6,245,662	0.0960	0.0960	5,996	
	Road & Bridge	5,921,481	0.3476	0.3468		6,245,662	0.3476	0.3476	21,710	
	Special Road and Bridge	5,921,481	0.3698	0.3698		6,245,662	0.3698	0.3698	23,096	2012



APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Barton</u></b>										
Newport Township of Barton County	General Revenue	3,775,128	0.1000	0.1000		3,932,149	0.1000	0.1000	3,932	
	Road & Bridge	3,775,128	0.2539	0.2516		3,932,149	0.2539	0.2516	9,893	
	Special Road and Bridge	3,775,128	0.1025	0.1025	A	3,932,149	0.1025	0.1025	4,030	2014
North Fork Township of Barton Co	General Revenue	3,465,690	0.1000	0.1000		3,549,385	0.1000	0.1000	3,549	
	Road & Bridge	3,465,690	0.3125	0.3125		3,549,385	0.3125	0.3125	11,092	
	Special Road and Bridge	3,465,690	0.1996	0.1996		3,549,385	0.1996	0.1996	7,085	2012
Ozark Township of Barton County	General Revenue	8,196,528	0.0952	0.0944		8,819,534	0.0952	0.0944	8,326	
	Road & Bridge	8,196,528	0.2433	0.2413		8,819,534	0.2433	0.2413	21,282	
Richland Township of Barton County	General Revenue	8,799,429	0.1000	0.1000		9,099,389	0.1000	0.1000	9,099	
	Road & Bridge	8,799,429	0.4100	0.4100		9,099,389	0.4100	0.4100	37,307	
	Special Road and Bridge	8,799,429	0.3900	0.3900		9,099,389	0.3900	0.3900	35,488	2013
South West Township of Barton Co	General Revenue	6,887,567	0.0990	0.0990		7,151,138	0.0990	0.0990	7,080	
	Road & Bridge	6,887,567	0.3463	0.3463		7,151,138	0.3463	0.3463	24,764	
Union Township of Barton County	General Revenue	5,113,480	0.0991	0.0991		5,310,985	0.0991	0.0991	5,263	
	Road & Bridge	5,113,480	0.4280	0.4280		5,310,985	0.4280	0.4280	22,731	
Golden City Fire Protection Dist	General Revenue	19,717,862	0.0978	0.0978		20,528,024	0.0978	0.0978	20,076	
Barton County Health Department	General Revenue	163,952,847	0.1500	0.1500		172,300,928	0.1500	0.1500	258,451	
Liberal R-II School District	Operating Funds-Schools	29,003,287	3.2229	3.2229	E	29,953,836	3.2692	3.2692	979,251	E
	Debt Service	29,003,287	0.4658	0.3954		29,953,836	0.0691	0.0691	20,698	
Golden City R-III School District	Operating Funds-Schools	16,430,126	3.3605	3.3605	E	16,790,509	3.7648	3.4300	575,914	E
Lamar R-I School District	Operating Funds-Schools	98,264,348	3.7500	3.7000	E	103,522,706	3.7500	3.7500	3,882,101	E
	Debt Service	98,264,348	0.5197	0.5100		103,522,706	0.5109	0.5109	528,898	
Barton County	General Revenue	163,952,847	0.0567	0.0000		172,300,928	0.3397	0.0500	86,150	
	Hospital	163,952,847	0.1053	0.1053		172,300,928	0.1053	0.1053	181,433	
<b><u>Bates</u></b>										
Cornland Sp Rd Dist Bates Co	Road & Bridge	718,993	0.3500	0.3500		722,271	0.3499	0.3499	2,527	
	Special Road and Bridge	718,993	0.1764	0.1764		**	**	**		2011
	Special Road and Bridge	**	**	**		722,271	0.1808	0.1808	1,306	A 2015
South Hudson Sp Rd Dist Bates Co	Road & Bridge	1,044,290	0.3141	0.3141		1,032,940	0.3175	0.3175	3,280	
	Special Road and Bridge	1,044,290	0.3000	0.3000	A	1,032,940	0.3000	0.3000	3,099	2014
City of Adrian	General Revenue	12,271,736	0.5738	0.5738		12,195,657	0.5774	0.5774	70,418	
	Parks & Recreation	12,271,736	0.0500	0.0500		12,195,657	0.0500	0.0500	6,098	
City of Amoret	General Revenue	717,620	0.4911	0.4911		688,865	0.5168	0.5168	3,560	
City of Amsterdam	General Revenue	1,408,163	0.9854	0.9854		1,381,883	1.0000	1.0000	13,819	
City of Butler	General Revenue	40,345,269	0.5968	0.5955		41,826,151	0.6056	0.5379	224,983	
	Parks & Recreation	40,345,269	0.0350	0.0350		41,826,151	0.0350	0.0322	13,468	
	Lake	40,345,269	0.0150	0.0150		41,826,151	0.0150	0.0140	5,856	
City of Hume	General Revenue	1,655,623	1.0000	1.0000		1,703,610	1.0000	1.0000	17,036	
	Lights	1,655,623	0.3541	0.3541		1,703,610	0.3541	0.3541	6,032	
	Water	1,655,623	0.4484	0.4484		1,703,610	0.4484	0.4484	7,639	
	Debt Service	1,655,623	0.0000	0.0000		**	**	**		
Village of Merwin	General Revenue	233,041	0.5500	0.5500		239,204	0.5500	0.5500	1,316	
Village of Passaic	General Revenue	172,863	1.0000	1.0000		169,610	1.0000	1.0000	1,696	
City of Rich Hill	General Revenue	6,510,303	0.6567	0.6567		6,691,622	0.6567	0.6567	43,944	
	Parks & Recreation	6,510,303	0.2648	0.2648		6,691,622	0.2648	0.2648	17,719	
	Library	6,510,303	0.2400	0.2400		6,691,622	0.2400	0.2400	16,060	
	Health	6,510,303	0.1377	0.1377		6,691,622	0.1377	0.1377	9,214	
City of Rockville	General Revenue	1,028,689	0.9000	0.9000		1,057,241	0.9000	0.9000	9,515	
	Streets	1,028,689	0.4000	0.4000		1,057,241	0.4000	0.4000	4,229	
Village of Foster	General Revenue	515,601	0.6337	0.6337		479,997	0.6898	0.6898	3,311	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Bates</u></b>									
Charlotte Township of Bates County	General Revenue	5,251,902	0.0995	0.0995	4,973,826	0.1000	0.1000	4,974	2012
	Road & Bridge	5,251,902	0.2830	0.2830	4,973,826	0.2990	0.2990	14,872	
	Special Road and Bridge	5,251,902	0.2182	0.2182	4,973,826	0.2182	0.2182	10,853	
Deepwater Township of Bates County	General Revenue	3,833,623	0.0949	0.0949	3,846,621	0.0962	0.0962	3,700	2014
	Road & Bridge	3,833,623	0.2315	0.2315	3,846,621	0.2347	0.2347	9,028	
	Special Road and Bridge	3,833,623	0.3508	0.3508	A 3,846,621	0.3508	0.3508	13,494	
Deer Creek Township of Bates Co	General Revenue	20,799,129	0.0714	0.0714	20,726,350	0.0718	0.0718	14,882	
	Road & Bridge	20,799,129	0.2349	0.2349	20,726,350	0.2362	0.2362	48,956	
East Boone Township of Bates Co	General Revenue	6,227,122	0.0829	0.0829	6,234,289	0.0830	0.0830	5,174	2014
	Road & Bridge	6,227,122	0.2281	0.2281	6,234,289	0.2284	0.2284	14,239	
	Special Road and Bridge	6,227,122	0.3494	0.3494	A 6,234,289	0.3494	0.3494	21,783	
Elkhart Township of Bates County	General Revenue	3,934,326	0.0863	0.0863	3,904,220	0.0870	0.0870	3,397	2012
	Road & Bridge	3,934,326	0.2373	0.2373	3,904,220	0.2393	0.2393	9,343	
	Special Road and Bridge	3,934,326	0.2500	0.2500	3,904,220	0.2500	0.2500	9,761	
Grand River Township of Bates Co	General Revenue	3,454,923	0.1000	0.1000	3,437,308	0.1000	0.1000	3,437	2012
	Road & Bridge	3,454,923	0.2702	0.2702	3,437,308	0.2718	0.2718	9,343	
	Special Road and Bridge	3,454,923	0.2485	0.2485	3,437,308	0.2485	0.2485	8,542	
Homer Township of Bates County	General Revenue	4,964,760	0.0968	0.0968	5,183,032	0.0966	0.0966	5,007	2011
	Road & Bridge	4,964,760	0.3263	0.3263	5,183,032	0.3256	0.3256	16,876	
	Special Road and Bridge	4,964,760	0.1936	0.1936	**	**	**		
	Special Road and Bridge	**	**	**	5,183,032	0.1936	0.1936	10,034	
Howard Township of Bates County	General Revenue	5,353,024	0.1000	0.1000	5,550,548	0.1000	0.1000	5,551	2011
	Road & Bridge	5,353,024	0.3366	0.3366	5,550,548	0.3366	0.3366	18,683	
	Special Road and Bridge	5,353,024	0.3473	0.3473	**	**	**		
	Special Road and Bridge	**	**	**	5,550,548	0.3538	0.3538	19,638	
Hudson Township of Bates County	General Revenue	4,359,587	0.1000	0.1000	4,475,501	0.1000	0.1000	4,476	2012
	Road & Bridge	4,359,587	0.3030	0.3030	4,475,501	0.3030	0.3030	13,561	
	Special Road and Bridge	4,359,587	0.3500	0.3500	4,475,501	0.3500	0.3500	15,664	
Lone Oak Township of Bates County	General Revenue	4,789,408	0.0885	0.0885	4,656,369	0.0917	0.0917	4,270	2013
	Road & Bridge	4,789,408	0.2546	0.2546	4,656,369	0.2638	0.2638	12,284	
	Special Road and Bridge	4,789,408	0.3000	0.3000	4,656,369	0.3000	0.3000	13,969	
Mingo Township of Bates County	General Revenue	3,714,407	0.0878	0.0878	3,653,178	0.0900	0.0900	3,288	2012
	Road & Bridge	3,714,407	0.2435	0.2435	3,653,178	0.2496	0.2496	9,118	
	Special Road and Bridge	3,714,407	0.1887	0.1887	3,653,178	0.1934	0.1934	7,065	
Mound Township of Bates County	General Revenue	10,279,324	0.0864	0.0864	10,482,483	0.0864	0.0864	9,057	2014
	Road & Bridge	10,279,324	0.2375	0.2375	10,482,483	0.2375	0.2375	24,896	
	Special Road and Bridge	10,279,324	0.1937	0.1937	A 10,482,483	0.1937	0.1937	20,305	
Mount Pleasant Township of Bates Co	General Revenue	52,579,955	0.0975	0.0975	53,834,900	0.0989	0.0989	53,243	
	Road & Bridge	52,579,955	0.2165	0.2165	53,834,900	0.2196	0.2196	118,221	
New Home Township of Bates County	General Revenue	3,503,878	0.1000	0.1000	3,512,049	0.1000	0.1000	3,512	2013
	Road & Bridge	3,503,878	0.2777	0.2777	3,512,049	0.2784	0.2784	9,778	
	Special Road and Bridge	3,503,878	0.2500	0.2500	3,512,049	0.2500	0.2500	8,780	
Osage Township of Bates County	General Revenue	11,234,044	0.1000	0.1000	11,397,957	0.1000	0.1000	11,398	
	Road & Bridge	11,234,044	0.2664	0.2664	11,397,957	0.2664	0.2664	30,364	
Pleasant Gap Township of Bates Co	General Revenue	4,192,588	0.1000	0.1000	4,207,300	0.1000	0.1000	4,207	2014
	Road & Bridge	4,192,588	0.2884	0.2884	4,207,300	0.2894	0.2894	12,176	
	Special Road and Bridge	4,192,588	0.3522	0.3522	A 4,207,300	0.3522	0.3522	14,818	
Rockville Township of Bates County	General Revenue	3,442,566	0.0994	0.0994	3,371,755	0.1000	0.1000	3,372	
	Road & Bridge	3,442,566	0.2744	0.2744	3,371,755	0.2826	0.2826	9,529	
Spruce Township of Bates County	General Revenue	4,033,006	0.0777	0.0777	4,034,069	0.0789	0.0789	3,183	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<b><u>Bates</u></b>										
Spruce Township of Bates County	Road & Bridge	4,033,006	0.2329	0.2329		4,034,069	0.2365	0.2365	9,541	
	Special Road and Bridge	**	**	**		4,034,069	0.3660	0.3660	14,765	A 2014
Summit Township of Bates County	General Revenue	3,955,129	0.0732	0.0732		3,915,877	0.0739	0.0739	2,894	
	Road & Bridge	3,955,129	0.2512	0.2512		3,915,877	0.2538	0.2538	9,938	
Walnut Township of Bates County	Special Road and Bridge	3,955,129	0.3528	0.0000	A	3,915,877	0.3528	0.3528	13,815	2014
	General Revenue	5,127,918	0.0974	0.0974		5,562,720	0.0970	0.0970	5,396	
	Road & Bridge	5,127,918	0.3057	0.3057		5,562,720	0.3045	0.3045	16,938	
	Special Road and Bridge	5,127,918	0.1838	0.1838		**	**	**		2011
West Boone Township of Bates Co	Special Road and Bridge	**	**	**		5,562,720	0.1838	0.1838	10,224	A 2015
	General Revenue	7,791,610	0.0796	0.0796		8,063,772	0.0796	0.0796	6,419	
	Road & Bridge	7,791,610	0.2502	0.2502		8,063,772	0.2502	0.2502	20,176	
	Special Road and Bridge	**	**	**		8,063,772	0.3526	0.3526	28,433	A 2014
West Point Township of Bates Co	General Revenue	7,244,544	0.0933	0.0933		7,746,189	0.0903	0.0903	6,995	
	Road & Bridge	7,244,544	0.2893	0.2893		7,746,189	0.2799	0.2799	21,682	
	Special Road and Bridge	7,244,544	0.2055	0.2055		**	**	**		2011
	Special Road and Bridge	**	**	**		7,746,189	0.2055	0.2055	15,918	A 2015
Prairie Township of Bates County	General Revenue	1,773,880	0.1000	0.1000		1,804,349	0.1000	0.1000	1,804	
	Road & Bridge	1,773,880	0.2855	0.2855		1,804,349	0.2860	0.2860	5,160	
	Special Road and Bridge	1,773,880	0.2300	0.2300		**	**	**		2011
	Special Road and Bridge	**	**	**		1,804,349	0.2373	0.2373	4,282	A 2015
Shawnee Township of Bates County	General Revenue	3,632,560	0.1000	0.1000		3,601,841	0.1000	0.1000	3,602	
	Road & Bridge	3,632,560	0.2939	0.2939		3,601,841	0.2986	0.2986	10,755	
	Special Road and Bridge	3,632,560	0.3609	0.3609	A	3,601,841	0.3609	0.3609	12,999	2014
Bates County Health Center	General Revenue	185,473,213	0.0834	0.0834		189,176,503	0.0834	0.0834	157,773	
Miami R-I School District	Operating Funds-Schools	13,209,681	3.9000	3.9000	E	13,460,926	3.9000	3.9000	524,976	E
Ballard R-II School District	Operating Funds-Schools	9,254,351	4.3958	4.3958	E	9,208,339	4.4459	4.4459	409,394	E
	Debt Service	9,254,351	0.8067	0.7500		9,208,339	0.9685	0.7500	69,063	
Adrian R-III School District	Operating Funds-Schools	36,793,897	3.4426	3.4426	E	36,686,539	3.4673	3.4673	1,272,032	E
	Debt Service	36,793,897	1.1046	0.9474		36,686,539	1.1039	0.9227	338,507	
Rich Hill R-IV School District	Operating Funds-Schools	21,184,588	3.2842	3.2842	E	21,305,991	3.5957	3.3000	703,098	E
	Debt Service	21,184,588	1.0839	1.0000		21,305,991	1.0086	1.0086	214,892	
Hume R-VIII School District	Operating Funds-Schools	7,284,730	4.6394	4.6394	E	7,581,697	5.2592	4.7500	360,131	E
Hudson R-IX School District	Operating Funds-Schools	6,470,072	3.7570	3.7570	E	6,655,647	4.0091	3.7800	251,583	E
Butler R-V School District	Operating Funds-Schools	68,627,322	3.8394	3.8394	E	69,570,110	3.8394	3.8394	2,671,075	E
	Operating Funds-Temp	68,627,322	0.2100	0.2100		69,570,110	0.2100	0.2100	146,097	2025
	Debt Service	68,627,322	1.0864	0.7800		69,570,110	0.9474	0.7800	542,647	
Bates County	General Revenue	185,473,213	0.2711	0.2711		188,176,503	0.2716	0.2716	511,087	
	Developmentally Disabled	185,473,213	0.0700	0.0700		188,176,503	0.0700	0.0700	131,724	
<b><u>Benton</u></b>										
Warsaw-Lincoln Ambulance District	General Revenue	184,510,024	0.1832	0.0000		188,516,758	0.1832	0.0000	0	
Cole Camp Ambulance District	General Revenue	53,763,020	0.2867	0.2034		54,450,505	0.2883	0.2003	109,064	
Lincoln Community Nursing Home Dist	Maintenance	54,013,947	0.1924	0.1924		63,519,453	0.1728	0.1728	109,762	
Good Samaritan Nursing Home Dist	General Revenue	65,400,451	0.1076	0.1076		76,506,624	0.0973	0.0973	74,441	
Brandon Special Road Dist Benton Co	Road & Bridge	1,488,158	0.3478	0.3478		1,524,254	0.3478	0.3478	5,301	
Cole Camp Sp Rd Dist Benton Co	Road & Bridge	12,838,018	0.3500	0.3500		13,254,148	0.3500	0.3500	46,390	
Ionia Special Rd Dist Benton Co	Road & Bridge	3,288,569	0.3145	0.3145		3,562,060	0.3037	0.3037	10,818	
City of Cole Camp	General Revenue	8,465,719	0.4728	0.4728		8,757,896	0.4728	0.4728	41,407	
Village of Ionia	General Revenue	558,832	0.8000	0.8000		486,248	0.8000	0.8000	3,890	
City of Lincoln	General Revenue	8,674,892	0.7700	0.7700		8,800,839	0.7700	0.7700	67,766	
	Parks & Recreation	8,674,892	0.1482	0.1482		8,800,839	0.1482	0.1482	13,043	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<b><u>Benton</u></b>										
City of Warsaw	General Revenue	25,753,137	0.4307	0.4307		25,821,395	0.4406	0.4406	113,769	
	Parks & Recreation	25,753,137	0.1155	0.1155		25,821,395	0.1182	0.0000	0	
Lincoln Community Fire Prot Dist	General Revenue	42,085,360	0.2457	0.2457		42,382,253	0.2469	0.2469	104,642	
Deer Creek Fire Protection District	General Revenue	18,542,618	0.2887	0.2887		18,849,825	0.2887	0.2887	54,419	
Warsaw Fire Protection District	General Revenue	111,460,339	0.2853	0.2853		114,181,082	0.2855	0.2855	325,987	
Lakeview Heights Fire Prot Dist	General Revenue	13,286,988	0.2829	0.2829		13,528,741	0.2829	0.2829	38,273	
Osage Valley Fire Protection Dist	General Revenue	11,048,423	0.2870	0.2870		11,269,834	0.2870	0.2870	32,344	
Cole Camp & Rural Fire Prot Dist	General Revenue	29,903,619	0.2980	0.2980		31,072,203	0.2980	0.2980	92,595	
Benton County Health Department	General Revenue	231,901,307	0.3864	0.3864		236,548,241	0.3864	0.3864	914,022	
Lincoln R-II School District	Operating Funds-Schools	39,701,086	2.7500	2.7500	E	40,363,988	2.7500	2.7500	1,110,010	E
	Debt Service	39,701,086	0.7743	0.5000		40,363,988	0.8103	0.5000	201,820	
Warsaw R-IX School District	Operating Funds-Schools	139,861,828	2.7500	2.7500	E	142,724,158	2.7500	2.7500	3,924,914	E
	Debt Service	139,861,828	0.8346	0.4500		142,724,158	0.7921	0.4500	642,259	
Cole Camp R-I School District	Operating Funds-Schools	50,763,796	2.7500	2.7500	F	51,640,350	2.7500	2.7500	1,420,110	F
	Debt Service	50,763,796	0.5506	0.5173		51,640,350	0.5541	0.5173	267,136	
Benton County	General Revenue	231,901,307	0.3231	0.1615		236,548,241	0.3231	0.1400	331,168	
	Common Road District	214,286,555	0.2047	0.2047		216,242,608	0.2064	0.2064	446,325	
	Senior Services	231,901,307	0.0500	0.0500		236,548,241	0.0500	0.0500	118,274	
<b><u>Bollinger</u></b>										
Village of Glen Allen	General Revenue	671,021	0.4194	0.4194		745,772	0.4285	0.4285	3,196	
City of Marble Hill	General Revenue	12,832,628	0.5073	0.0000		**	**	**		
	Parks & Recreation	12,832,628	0.1268	0.0000		**	**	**		
Village of Sedgwickville	General Revenue	1,037,921	0.4699	0.4699		1,096,353	0.4700	0.4700	5,153	
Village of Zalma	General Revenue	406,996	1.0000	1.0000		426,193	1.0000	1.0000	4,262	
Glen Allen Fire Protection District	General Revenue	13,881,684	0.2975	0.2975		15,032,855	0.3000	0.3000	45,099	
Sedgewickville Fire Protection Dist	General Revenue	16,407,925	0.2074	0.2074		17,080,598	0.2100	0.2100	35,869	
North County Fire Protection Dist	General Revenue	32,769,613	0.2507	0.2507		33,455,310	0.2592	0.2592	86,716	
Zalma Fire Protection District	Fire	14,450,191	0.2766	0.2766		14,881,577	0.2783	0.2783	41,415	
Bollinger County Health Center	General Revenue	113,915,542	0.2404	0.2404		118,413,473	0.2436	0.2436	288,455	
Meadow Heights R-II School District	Operating Funds-Schools	32,209,160	2.7500	2.7500	E	33,484,385	2.7500	2.7500	920,821	E
	Debt Service	32,209,160	0.5554	0.3500		33,484,385	0.4985	0.3500	117,195	
Leopold R-III School District	Operating Funds-Schools	7,786,380	2.9258	2.9258	E	8,335,995	2.9927	2.9500	245,912	E
Zalma R-V School District	Operating Funds-Schools	12,198,150	2.7500	2.7500	F	12,624,390	2.7500	2.7500	347,171	F
Woodland R-IV School District	Operating Funds-Schools	48,281,393	2.7500	2.7500	E	51,252,214	2.7500	2.7500	1,409,436	E
Bollinger County	General Revenue	113,915,542	0.3505	0.2200		118,413,473	0.3552	0.2200	260,510	
	Library	113,915,542	0.2000	0.2000		118,413,473	0.2000	0.2000	236,827	
	Road & Bridge	113,915,542	0.2504	0.2504		118,413,473	0.2537	0.2537	300,415	
	Ambulance	113,915,542	0.2000	0.2000		118,413,473	0.2000	0.2000	236,827	
	Senate Bill 40	113,915,542	0.1000	0.1000		118,413,473	0.1000	0.1000	118,413	
<b><u>Boone</u></b>										
Callahan Creek Watershed Sub Dist	General Revenue	17,788,569	0.0901	0.0900		18,140,529	0.2497	0.0900	16,326	
City of Ashland	General Revenue	46,052,722	0.2612	0.2612		47,659,062	0.2612	0.2612	124,485	
City of Centralia	General Revenue	45,193,947	0.6624	0.6624		45,841,398	0.6624	0.6624	303,653	
	Parks & Recreation	45,193,947	0.2966	0.2966		45,841,398	0.2966	0.2966	135,966	
City of Columbia	General Revenue	1,674,753,034	0.4121	0.4100		1,711,748,556	0.4163	0.4100	7,018,169	
City of Hallsville	General Revenue	15,547,157	0.5789	0.5789		15,948,471	0.5791	0.5791	92,358	
	Debt Service	15,547,157	0.4117	0.2900		15,948,471	0.4013	0.2900	46,251	
Town of Harrisburg	General Revenue	2,227,945	0.3424	0.3424		2,403,676	0.3424	0.3424	8,230	
Village of Hartsburg	General Revenue	987,669	0.5141	0.5141		980,420	0.5179	0.5179	5,078	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Boone</u></b>									
City of Rocheport	General Revenue	2,683,876	0.2586	0.2586	2,846,652	0.2557	0.2557	7,279	
City of Sturgeon	General Revenue	6,964,443	0.5414	0.5414	7,053,149	0.5437	0.5437	38,348	
Centralia Public Library	General Revenue	41,451,401	0.2997	0.2997	41,564,378	0.3000	0.2997	124,568	
	Debt Service	41,451,401	0.0923	0.0785	41,564,378	0.0886	0.0785	32,628	
Boone County Library	General Revenue	1,595,602,301	0.3001	0.3001	1,632,130,628	0.3036	0.3036	4,955,149	
Columbia Public Library	General Revenue	725,882,680	0.2971	0.2971	740,800,967	0.3021	0.3021	2,237,960	
	Debt Service	725,882,680	0.2334	0.2250	740,800,967	0.2366	0.2250	1,666,802	
Boone County Fire Prot Dist	General Revenue	518,476,314	0.6010	0.6010	529,444,343	0.6137	0.6010	3,181,961	
	Dispatch	518,476,314	0.0289	0.0289	529,444,343	0.0295	0.0289	153,009	
Southern Boone Co Fire Prot Dist	General Revenue	123,847,112	0.2125	0.2125	126,809,828	0.2125	0.2125	269,471	
	Dispatch	123,847,112	0.0280	0.0280	126,809,828	0.0280	0.0280	35,507	
	Debt Service	123,847,112	0.1162	0.1162	126,809,828	0.2663	0.2663	337,695	
Columbia Special Business District	General Revenue	32,686,954	0.4813	0.0000	33,705,637	0.4857	0.4857	163,708	
Southern Boone Co. R-I School Dist	Operating Funds-Schools	105,623,214	3.7268	3.6860	BE 108,881,331	3.7270	3.7060	4,035,142	E
	Debt Service	105,623,214	2.3262	1.2800	108,881,331	2.3338	1.2800	1,393,681	
Boone Co. R-IV School District	Operating Funds-Schools	69,264,404	3.1811	3.1811	E 71,622,728	3.1771	3.1771	2,275,526	E
	Debt Service	69,264,404	1.4643	1.0600	71,622,728	1.4160	1.0600	759,201	
Sturgeon R-V School District	Operating Funds-Schools	32,540,918	3.7230	3.6560	F 31,933,248	3.8271	3.7964	1,212,314	F
	Debt Service	32,540,918	1.3511	1.2700	31,933,248	1.3292	1.2700	405,552	
Centralia R-VI School District	Operating Funds-Schools	87,225,745	3.4695	3.4695	E 87,732,947	3.4695	3.4695	3,043,895	E
	Debt Service	87,225,745	1.3389	0.8900	87,732,947	1.0578	0.8900	780,823	
Harrisburg R-VIII School District	Operating Funds-Schools	33,967,767	3.4033	3.4033	F 35,569,438	3.3787	3.3386	1,187,521	F
	Debt Service	33,967,767	1.3329	1.1500	35,569,438	1.1562	1.1500	409,049	
Columbia 93 School District	Operating Funds-Schools	2,033,388,483	4.3481	4.0793	2,077,924,854	4.9272	4.4800	93,091,033	B
	Debt Service	2,033,388,483	1.6765	0.8019	2,077,924,854	1.5437	0.9219	19,156,389	
Boone County	General Revenue	2,363,228,566	0.2407	0.1200	2,414,699,063	0.3155	0.1200	2,897,639	
	Road & Bridge	2,363,228,566	0.2657	0.0475	2,414,699,063	0.2677	0.0500	1,207,350	
	Hospital	2,363,228,566	0.0000	0.0000	2,414,699,063	0.1338	0.0000	0	
	Sheltered Workshop	2,363,228,566	0.1130	0.1130	2,414,699,063	0.1146	0.1146	2,767,245	
<b><u>Buchanan</u></b>									
Village of Agency	General Revenue	6,782,309	0.5492	0.5492	7,373,871	0.5283	0.5283	38,956	
Village of DeKalb	General Revenue	1,396,340	0.8365	0.8365	1,408,864	0.8365	0.8365	11,785	
City of Easton	General Revenue	1,261,681	0.4607	0.4607	1,263,615	0.4661	0.4661	5,890	
Village of Lewis & Clark	General Revenue	1,126,418	0.3116	0.3116	632,061	0.5000	0.3116	1,970	
	General Revenue-Temp	1,126,418	0.2940	0.2940	**	**	**		2011
	General Revenue-Temp	**	**	**	632,061	0.5695	0.3000	1,896	A 2015
Village of Rushville	General Revenue	1,345,231	0.4946	0.4946	1,367,743	0.4946	0.4946	6,765	
City of St. Joseph	General Revenue	978,430,363	0.6700	0.6700	949,167,650	0.6700	0.6700	6,359,423	
	Parks & Recreation	978,430,363	0.1957	0.1957	949,167,650	0.2000	0.2000	1,898,335	
	Library	662,032,677	0.4026	0.4026	655,152,240	0.4103	0.4103	2,688,090	
	Museum	978,430,363	0.0490	0.0490	949,167,650	0.0500	0.0500	474,584	
	Health	978,430,363	0.2104	0.2104	949,167,650	0.2195	0.2195	2,083,423	
Rolling Hills Consolidated Library	General Revenue	725,407,551	0.3090	0.3090	719,087,220	0.3100	0.3100	2,229,170	
Colony Hills Fire Protection Dist	General Revenue	8,613,315	1.1286	1.1286	8,699,539	1.1286	1.1286	98,183	
	Fire	**	**	**	8,699,539	0.2559	0.2559	22,262	A
Lake Contrary Fire Protection Dist	General Revenue	4,757,316	0.8400	0.8400	4,957,237	0.8400	0.8400	41,641	
	Fire	4,757,316	0.2521	0.2521	4,957,237	0.5000	0.3500	17,350	
Maxwell Heights Fire Prot Dist	General Revenue	19,869,238	1.1700	1.1700	16,639,660	1.1700	1.1700	194,684	
S Central Buchanan Fire Prot Dist	General Revenue	72,426,060	0.2851	0.2851	76,414,126	0.2829	0.2829	216,176	
San Antonio Fire Protection Dist	General Revenue	14,282,040	0.2992	0.2992	14,901,129	0.2992	0.2992	44,584	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<b><u>Buchanan</u></b>										
DeKalb Fire Protection District	General Revenue	23,067,579	0.3000	0.3000		24,860,604	0.2900	0.2900	72,096	
Easton Fire Protection District	General Revenue	10,248,601	0.2603	0.2603		10,561,963	0.2603	0.2603	27,493	
Southwest Buchanan Co FPD	General Revenue	16,177,572	0.4392	0.4392		16,117,810	0.4459	0.4459	71,869	
St. Joseph Downtown CID	General Revenue	**	**	**		7,336,150	0.5000	0.5000	36,681	A 2041
East Buchanan Co. C-1 School Dist	Operating Funds-Schools	50,818,030	5.3000	5.3000	E	51,526,430	5.3000	5.3000	2,730,901	E
Mid-Buchanan Co R-V School Dist	Operating Funds-Schools	54,833,060	3.9845	3.9845	E	55,945,685	3.9845	3.9845	2,229,156	E
	Debt Service	54,833,060	0.6969	0.6969		55,945,685	0.6969	0.6969	389,885	
Buchanan County R-IV School Dist	Operating Funds-Schools	19,433,670	4.1903	4.1903	E	18,733,140	4.3561	4.3561	816,034	E
	Debt Service	19,433,670	0.8486	0.8486		18,733,140	0.9766	0.8486	158,969	
St. Joseph School District	Operating Funds-Schools	1,020,650,309	3.5774	3.1325		994,605,900	3.6690	3.1915	31,742,847	
	Operating Funds-Temp	1,020,650,309	0.6300	0.6300		994,605,900	0.6300	0.6300	6,266,017	2014
	Debt Service	1,020,650,309	0.3145	0.3145		994,605,900	0.3392	0.3145	3,128,036	
Buchanan County	General Revenue	1,177,742,691	0.3443	0.0985		1,155,116,064	0.3500	0.0751	867,492	
	Road & Bridge	1,177,742,691	0.2807	0.2795		1,155,116,064	0.2895	0.2895	3,344,061	
	Senate Bill 40	1,177,742,691	0.0984	0.0980		1,155,116,064	0.1000	0.1000	1,155,116	
<b><u>Butler</u></b>										
Naylor-Neelyville Ambulance Dist	General Revenue	38,521,833	0.3000	0.3000		39,721,786	0.3000	0.3000	119,165	
City of Fisk	General Revenue	2,119,511	0.7573	0.7573		2,073,185	0.7778	0.7778	16,125	
City of Neelyville	General Revenue	1,938,645	0.6566	0.6566		2,005,983	0.6633	0.6633	13,306	
City of Poplar Bluff	General Revenue	225,141,810	0.4753	0.4753		231,206,984	0.5131	0.5131	1,186,323	
	Library	225,141,810	0.1399	0.1399		231,206,984	0.1510	0.0000	0	
	Pension	225,141,810	0.0930	0.0930		231,206,984	0.1000	0.1000	231,207	
City of Qulin	General Revenue	2,840,478	0.4557	0.4557		3,078,470	0.4939	0.4939	15,205	
Butler County Fire Protection Dist	General Revenue	274,251,686	0.2521	0.2458		278,293,948	0.2521	0.2521	701,579	
Qulin Community Fire Prot Dist	General Revenue	16,443,212	0.1600	0.1600		17,071,608	0.1600	0.1600	27,315	
Butler County Health Department	General Revenue	516,662,815	0.0963	0.0963		527,669,289	0.0998	0.0998	526,614	
Three Rivers Community College	General Revenue	774,352,301	0.2355	0.2355		787,627,352	0.2413	0.2413	1,900,545	
Neelyville R-IV School District	Operating Funds-Schools	31,548,658	2.9976	2.7891	E	32,367,711	3.0300	3.0300	980,742	E
Poplar Bluff R-I School District	Operating Funds-Schools	383,820,452	2.7500	2.7500	E	406,439,360	2.7500	2.7500	11,177,082	E
	Debt Service	383,820,452	0.3053	0.1800		406,439,360	0.3868	0.1800	731,591	
Twin Rivers R-X School District	Operating Funds-Schools	56,818,983	2.3042	2.3042	E	57,877,243	2.3230	2.3230	1,344,488	E
	Operating Funds-Temp	56,818,983	0.9100	0.9100		57,877,243	0.9100	0.9100	526,683	2012
	Debt Service	56,818,983	0.0342	0.0341		57,877,243	0.0150	0.0150	8,682	
Butler County	General Revenue	516,662,815	0.2470	0.0995		527,669,289	0.2559	0.0995	525,031	
	Road & Bridge	516,662,815	0.1809	0.0342		527,669,289	0.1874	0.0342	180,463	
	Senate Bill 40	516,662,815	0.0963	0.0963		527,669,289	0.0998	0.0998	526,614	
	Senior Services	516,662,815	0.0479	0.0479		527,669,289	0.0496	0.0496	261,724	
<b><u>Caldwell</u></b>										
Caldwell County Ambulance	General Revenue	125,730,003	0.1293	0.1293		134,218,127	0.1275	0.0285	38,252	
Golden Age Nursing Home District	General Revenue	41,576,650	0.1169	0.1169		46,087,330	0.1097	0.1097	50,558	
City of Braymer	General Revenue	5,405,592	0.7775	0.7775		5,353,426	0.7874	0.7874	42,153	
City of Breckenridge	General Revenue	2,111,279	0.9907	0.9907		2,090,463	1.0000	1.0000	20,905	
	Lights	2,111,279	0.0991	0.0991		2,090,463	0.1000	0.1000	2,090	
	Library	2,111,279	0.0496	0.0496		2,090,463	0.0500	0.0500	1,045	
	Police	2,111,279	0.0991	0.0991		2,090,463	0.1000	0.1000	2,090	
	Fire	2,111,279	0.1487	0.1487		2,090,463	0.1500	0.1500	3,136	
City of Cowgill	General Revenue	1,014,528	0.8599	0.8599		997,913	0.8742	0.8742	8,724	
City of Hamilton	General Revenue	13,052,503	0.9370	0.9370		13,868,967	0.9309	0.9309	129,106	
	Parks & Recreation	13,052,503	0.2527	0.2527		13,868,967	0.2511	0.2511	34,825	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Caldwell</u></b>									
City of Hamilton	Library	13,052,503	0.3054	0.3054	13,868,967	0.3034	0.3034	42,078	
	Debt Service	13,052,503	0.6719	0.6719	13,868,967	0.7744	0.7086	98,276	
City of Kidder	General Revenue	2,034,370	1.0000	1.0000	1,996,487	1.0000	1.0000	19,965	
	Debt Service	2,034,370	0.4178	0.4178	1,996,487	0.3757	0.3757	7,501	
City of Kingston	General Revenue	1,495,702	0.8259	0.8259	1,528,748	1.0000	1.0000	15,287	
City of Polo	General Revenue	4,371,788	0.7188	0.7188	4,389,229	0.7339	0.7281	31,958	
	Debt Service	4,371,788	0.2021	0.2021	4,389,229	0.0124	0.0124	544	
Caldwell County Library	General Revenue	**	**	**	118,258,697	0.1200	0.1200	141,910	A
Breckenridge Township, Caldwell Co	General Revenue	7,209,010	0.0924	0.0924	7,229,988	0.0949	0.0949	6,861	
	Road & Bridge	7,209,010	0.4625	0.4625	7,229,988	0.4751	0.4751	34,350	
	Special Road and Bridge	7,209,010	0.2964	0.2964	**	**	**		2011
	Special Road and Bridge	**	**	**	7,229,988	0.3236	0.3236	23,396	A 2015
Davis Township of Caldwell Co	General Revenue	15,254,981	0.0794	0.0794	16,743,115	0.0753	0.0753	12,608	
	Road & Bridge	15,254,981	0.3791	0.3791	16,743,115	0.3595	0.3595	60,191	
	Special Road and Bridge	15,254,981	0.1499	0.1499	**	**	**		2011
	Special Road and Bridge	**	**	**	16,743,115	0.1700	0.1700	28,463	A 2015
Fairview Township of Caldwell Co	General Revenue	3,090,226	0.0985	0.0985	3,202,782	0.0985	0.0985	3,155	
	Road & Bridge	3,090,226	0.4529	0.4529	3,202,782	0.4923	0.4923	15,767	
	Special Road and Bridge	3,090,226	0.3151	0.3151	3,202,782	0.3151	0.3151	10,092	2012
Gomer Township of Caldwell County	General Revenue	5,773,665	0.0969	0.0969	6,019,354	0.0969	0.0969	5,833	
	Road & Bridge	5,773,665	0.4824	0.4824	6,019,354	0.4824	0.4824	29,037	
	Special Road and Bridge	5,773,665	0.3374	0.3374	6,019,354	0.3374	0.3374	20,309	2012
Grant Township of Caldwell County	General Revenue	22,191,847	0.0909	0.0909	23,830,691	0.0882	0.0882	21,019	
	Road & Bridge	22,191,847	0.3710	0.3710	23,830,691	0.3600	0.3600	85,790	
	Special Road and Bridge	22,191,847	0.2265	0.2265	**	**	**		2011
	Special Road and Bridge	**	**	**	23,830,691	0.2400	0.2400	57,194	A 2015
Hamilton Township of Caldwell Co	General Revenue	20,516,552	0.0710	0.0710	21,471,509	0.0710	0.0710	15,245	
	Road & Bridge	20,516,552	0.3144	0.3144	21,471,509	0.3144	0.3144	67,506	
Kidder Township of Caldwell Co	General Revenue	11,286,980	0.0915	0.0915	11,622,294	0.0927	0.0927	10,774	
	Road & Bridge	11,286,980	0.3753	0.3753	11,622,294	0.3803	0.3803	44,200	
	Special Road and Bridge	11,286,980	0.3168	0.3168	**	**	**		2011
	Special Road and Bridge	**	**	**	11,622,294	0.3316	0.3316	38,540	A 2015
Kingston Township of Caldwell Co	General Revenue	6,239,576	0.1000	0.1000	6,140,192	0.1000	0.1000	6,140	
	Road & Bridge	6,239,576	0.4999	0.4999	6,140,192	0.5000	0.5000	30,701	
	Special Road and Bridge	6,239,576	0.3499	0.3499	**	**	**		2011
	Special Road and Bridge	**	**	**	6,140,192	0.3715	0.3715	22,811	A 2015
Lincoln Township of Caldwell Co	General Revenue	10,908,605	0.0824	0.0824	12,564,007	0.0748	0.0748	9,398	
	Road & Bridge	10,908,605	0.3626	0.3626	12,564,007	0.3290	0.3290	41,336	
	Special Road and Bridge	10,908,605	0.2720	0.2720	**	**	**		2011
	Special Road and Bridge	**	**	**	12,564,007	0.3300	0.3300	41,461	A 2015
Mirabile Township of Caldwell Co	General Revenue	5,158,605	0.1000	0.1000	5,284,275	0.1000	0.1000	5,284	
	Road & Bridge	5,158,605	0.4820	0.4820	5,284,275	0.4620	0.4620	24,413	
	Special Road and Bridge	5,158,605	0.3286	0.3286	5,284,275	0.3300	0.3300	17,438	2012
New York Township of Caldwell Co	General Revenue	5,176,501	0.0828	0.0828	5,350,030	0.0828	0.0828	4,430	
	Road & Bridge	5,176,501	0.3957	0.3957	5,350,030	0.3957	0.3957	21,170	
	Special Road and Bridge	5,176,501	0.2811	0.2811	**	**	**		2011
	Special Road and Bridge	**	**	**	5,350,030	0.3067	0.3067	16,409	A 2015
Rockford Township of Caldwell Co	General Revenue	12,882,227	0.0820	0.0820	14,406,765	0.0770	0.0770	11,093	
	Road & Bridge	12,882,227	0.3643	0.3643	14,406,765	0.3420	0.3420	49,271	
	Special Road and Bridge	12,882,227	0.2660	0.2660	14,406,765	0.2497	0.2497	35,974	2012

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<b><u>Caldwell</u></b>										
Hamilton Rural Fire Protection Dist	General Revenue	32,252,055	0.1811	0.1811		33,880,515	0.1811	0.1811	61,358	
Caldwell County Health Department	General Revenue	125,730,003	0.2380	0.2380		134,218,127	0.2347	0.2347	315,010	
Breckenridge R-I School District	Operating Funds-Schools	6,173,936	4.8183	4.5000	E	6,328,260	4.4047	4.4047	278,741	E
Hamilton R-II School District	Operating Funds-Schools	33,550,291	2.9473	2.9473	E	35,227,946	2.9752	2.9752	1,048,102	E
	Operating Funds-Temp	33,550,291	1.7639	1.7639		35,227,946	1.7639	1.7639	621,386	2026
New York R-IV School District	Operating Funds-Schools	3,543,000	5.1402	4.5900		3,543,000	5.4905	4.5900	162,624	
Cowgill R-VI School District	Operating Funds-Schools	3,622,960	4.2016	4.2016	E	3,793,010	3.8929	3.8929	147,658	E
Polo R-VII School District	Operating Funds-Schools	21,812,749	3.9482	3.9482	E	22,520,790	3.9519	3.9519	889,999	E
	Debt Service	21,812,749	0.6589	0.6589		22,520,790	0.6639	0.6552	147,556	
Mirabile C-1 School District	Operating Funds-Schools	4,277,290	3.9849	3.9849	E	4,434,360	3.9933	3.9933	177,077	E
	Debt Service	4,277,290	0.3950	0.3950		4,434,360	0.4576	0.3950	17,516	
Braymer C-4 School District	Operating Funds-Schools	16,150,496	2.7500	2.7500	E	17,996,866	2.7500	2.7500	494,914	E
	Debt Service	16,150,496	0.4192	0.4192		17,996,866	0.6883	0.6883	123,872	
Kingston 42 School District	Operating Funds-Schools	3,847,070	4.7500	4.7500	E	3,904,810	4.7500	4.7500	185,478	E
Caldwell County	General Revenue	125,730,003	0.2323	0.2323		134,218,127	0.3524	0.2351	315,547	
<b><u>Callaway</u></b>										
Callaway County Ambulance District	General Revenue	718,441,625	0.1150	0.0000		739,716,380	0.1150	0.0000	0	
City of Auxvasse	General Revenue	8,305,888	0.7160	0.7160		8,589,056	0.7172	0.7172	61,601	
City of Fulton	General Revenue	99,626,686	0.4705	0.4705		101,086,504	0.5167	0.5167	522,314	
Village of Kingdom City	General Revenue	8,942,035	0.2132	0.2132		8,870,866	0.2150	0.2150	19,072	
City of Mokane	General Revenue	946,747	0.8540	0.8540		1,007,759	0.8557	0.8557	8,623	
City of New Bloomfield	General Revenue	5,553,387	0.3126	0.3126		5,551,724	0.3147	0.3147	17,471	
	Debt Service	5,553,387	0.3108	0.3108		5,551,724	1.2032	0.6216	34,510	
Town of Lake Mykee	General Revenue	4,083,337	0.5013	0.5013		4,171,356	0.5025	0.5025	20,961	
Callaway County Library	General Revenue	718,441,625	0.1958	0.1958		739,716,380	0.1958	0.1958	1,448,365	
Millersburg Fire Protection Dist	General Revenue	30,160,779	0.4623	0.4623		30,498,843	0.4623	0.4623	140,996	
Central Callaway Fire Prot Dist	General Revenue	60,324,691	0.4362	0.4362		61,598,586	0.4362	0.4362	268,693	
Holts Summit Fire Protection Dist	General Revenue	100,613,643	0.2503	0.2503		103,333,837	0.2503	0.2503	258,645	
	Debt Service	100,613,643	0.3000	0.3000		103,333,837	0.3064	0.3064	316,615	
South Callaway Fire Protection Dist	General Revenue	293,944,408	0.2003	0.2003		305,278,919	0.2005	0.2005	612,084	
North Callaway Fire Protection Dist	General Revenue	75,321,071	0.2844	0.2844		76,882,078	0.2844	0.2844	218,653	
New Bloomfield Fire Protection Dist	General Revenue	34,726,333	0.2718	0.2718		35,581,187	0.2718	0.2718	96,710	
North Callaway Co R-I School Dist	Operating Funds-Schools	83,136,033	3.1282	3.1282	E	83,364,537	3.1501	3.1501	2,626,066	E
	Debt Service	83,136,033	0.8296	0.6622		80,796,726	0.7394	0.6622	535,036	
New Bloomfield R-III School Dist	Operating Funds-Schools	42,057,009	3.0176	2.9347	E	42,777,219	2.9996	2.9996	1,283,145	E
	Debt Service	42,057,009	1.8778	1.3452		42,777,219	1.5388	1.3452	575,439	
Fulton 58 School District	Operating Funds-Schools	163,642,289	3.4578	3.4578	E	167,582,969	3.4480	3.4480	5,778,261	E
	Debt Service	163,642,289	1.0038	0.7314		167,582,969	0.7586	0.7412	1,242,125	
South Callaway Co R-II School Dist	Operating Funds-Schools	294,367,258	2.7500	2.7500		306,335,901	2.7500	2.7500	8,424,237	
Callaway County	General Revenue	718,441,625	0.3131	0.3131		739,716,380	0.3185	0.3135	2,319,011	
	Road & Bridge	718,441,625	0.2466	0.2466		739,716,380	0.2466	0.2466	1,824,141	
	Senate Bill 40	718,441,625	0.0979	0.0979		739,716,380	0.0979	0.0979	724,182	
<b><u>Camden</u></b>										
CAM-MO Ambulance District	General Revenue	595,750,389	0.1020	0.0577		602,030,395	0.1026	0.0598	360,014	
Camden County Ambulance District	General Revenue	540,493,504	0.2798	0.2796		550,785,921	0.2808	0.2808	1,546,607	
Horseshoe Bend Sp Rd 1 Camden Co	General Revenue	304,163,205	0.3493	0.3493		304,106,186	0.3493	0.3493	1,062,243	2012
Village of Climax Springs	General Revenue	389,986	0.5950	0.5950		385,064	0.6303	0.6303	2,427	
City of Linn Creek	General Revenue	4,743,676	0.1865	0.1865		4,659,805	0.1899	0.0000	0	
City of Macks Creek	General Revenue	1,300,828	0.2479	0.2300		**	**	**		



APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Camden</u></b>									
City of Stoutland	General Revenue	918,941	0.6971	0.6971	920,119	0.6974	0.6971	6,414	
Village of Sunrise Beach	General Revenue	14,370,408	0.0000	0.0000	14,357,618	0.0000	0.0000	0	
Camden County Library	General Revenue	1,549,245,593	0.0914	0.0914	1,567,077,816	0.0922	0.0922	1,444,846	
Osage Beach Fire Protection Dist	General Revenue	462,365,662	0.5934	0.5934	464,229,281	0.5934	0.5934	2,754,737	
Sunrise Beach Fire Protection Dist	General Revenue	313,755,300	0.3486	0.3486	318,630,999	0.3505	0.3505	1,116,802	
	Debt Service	313,755,300	0.2295	0.2295	318,630,999	0.2201	0.2201	701,307	
Mid County Fire Protection District	General Revenue	278,923,391	0.2656	0.2656	286,178,832	0.2658	0.2651	758,660	
	Debt Service	278,923,391	0.3391	0.2500	286,178,832	0.2802	0.2500	715,447	
Northwest Fire Protection District	General Revenue	59,993,524	0.2594	0.2594	60,806,768	0.2605	0.2605	158,402	
Southwest Camden Co Fire Prot Dist	General Revenue	23,608,765	0.3000	0.3000	24,293,381	0.3000	0.3000	72,880	
Tri-County Fire Protection District	General Revenue	16,509,989	0.3000	0.3000	17,345,858	0.3000	0.3000	52,038	
Camelot Sewer District	Debt Service	20,769,691	0.2405	0.2405	21,097,932	0.2360	0.2360	49,791	
Stoutland R-II School District	Operating Funds-Schools	22,503,254	3.4146	2.7500	F 23,068,515	3.4333	2.7500	634,384	F
Camdenton R-III School District	Operating Funds-Schools	1,063,946,309	2.6600	2.6600	E 1,080,266,190	2.6700	2.6700	28,843,107	E
	Debt Service	1,063,946,309	0.2993	0.2100	1,080,266,190	0.2974	0.2000	2,160,532	
Climax Springs R-IV School District	Operating Funds-Schools	86,056,748	2.7500	2.7500	86,772,606	2.7500	2.7500	2,386,247	
Macks Creek R-V School District	Operating Funds-Schools	29,428,553	3.3905	3.3905	E 30,186,739	3.3870	3.3870	1,022,425	E
	Debt Service	29,428,553	0.5256	0.4695	30,186,739	0.5464	0.4695	141,727	
Camden County	General Revenue	1,549,245,593	0.2013	0.1100	1,567,077,816	0.2030	0.1100	1,723,786	
	Road & Bridge	1,549,245,593	0.1373	0.1100	1,567,077,816	0.1385	0.1100	1,723,786	
	Senate Bill 40	1,549,245,593	0.0548	0.0548	1,567,077,816	0.0553	0.0553	866,594	
	Senior Services	1,549,245,593	0.0437	0.0437	1,567,077,816	0.0441	0.0441	691,081	
<b><u>Cape Girardeau</u></b>									
Cape Special Road District	Road & Bridge	669,372,632	0.0000	0.0000	678,376,885	0.0000	0.0000	0	
City of Cape Girardeau	General Revenue	546,649,379	0.3018	0.3018	552,048,151	0.3027	0.3027	1,671,050	
	Health	546,649,379	0.0565	0.0565	552,048,151	0.0567	0.0567	313,011	
City of Delta	General Revenue	2,727,867	0.6567	0.6567	2,785,549	0.6662	0.6662	18,557	
Village of Gordonville	General Revenue	5,082,277	0.4443	0.4443	5,248,819	0.4443	0.4443	23,321	
City of Jackson	General Revenue	187,729,926	0.5842	0.5842	189,331,469	0.5842	0.5842	1,106,074	
	Parks & Recreation	187,729,926	0.1226	0.1226	189,331,469	0.1226	0.1226	232,120	
	Library	187,729,926	0.1226	0.1226	189,331,469	0.1226	0.1226	232,120	
	Band	187,729,926	0.0754	0.0754	189,331,469	0.0754	0.0754	142,756	
	Cemetery	187,729,926	0.0754	0.0754	189,331,469	0.0754	0.0754	142,756	
Village of Oak Ridge	General Revenue	1,394,276	0.3341	0.3341	1,366,242	0.3432	0.3432	4,689	
Village of Pochahontas	General Revenue	630,884	0.5290	0.5290	627,000	0.5426	0.5426	3,402	
Village of Whitewater	General Revenue	525,647	0.7239	0.7239	524,053	0.7526	0.7526	3,944	
Village of Old Appleton	General Revenue	671,359	0.3794	0.3794	696,928	0.3793	0.3793	2,643	
Town of Allenville	General Revenue	284,907	0.4426	0.4426	280,191	0.4754	0.4754	1,332	
Town of Dutchtown	General Revenue	576,302	0.3200	0.3200	552,555	0.3200	0.3200	1,768	
Cape Girardeau Public Library	General Revenue	477,277,370	0.1615	0.1615	475,918,131	0.1632	0.1632	776,698	
	General Revenue-Temp	477,277,370	0.1497	0.1497	475,918,131	0.1500	0.1500	713,877	2026
Cape Girardeau County Library	General Revenue	552,617,334	0.0795	0.0795	563,311,276	0.0798	0.0798	449,522	
East County Area Fire Prot District	General Revenue	87,577,194	0.2955	0.2955	88,982,693	0.2956	0.2956	263,033	
Delta Fire Protection District	General Revenue	14,250,542	0.2974	0.2974	14,595,778	0.2987	0.2987	43,598	
Fruitland Area Fire Protection Dist	General Revenue	84,199,801	0.2700	0.2700	86,184,712	0.2723	0.2700	232,699	
North Cape Co Rural Fire Prot Dist	General Revenue	26,058,469	0.2517	0.2500	26,164,845	0.2536	0.2500	65,412	
Gordonville Fire Protection Dist	General Revenue	73,770,931	0.2717	0.2717	74,741,895	0.2728	0.2728	203,896	
Millersville Fire Protection Dist	General Revenue	43,210,052	0.2862	0.2862	43,712,157	0.2879	0.2879	125,847	
Whitewater Fire Protection Dist	General Revenue	12,305,704	0.3890	0.3890	12,439,581	0.3890	0.3890	48,390	
Cape Girardeau Spec Business Dist	General Revenue	3,727,170	0.6708	0.6708	3,712,590	0.6734	0.6734	25,001	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Cape Girardeau</u></b>										
Cape Girardeau County Public Health	General Revenue	1,104,498,097	0.0957	0.0957		1,118,332,960	0.0960	0.0960	1,073,600	
Jackson R-II School District	Operating Funds-Schools	394,430,521	3.4604	3.4604	E	402,112,964	3.4634	3.4634	13,926,780	E
	Debt Service	394,430,521	0.3753	0.3396		402,112,964	0.4496	0.3366	1,353,512	
Delta R-V School District	Operating Funds-Schools	20,248,780	3.4995	3.4995	E	20,594,080	3.5000	3.5000	720,793	E
	Debt Service	20,248,780	1.7872	0.6900		20,594,080	1.0942	0.6900	142,099	
Oak Ridge R-VI School District	Operating Funds-Schools	22,634,450	2.9148	2.9148	E	23,087,810	3.4444	2.9148	672,963	E
	Debt Service	22,634,450	0.7505	0.7352		23,087,810	0.7810	0.7352	169,742	
Cape Girardeau 63 School District	Operating Funds-Schools	564,637,969	3.4757	3.4757	E	571,076,499	3.4896	3.4762	19,851,761	E
	Debt Service	564,637,969	1.2920	0.6810		571,076,499	0.9238	0.6805	3,886,176	
Nell Holcomb R-IV School District	Operating Funds-Schools	51,741,621	3.5916	3.3292		51,343,069	3.6000	3.2676	1,677,686	
Cape Girardeau County	General Revenue	1,104,498,097	0.0000	0.0000		1,118,332,960	0.3360	0.0380	424,967	
	Road & Bridge	435,023,539	0.0000	0.0000		439,956,130	0.0000	0.0000	0	
	Mental Health	1,104,498,097	0.0770	0.0770		1,118,332,960	0.0772	0.0772	863,353	
	Senate Bill 40	1,104,498,097	0.0770	0.0385		1,118,332,960	0.0772	0.0772	863,353	
	Senior Services	1,104,498,097	0.0478	0.0478		1,118,332,960	0.0479	0.0478	534,563	
<b><u>Carroll</u></b>										
Carroll County Ambulance District	General Revenue	180,692,924	0.2757	0.2757		188,589,617	0.2740	0.2740	516,736	
Big Creek Watershed Sub Dist	General Revenue	16,507,244	0.2010	0.2000		17,276,766	0.3239	0.2500	43,192	
City of Bogard	General Revenue	974,277	0.9578	0.9578		940,236	1.0000	1.0000	9,402	
City of Bosworth	General Revenue	1,520,393	0.9343	0.9343		1,535,119	0.9344	0.9344	14,344	
Town of Carrollton	General Revenue	30,639,033	0.7242	0.7242		30,314,973	0.7342	0.7342	222,573	
	Parks & Recreation	30,639,033	0.2742	0.2742		30,314,973	0.2780	0.2780	84,276	
	Library	30,639,033	0.2853	0.2853		30,314,973	0.2893	0.2893	87,701	
City of De Witt	General Revenue	499,806	0.9412	0.9412		520,969	0.9411	0.9411	4,903	
City of Hale	General Revenue	2,435,220	0.3610	0.3610		2,473,562	0.3610	0.3610	8,930	
	Lights	2,435,220	0.2843	0.2843		2,473,562	0.2843	0.2843	7,032	
	Streets	2,435,220	0.1640	0.1640		2,473,562	0.1640	0.1640	4,057	
City of Norborne	General Revenue	5,922,329	0.7514	0.7514		5,886,338	0.7569	0.7569	44,554	
	Parks & Recreation	5,922,329	0.1826	0.1826		5,886,338	0.1839	0.1839	10,825	
	Library	5,922,329	0.1395	0.1395		5,886,338	0.1405	0.1405	8,270	
Village of Tina	General Revenue	878,598	1.0000	1.0000		940,958	1.0000	1.0000	9,410	
Carrollton Township of Carroll Co	General Revenue	44,797,686	0.0942	0.0942		44,712,497	0.0947	0.0947	42,343	
	Road & Bridge	44,797,686	0.3977	0.3977		44,712,497	0.3999	0.3999	178,805	
Cherry Valley Twsp of Carroll Co	General Revenue	1,226,930	0.1000	0.1000		1,189,807	0.1000	0.1000	1,190	
	Road & Bridge	1,226,930	0.5000	0.5000		1,189,807	0.5000	0.5000	5,949	
	Special Road and Bridge	1,226,930	0.3489	0.3489		1,189,807	0.3489	0.3489	4,151	2012
De Witt Township of Carroll Co	General Revenue	9,574,196	0.0863	0.0863		9,613,833	0.0863	0.0863	8,297	
	Road & Bridge	9,574,196	0.3922	0.3922		9,613,833	0.3922	0.3922	37,705	
	Special Road and Bridge	9,574,196	0.3019	0.3019		9,613,833	0.3019	0.3019	29,024	2013
Egypt Township of Carroll Co	General Revenue	12,180,178	0.0920	0.0920		12,440,304	0.0946	0.0946	11,769	
	Road & Bridge	12,180,178	0.3375	0.3375		12,440,304	0.3468	0.3468	43,143	
Eugene Township of Carroll Co	General Revenue	7,865,716	0.0999	0.0999		7,941,011	0.0999	0.0999	7,933	
	Road & Bridge	7,865,716	0.4994	0.4994		7,941,011	0.4994	0.4994	39,657	
	Special Road and Bridge	7,865,716	0.3496	0.3496		7,941,011	0.3496	0.3496	27,762	2012
Fairfield Township of Carroll Co	General Revenue	3,090,128	0.0827	0.0827		3,196,760	0.0827	0.0827	2,644	
	Road & Bridge	3,090,128	0.4037	0.4037		3,196,760	0.4037	0.4037	12,905	
	Special Road and Bridge	3,090,128	0.3514	0.3514	A	3,196,760	0.3514	0.3514	11,233	2013
Hill Township of Carroll Co	General Revenue	8,886,958	0.0681	0.0681		9,914,168	0.0639	0.0639	6,335	
	Road & Bridge	8,886,958	0.3407	0.3407		9,914,168	0.3197	0.3197	31,696	
	Special Road and Bridge	8,886,958	0.3500	0.3500		9,914,168	0.3284	0.3284	32,558	2012

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Carroll</u></b>									
Hurricane Township of Carroll Co	General Revenue	8,345,458	0.0900	0.0900	8,601,394	0.0900	0.0900	7,741	2012
	Road & Bridge	8,345,458	0.4001	0.4001	8,601,394	0.4001	0.4001	34,414	
	Special Road and Bridge	8,345,458	0.3462	0.3462	8,601,394	0.3462	0.3462	29,778	
Leslie Township of Carroll Co	General Revenue	7,022,669	0.0781	0.0781	7,515,271	0.0753	0.0753	5,659	2012
	Road & Bridge	7,022,669	0.3736	0.3736	7,515,271	0.3601	0.3601	27,062	
	Special Road and Bridge	7,022,669	0.3324	0.3324	7,515,271	0.3204	0.3204	24,079	
Moss Creek Township of Carroll Co	General Revenue	7,261,037	0.0942	0.0942	7,393,217	0.0942	0.0942	6,964	2013
	Road & Bridge	7,261,037	0.4711	0.4711	7,393,217	0.4711	0.4711	34,829	
	Special Road and Bridge	7,261,037	0.2827	0.2827	7,393,217	0.2827	0.2827	20,901	
Prairie Township of Carroll Co	General Revenue	4,670,326	0.0793	0.0793	4,830,019	0.0793	0.0793	3,830	2012
	Road & Bridge	4,670,326	0.3766	0.3766	4,830,019	0.3766	0.3766	18,190	
	Special Road and Bridge	4,670,326	0.3276	0.3276	4,830,019	0.3276	0.3276	15,823	
Ridge Township of Carroll Co	General Revenue	11,713,270	0.0759	0.0759	13,156,095	0.0702	0.0702	9,236	2012
	Road & Bridge	11,713,270	0.3607	0.3607	13,156,095	0.3336	0.3336	43,889	
	Special Road and Bridge	11,713,270	0.3500	0.3500	13,156,095	0.3237	0.3237	42,586	
Rockford Township of Carroll Co	General Revenue	4,570,053	0.0726	0.0726	5,051,986	0.0681	0.0681	3,440	2012
	Road & Bridge	4,570,053	0.3062	0.3062	5,051,986	0.2874	0.2874	14,519	
	Special Road and Bridge	4,570,053	0.3419	0.3419	5,051,986	0.3209	0.3209	16,212	
Stokes Mound Township of Carroll Co	General Revenue	5,080,251	0.0975	0.0975	5,332,027	0.0975	0.0975	5,199	2012
	Road & Bridge	5,080,251	0.4872	0.4872	5,332,027	0.4872	0.4872	25,978	
	Special Road and Bridge	5,080,251	0.3413	0.3413	5,332,027	0.3413	0.3413	18,198	
Sugartree Township of Carroll Co	General Revenue	1,873,558	0.0864	0.0864	1,912,628	0.0864	0.0864	1,653	2012
	Road & Bridge	1,873,558	0.4317	0.4317	1,912,628	0.4317	0.4317	8,257	
	Special Road and Bridge	1,873,558	0.3022	0.3022	1,912,628	0.3022	0.3022	5,780	
Trotter Township of Carroll Co	General Revenue	4,808,762	0.0917	0.0917	4,906,451	0.0917	0.0917	4,499	2013
	Road & Bridge	4,808,762	0.4594	0.4594	4,906,451	0.4594	0.4594	22,540	
	Special Road and Bridge	4,808,762	0.3292	0.3292	4,906,451	0.3292	0.3292	16,152	
Van Horn Township of Carroll Co	General Revenue	13,326,970	0.1000	0.1000	14,907,301	0.0934	0.0934	13,923	2012
	Road & Bridge	13,326,970	0.4861	0.4861	14,907,301	0.4542	0.4542	67,709	
	Special Road and Bridge	13,326,970	0.3500	0.3500	14,907,301	0.3270	0.3270	48,747	
Wakenda Township of Carroll Co	General Revenue	8,135,576	0.0914	0.0914	8,261,426	0.0914	0.0914	7,551	2013
	Road & Bridge	8,135,576	0.4572	0.4572	8,261,426	0.4572	0.4572	37,771	
	Special Road and Bridge	8,135,576	0.3200	0.3200	8,261,426	0.3200	0.3200	26,437	
Washington Township of Carroll Co	General Revenue	8,405,516	0.0583	0.0583	9,669,215	0.0522	0.0522	5,047	2012
	Road & Bridge	8,405,516	0.2721	0.2721	9,669,215	0.2438	0.2438	23,574	
	Special Road and Bridge	8,405,516	0.3464	0.3464	9,669,215	0.3104	0.3104	30,013	
Combs Township of Carroll Co	General Revenue	7,848,182	0.0749	0.0749	8,044,199	0.0749	0.0749	6,025	2012
	Road & Bridge	7,848,182	0.3742	0.3742	8,044,199	0.3742	0.3742	30,101	
	Special Road and Bridge	7,848,182	0.2620	0.2620	8,044,199	0.2620	0.2620	21,076	
North Central Carroll Fire Prot Dis	General Revenue	30,340,071	0.2448	0.2448	33,371,169	0.2316	0.2316	77,288	
Carroll County Fire Protection Dist	General Revenue	63,849,473	0.2532	0.2532	66,546,723	0.2527	0.2527	168,164	
Norborne Fire Protection District	General Revenue	18,836,016	0.2971	0.2971	19,219,716	0.2971	0.2971	57,102	
Hale Fire Protection District	General Revenue	14,831,833	0.2939	0.2939	15,530,238	0.2939	0.2939	45,643	
Carroll County Health Department	General Revenue	180,692,924	0.0965	0.0965	188,589,617	0.0959	0.0959	180,857	
Hale R-I School District	Operating Funds-Schools	7,791,172	4.6171	4.6171	E	7,791,172	4.2533	4.2533	E
Tina-Avalon R-II School District	Operating Funds-Schools	9,281,950	3.7972	3.7972	E	9,340,456	3.8624	3.7972	E
Bosworth R-V School District	Operating Funds-Schools	7,396,616	4.0522	4.0522	E	7,518,715	4.0522	4.0522	E
Carrollton R-VII School District	Operating Funds-Schools	58,864,567	3.5310	3.5310	E	58,824,520	3.5556	3.5556	E
	Operating Funds-Temp	58,864,567	1.3407	1.3407		58,824,520	1.3407	1.3407	2026
Norborne R-VIII School District	Operating Funds-Schools	13,657,372	3.8000	3.8000	E	15,789,259	3.8000	3.8000	E

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Carroll</u></b>									
Norborne R-VIII School District	Debt Service	13,657,372	0.8353	0.5300	15,789,259	0.8261	0.5300	83,683	
Carroll County	General Revenue	180,692,924	0.3539	0.2616	188,589,617	0.3517	0.2599	490,144	
	Johnson Grass	180,692,924	0.0100	0.0100	188,589,617	0.0480	0.0100	18,859	
	Senate Bill 40	180,692,924	0.0965	0.0965	188,589,617	0.0959	0.0959	180,857	
<b><u>Carter</u></b>									
East Carter County Ambulance Dist	General Revenue	23,105,198	0.4000	0.4000	22,846,476	0.4000	0.4000	91,386	
West Carter County Ambulance Dist	General Revenue	27,874,407	0.3967	0.3967	28,452,282	0.4006	0.4006	113,980	
City of Grandin	General Revenue	809,388	0.9109	0.9109	792,451	0.9313	0.9313	7,380	
	Debt Service	809,388	0.0000	0.0000	**	**	**		
Carter County Library District	General Revenue	50,980,295	0.2000	0.2000	51,302,687	0.2000	0.2000	102,605	
Ellsinore Rural Fire Prot Dist	General Revenue	13,065,848	0.1500	0.1500	12,924,151	0.1500	0.1500	19,386	
Eastwood Fire Protection District	General Revenue	2,048,373	0.2451	0.2451	2,215,302	0.2380	0.2380	5,272	
Fremont Fire Protection District	General Revenue	2,375,626	0.3177	0.3177	2,249,006	0.3403	0.3403	7,653	
Ellsinore Hwy 60 CID	General Revenue	9,890	1.0000	1.0000	A 124,450	1.0000	1.0000	1,244	2040
Carter County Health Center	General Revenue	50,980,295	0.2500	0.2500	51,302,687	0.2500	0.2500	128,257	
East Carter Co R-II School District	Operating Funds-Schools	29,147,192	2.7500	2.7500	E 29,000,692	2.7500	2.7500	797,519	E
Van Buren R-I School District	Operating Funds-Schools	28,702,247	1.8838	1.8838	E 29,407,484	1.9024	1.9024	559,448	E
	Operating Funds-Temp	28,702,537	1.5783	1.5462	A 29,407,484	1.5783	1.5276	449,229	2015
Carter County	General Revenue	50,980,295	0.3262	0.0854	51,302,687	0.3308	0.0848	43,505	
	Road & Bridge	50,980,295	0.2371	0.2371	51,302,687	0.2404	0.2404	123,332	
	Senate Bill 40	50,980,295	0.0842	0.0842	51,302,687	0.0854	0.0854	43,812	
	Senior Services	50,980,295	0.0300	0.0300	51,302,687	0.0300	0.0300	15,391	
<b><u>Cass</u></b>									
Cass Medical Center	General Revenue	1,319,788,821	0.1357	0.1357	1,340,576,635	0.1357	0.1357	1,819,162	
Mt Pleasant Spec Rd Dist Cass Co	Road & Bridge	246,011,209	0.2000	0.2000	248,705,046	0.2000	0.2000	497,410	
City of Archie	General Revenue	10,141,731	0.6481	0.6481	10,451,390	0.6495	0.6495	67,882	
City of Belton	General Revenue	222,720,145	0.5451	0.5451	223,872,417	0.5455	0.5455	1,221,224	
	Parks & Recreation	222,720,145	0.2425	0.2425	223,872,417	0.2427	0.2427	543,338	
	Debt Service	222,720,145	1.6543	1.0143	223,872,417	1.7850	1.1053	2,474,462	
City of Cleveland	General Revenue	8,400,027	0.4871	0.4871	8,415,260	0.4881	0.4881	41,075	
City of Creighton	General Revenue	1,998,688	0.9245	0.9006	1,989,318	0.9289	0.9289	18,479	
City of Drexel	General Revenue	8,964,891	0.6606	0.6606	9,145,595	0.6606	0.6606	60,416	
City of East Lynne	General Revenue	2,992,776	0.8320	0.8320	2,504,349	0.9700	0.9700	24,292	
	Debt Service	2,992,776	0.3972	0.3972	2,504,349	1.8820	1.8820	47,132	
City of Freeman	General Revenue	4,063,451	0.5760	0.5760	4,039,601	0.5812	0.5812	23,478	
City of Garden City	General Revenue	13,345,615	0.4251	0.4144	13,352,204	0.4274	0.4144	55,332	
City of Harrisonville	General Revenue	117,971,118	0.5501	0.5501	117,937,341	0.5585	0.5585	658,680	
	Parks & Recreation	117,971,118	0.1245	0.1245	117,937,341	0.1264	0.1264	149,073	
City of Lake Winnebago	General Revenue	32,335,387	0.9412	0.9412	32,508,028	0.9473	0.9473	307,949	
	Debt Service	32,335,387	0.5644	0.5644	32,508,028	0.5867	0.5644	183,475	
City of Peculiar	General Revenue	53,961,945	0.4447	0.4447	54,424,387	0.4467	0.4467	243,114	
	Debt Service	53,961,945	0.2426	0.2426	54,424,387	0.2627	0.2627	142,973	
City of Pleasant Hill	General Revenue	93,350,094	0.3563	0.3563	95,384,288	0.3603	0.3603	343,670	
	Parks & Recreation	93,350,094	0.0713	0.0707	95,384,288	0.0721	0.0721	68,772	
	Health	93,350,094	0.0713	0.0707	95,384,288	0.0721	0.0721	68,772	
	Road	93,350,094	0.1336	0.1327	95,384,288	0.1351	0.1351	128,864	
	Debt Service	93,350,094	1.4910	0.1234	95,384,288	1.4789	0.2234	213,088	
City of Raymore	General Revenue	261,447,248	0.4685	0.4647	268,321,175	0.4685	0.4647	1,246,889	
	Parks & Recreation	261,447,248	0.1261	0.1251	268,321,175	0.1261	0.1251	335,670	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Cass</u></b>									
City of Raymore	Debt Service	261,447,248	1.4777	0.7170	268,321,175	1.5498	0.7170	1,923,863	
City of Strasburg	General Revenue	998,691	0.9866	0.9866	984,141	1.0000	1.0000	9,841	
Village of West Line	General Revenue	1,020,023	0.6081	0.6081	1,102,719	0.5875	0.5875	6,478	
Village of Baldwin Park	General Revenue	402,061	0.4954	0.4954	533,916	0.4953	0.4953	2,644	
City of Lake Annette	General Revenue	579,376	0.2000	0.2000	568,642	0.2000	0.2000	1,137	
	Debt Service	579,376	1.9749	1.9749	568,642	2.1186	2.1186	12,047	
Village of Riverview Estates	General Revenue	1,110,401	0.5000	0.5000	1,109,959	0.5000	0.5000	5,550	
Cass County Public Library	General Revenue	1,319,788,821	0.1500	0.1500	1,340,576,635	0.1500	0.1500	2,010,865	
Central Cass County Fire Prot Dist	General Revenue	105,892,875	0.2560	0.2560	108,764,211	0.2560	0.2560	278,436	
	Ambulance	105,892,875	0.2503	0.2503	108,764,211	0.2503	0.2503	272,237	
	Debt Service	105,892,875	0.2345	0.1500	108,764,211	0.1981	0.1500	163,146	
Garden City Fire District	General Revenue	37,215,915	0.2200	0.2200	37,595,184	0.2200	0.2200	82,709	
	Ambulance	37,215,915	0.3000	0.3000	37,595,184	0.3000	0.3000	112,786	
South Metropolitan Fire Prot Dist	General Revenue	343,446,236	0.5579	0.4808	351,700,823	0.5579	0.4815	1,693,439	
	Ambulance	343,446,236	0.4370	0.3766	351,700,823	0.4370	0.3771	1,326,264	
	Dispatch	343,446,236	0.0465	0.0401	351,700,823	0.0465	0.0401	141,032	
	Debt Service	343,446,236	0.1788	0.1788	351,700,823	0.2620	0.1788	628,841	
West Peculiar Fire Protection Dist	General Revenue	103,401,632	0.7312	0.7312	103,889,945	0.7361	0.7361	764,734	
	Ambulance	103,401,632	0.2986	0.2966	103,889,945	0.3000	0.3000	311,670	
	Dispatch	103,401,632	0.0500	0.0500	103,889,945	0.0500	0.0500	51,945	
	Debt Service	103,401,632	0.4073	0.2400	103,889,945	0.4018	0.2400	249,336	
Creighton Fire Protection Dist	General Revenue	8,917,595	0.2606	0.2606	9,169,332	0.2606	0.2606	23,895	
Western Cass Fire Protection Dist	General Revenue	37,527,656	0.3880	0.3880	37,734,113	0.3888	0.3888	146,710	
	Dispatch	37,527,656	0.0457	0.0457	37,734,113	0.0458	0.0458	17,282	
Dolan & West Dolan Fire Prot Dist	General Revenue	33,553,074	0.2739	0.2739	32,321,517	0.2876	0.2876	92,957	
East Lynne-Gunn City Fire Prot Dist	General Revenue	19,020,413	0.3000	0.3000	19,279,328	0.3000	0.3000	57,838	
Mount Pleasant Fire Protection Dist	General Revenue	73,444,477	0.2448	0.2448	75,325,087	0.2450	0.2450	184,546	
Pleasant Hill Fire Protection Dist	General Revenue	156,395,043	0.4500	0.4500	160,212,757	0.4500	0.4500	720,957	
	Ambulance	156,395,043	0.3000	0.3000	160,212,757	0.3000	0.3000	480,638	
Dikeland Sewer District	General Revenue	1,021,613	0.0000	0.0000	1,004,408	0.0000	0.0000	0	
Hubach Hill Rd/North Cass Pkwy CID	General Revenue	9,280	0.6000	0.6000	9,250	0.6000	0.6000	56	2040
Cass Co R-V School District	Operating Funds-Schools	30,503,157	3.8747	3.8747	E 30,936,580	3.8752	3.8752	1,198,854	E
	Debt Service	30,503,157	1.7191	0.3753	30,936,580	1.5364	0.6000	185,619	
Strasburg C-3 School District	Operating Funds-Schools	11,160,293	4.3500	4.3500	E 11,394,709	4.3500	4.3500	495,670	E
	Debt Service	11,160,293	1.6031	1.1200	11,394,709	1.8016	1.1200	127,621	
Raymore-Peculiar R-II School Dist	Operating Funds-Schools	454,165,363	3.7500	3.7500	E 463,171,516	3.7500	3.7500	17,368,932	E
	Debt Service	454,165,363	2.3025	1.2897	463,171,516	2.2906	1.2897	5,973,523	
Sherwood Cass R-VIII School Dist	Operating Funds-Schools	48,290,828	3.2796	3.2796	E 49,308,685	3.2851	3.2851	1,619,840	E
	Debt Service	48,290,828	1.8433	1.0000	49,308,685	1.8849	1.0000	493,087	
East Lynne 40 School District	Operating Funds-Schools	15,113,679	4.6216	3.9918	15,441,739	4.5720	3.9738	613,624	
Pleasant Hill R-III School District	Operating Funds-Schools	136,329,948	3.9179	3.6608	E 138,373,564	3.8767	3.8767	5,364,328	E
	Debt Service	136,329,948	1.0737	1.0737	138,373,564	1.2720	0.8578	1,186,968	
Harrisonville R-IX School District	Operating Funds-Schools	181,375,652	4.2072	4.2072	E 182,043,255	4.2072	4.2072	7,658,924	E
	Debt Service	181,375,652	0.9502	0.8700	182,043,255	1.2879	0.8700	1,583,776	
Drexel R-IV School District	Operating Funds-Schools	17,451,691	4.5881	4.5881	E 20,828,688	4.5209	4.5209	941,644	E
	Debt Service	17,451,691	1.4673	0.9000	20,828,688	1.1326	0.9672	201,455	
Midway R-I School District	Operating Funds-Schools	40,683,429	5.1468	5.1468	E 41,150,187	5.1289	5.1289	2,110,552	E
	Debt Service	40,683,429	0.9272	0.4022	41,150,187	1.0396	0.6700	275,706	
Belton 124 School District	Operating Funds-Schools	294,927,895	4.2040	4.2040	E 297,333,544	4.1559	4.1559	12,356,885	E
	Debt Service	294,927,895	1.7694	1.1800	297,333,544	1.9306	1.3000	3,865,336	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Cass</u></b>										
Cass County	Road & Bridge	1,073,777,612	0.2525	0.2520		1,091,871,589	0.2525	0.2300	2,511,305	
	Senate Bill 40	1,319,788,821	0.0500	0.0500		1,340,576,635	0.0500	0.0500	670,288	
	Debt Service	1,319,788,821	0.1673	0.0000		1,340,576,635	0.1725	0.0000	0	
<b><u>Cedar</u></b>										
Cedar County Memorial Hospital	General Revenue	154,362,136	0.1492	0.1492		157,525,420	0.1497	0.1497	235,816	
Bear Creek Spec Rd Dist Cedar Co	Special Road and Bridge	5,280,947	0.3565	0.3500	A	5,418,055	0.3565	0.3565	19,315	2014
Bethel Special Road Dist Cedar Co	Special Road and Bridge	997,872	0.3567	0.3500	A	1,044,023	0.3567	0.3567	3,724	2014
Caplinger Mills Sp Rd Dist Cedar Co	Special Road and Bridge	2,825,212	0.3508	0.3500	A	2,972,426	0.3508	0.3508	10,427	2014
Cedar Hall Spec Rd Dist Cedar Co	Special Road and Bridge	974,462	0.3500	0.3500	A	1,398,047	0.2915	0.2915	4,075	2014
Eldorado Spgs Spec Rd Dist Cedar Co	Special Road and Bridge	46,646,707	0.3567	0.3500	B	47,049,408	0.3567	0.3567	167,825	2014
Independence Sp Rd Dist Cedar Co	Special Road and Bridge	994,135	0.3500	0.3500	A	1,036,407	0.3500	0.3500	3,627	2014
Jerico Springs Sp Rd Dist Cedar Co	Special Road and Bridge	871,339	0.3500	0.3500		875,012	0.3500	0.3500	3,063	2013
Koncord Spec Rd Dist Cedar Co	Special Road and Bridge	3,515,016	0.4332	0.3500	A	4,234,100	0.4332	0.4332	18,342	2014
Madison Spec Rd Dist Cedar Co	Special Road and Bridge	1,831,253	0.3557	0.3500	A	1,894,331	0.3557	0.3557	6,738	2014
Masters Spec Rd Dist Cedar Co	Special Road and Bridge	1,920,933	0.3537	0.3500	A	1,968,339	0.3537	0.3537	6,962	2014
Omer Special Road Dist Cedar Co	Special Road and Bridge	919,546	0.3500	0.3500		938,172	0.3499	0.3499	3,283	2012
Rowland Special Road Dist Cedar Co	Special Road and Bridge	5,707,335	0.3563	0.3500	A	5,877,533	0.3563	0.3563	20,942	2014
Dogwood Special Road District	Common Road District	848,994	0.3500	0.3500		**	**	**		2011
	Common Road District	**	**	**		845,277	0.3625	0.3625	3,064	A 2015
City of El Dorado Springs	General Revenue	30,644,980	0.5634	0.5634		31,077,215	0.5642	0.5642	175,338	
	Band	30,644,980	0.1356	0.1356		31,077,215	0.1358	0.1358	42,203	
	Park	30,644,980	0.2086	0.2086		31,077,215	0.2089	0.2089	64,920	
	Recreation	30,644,980	0.1000	0.1000		31,077,215	0.1000	0.1000	31,077	
Village of Jerico Springs	General Revenue	825,240	0.5000	0.5000		818,367	0.5000	0.5000	4,092	
City of Stockton	General Revenue	23,498,120	0.4294	0.4294		23,838,647	0.4320	0.4235	100,957	
Village of Umber View Heights	General Revenue	729,053	0.2255	0.2255		778,714	0.2255	0.2255	1,756	
Cedar County Library District	General Revenue	154,362,136	0.0795	0.0795		157,525,420	0.0798	0.0798	125,705	
Cedar County Chapel Hills FPD	General Revenue	20,947,668	0.2000	0.2000		21,333,253	0.2000	0.2000	42,667	
Korth Special Road Subdistrict	Special Road and Bridge	3,601,644	0.3577	0.3500	A	2,769,377	0.3577	0.3577	9,906	2014
Stockton R-I School District	Operating Funds-Schools	83,663,667	3.6085	2.8622	E	85,873,720	3.6400	2.8622	2,457,878	E
	Debt Service	83,663,667	1.1594	0.7463		85,873,720	1.0172	0.7463	640,876	
El Dorado Springs R-II School Dist	Operating Funds-Schools	80,247,145	3.1859	3.1859	E	81,652,998	3.1910	3.1855	2,601,056	E
	Debt Service	80,247,145	0.5055	0.4900		81,652,998	0.5278	0.0490	40,010	
Cedar County	General Revenue	154,362,136	0.3181	0.1488		157,525,420	0.3193	0.1488	234,398	
	Road & Bridge	154,362,136	0.2385	0.2385		157,525,420	0.2394	0.2394	377,116	
	Senior Services	154,362,136	0.0494	0.0490		157,525,420	0.0496	0.0496	78,133	
<b><u>Chariton</u></b>										
Chariton County Ambulance District	General Revenue	171,591,978	0.2600	0.2600		179,893,880	0.2600	0.2600	467,724	
City of Brunswick	General Revenue	6,058,867	0.9043	0.9043		6,465,999	0.9043	0.9043	58,472	
Village of Dalton	General Revenue	477,758	0.4689	0.4689		491,113	0.4688	0.4688	2,302	
City of Keytesville	General Revenue	2,698,553	0.8933	0.8933		2,755,765	0.8972	0.8972	24,725	
	Parks & Recreation	2,698,553	0.2000	0.2000		2,755,765	0.2000	0.2000	5,512	
City of Mendon	General Revenue	1,204,267	0.9241	0.9241		1,324,215	0.9341	0.9341	12,369	
Village of Rothville	General Revenue	281,415	0.9911	0.9800		272,962	1.0000	1.0000	2,730	
City of Salisbury	General Revenue	14,230,484	0.7335	0.7335		14,482,161	0.7360	0.7360	106,589	
	Parks & Recreation	14,230,484	0.1757	0.1757		14,482,161	0.1763	0.1763	25,532	
	Library	14,230,484	0.1000	0.1000		14,482,161	0.1000	0.1000	14,482	
	Museum	14,230,484	0.1344	0.1344		14,482,161	0.1349	0.1349	19,536	
City of Sumner	General Revenue	840,923	0.9820	0.9820		843,652	0.9820	0.9820	8,285	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Chariton</u></b>										
City of Sumner	Streets	840,923	0.2454	0.2454		843,652	0.2455	0.2455	2,071	2012
City of Triplett	General Revenue	286,057	1.0000	1.0000		308,101	1.0000	1.0000	3,081	
Bee Branch Township of Chariton Co	Road & Bridge	3,910,281	0.5000	0.5000		4,119,232	0.5000	0.5000	20,596	
	Special Road and Bridge	3,910,281	0.3571	0.3571	A	4,119,232	0.3571	0.3571	14,710	2014
Bowling Green Township, Chariton Co	Road & Bridge	5,986,090	0.3029	0.3029		6,232,975	0.3029	0.3029	18,880	
	Special Road and Bridge	5,986,090	0.3265	0.3265	A	6,232,975	0.3265	0.3265	20,351	2014
Brunswick Township of Chariton Co	Road & Bridge	24,625,655	0.5000	0.5000		27,476,422	0.4832	0.4832	132,766	
	Special Road and Bridge	24,625,655	0.2500	0.2500		27,476,422	0.2416	0.2416	66,383	2012
Chariton Township of Chariton Co	Road & Bridge	7,988,202	0.2786	0.2786		8,228,090	0.2786	0.2786	22,923	
	Special Road and Bridge	7,988,202	0.1701	0.1701		8,228,090	0.1701	0.1701	13,996	2012
Clark Township of Chariton Co	Road & Bridge	6,000,691	0.5000	0.5000		6,271,535	0.5000	0.5000	31,358	
	Special Road and Bridge	6,000,691	0.3500	0.3500		6,271,535	0.3500	0.3500	21,950	2013
Cockrell Township of Chariton Co	Road & Bridge	3,506,815	0.4654	0.4654		3,663,460	0.4654	0.4654	17,050	
	Special Road and Bridge	3,506,815	0.3462	0.3462	A	3,663,460	0.3462	0.3462	12,683	2014
Cunningham Township of Chariton Co	Road & Bridge	6,818,115	0.4516	0.4516		7,203,576	0.4516	0.4516	32,531	
	Special Road and Bridge	6,818,115	0.2670	0.2670		7,203,576	0.2670	0.2670	19,234	2012
Keytesville Township of Chariton Co	Road & Bridge	20,341,407	0.4000	0.4000		22,649,456	0.3774	0.3774	85,479	
	Special Road and Bridge	20,341,407	0.3387	0.3387	A	22,649,456	0.3196	0.3196	72,388	2014
Mendon Township of Chariton Co	Road & Bridge	7,218,507	0.4406	0.4406		7,801,287	0.4406	0.4406	34,372	
	Special Road and Bridge	7,218,507	0.3084	0.3084		7,801,287	0.3084	0.3084	24,059	2012
Musselfork Township of Chariton Co	Road & Bridge	6,167,804	0.3406	0.3406		6,387,135	0.3406	0.3406	21,755	
	Special Road and Bridge	6,167,804	0.2250	0.2250		6,387,135	0.2250	0.2250	14,371	2012
Salisbury Township of Chariton Co	Road & Bridge	50,834,175	0.5000	0.5000		48,629,005	0.5000	0.5000	243,145	
	Special Road and Bridge	50,834,175	0.1495	0.1495	A	48,629,005	0.1495	0.0800	38,903	2014
Salt Creek Township of Chariton Co	Road & Bridge	4,631,198	0.3947	0.3947		4,737,569	0.3947	0.3947	18,699	
	Special Road and Bridge	4,631,198	0.2528	0.2528		4,737,569	0.2528	0.2528	11,977	2012
Triplett Township of Chariton Co	Road & Bridge	12,731,558	0.5000	0.5000		15,073,344	0.4516	0.4516	68,071	
	Special Road and Bridge	12,731,558	0.3423	0.3423		15,073,344	0.3091	0.3091	46,592	2012
Wayland Township of Chariton Co	Road & Bridge	3,955,459	0.4811	0.4811		4,059,869	0.4817	0.4817	19,556	
	Special Road and Bridge	3,955,459	0.1924	0.1924		4,059,869	0.1926	0.1926	7,819	2012
Yellow Creek Township, Chariton Co	Road & Bridge	6,760,400	0.4638	0.4638		7,276,881	0.4617	0.4617	33,597	
	Special Road and Bridge	6,760,400	0.3500	0.3500	A	7,276,881	0.3484	0.3484	25,353	2014
Keytesville Fire Protection Dist	General Revenue	25,811,718	0.2000	0.2000		28,365,182	0.1917	0.1917	54,376	
Mendon Fire Protection District	General Revenue	14,414,912	0.1914	0.1914		15,238,387	0.1914	0.1914	29,166	
Sumner Community Fire Prot Dist	General Revenue	5,863,602	0.2753	0.2753		6,355,680	0.2708	0.2708	17,211	
Yellow Creek Fire Protection Dist	General Revenue	5,520,231	0.2788	0.2788		5,930,030	0.2778	0.2778	16,474	
Chariton County Health Center	General Revenue	171,591,978	0.1000	0.1000		179,893,880	0.1000	0.1000	179,894	
Northwestern R-I School District	Operating Funds-Schools	14,313,241	4.7700	4.7700	E	15,553,992	4.7610	4.7610	740,526	E
Brunswick R-II School District	Operating Funds-Schools	17,251,993	3.7500	3.6500	E	18,800,960	3.7500	3.6500	686,235	E
	Debt Service	17,251,993	0.5394	0.3900		18,800,960	0.4225	0.3900	73,324	
Keytesville R-III School District	Operating Funds-Schools	13,844,529	4.2455	4.0500	E	14,666,488	4.2455	4.0500	593,993	E
Salisbury R-IV School District	Operating Funds-Schools	48,456,892	4.4697	4.4697	E	44,528,576	5.0826	4.4697	1,990,294	E
Chariton County	General Revenue	171,591,978	0.4000	0.3150		179,893,880	0.4000	0.3150	566,666	
	Senate Bill 40	171,591,978	0.1000	0.1000		179,893,880	0.1000	0.1000	179,894	
	Township	171,591,978	0.1000	0.1000		179,893,880	0.1000	0.1000	179,894	
<b><u>Christian</u></b>										
Christian County Ambulance District	General Revenue	887,914,537	0.1315	0.1305		912,702,602	0.1324	0.1324	1,208,418	
Billings Spec Rd Dist Christian Co	Road & Bridge	50,400,289	0.2032	0.2032		45,231,749	0.2285	0.2285	103,355	
	Special Road and Bridge	50,400,289	0.1625	0.1625		45,231,749	0.1827	0.1625	73,502	2013
Garrison Spec Rd Dist Christian Co	Road & Bridge	1,552,941	0.2362	0.2362		1,597,298	0.2409	0.2409	3,848	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Christian</u></b>									
Ozark Special Rd Dist Christian Co.	Road & Bridge	330,957,972	0.1413	0.1404	340,763,232	0.1488	0.1488	507,056	
Selmore Spec Rd Dist Christian Co	Road & Bridge	16,097,144	0.1784	0.1784	16,595,054	0.1785	0.1785	29,622	
South Sparta Road Dist Christian Co	Road & Bridge	9,240,878	0.1739	0.1739	9,652,138	0.1743	0.1743	16,824	
Stoneshire Sp Rd Dist Christian Co	Road & Bridge	2,919,763	0.1498	0.1498	2,938,791	0.1498	0.1498	4,402	
City of Billings	General Revenue	8,284,773	0.5779	0.5779	8,386,620	0.5779	0.5779	48,466	
	Parks & Recreation	8,284,773	0.1679	0.1679	8,386,620	0.1679	0.1679	14,081	
City of Clever	General Revenue	19,343,487	0.6229	0.6229	20,504,707	0.6229	0.6229	127,724	
City of Nixa	General Revenue	198,708,186	0.3284	0.3284	200,996,529	0.3316	0.3316	666,504	
City of Ozark	General Revenue	192,134,855	0.2344	0.2344	195,679,551	0.2355	0.2355	460,825	
	Parks & Recreation	192,134,855	0.0586	0.0586	195,679,551	0.0589	0.0589	115,255	
City of Sparta	General Revenue	13,756,018	0.3748	0.3748	14,552,247	0.3748	0.3748	54,542	
City of Fremont Hills	General Revenue	20,294,135	0.6191	0.6191	20,843,654	0.6251	0.6251	130,294	
	Debt Service	20,294,135	0.1688	0.1688	20,843,654	0.1622	0.1622	33,808	
Village of Saddlebrooke	General Revenue	**	**	**	11,103,595	0.7429	0.7429	82,489	A
Christian County Library District	General Revenue	981,818,095	0.0882	0.0882	1,009,082,706	0.0887	0.0887	895,056	
Ozark Fire Protection Dist	General Revenue	397,017,410	0.3888	0.3888	409,977,520	0.3888	0.3888	1,593,993	
Nixa Fire Protection District	General Revenue	372,522,764	0.6483	0.6483	382,117,455	0.6549	0.6549	2,502,487	
Billings Fire Protection District	General Revenue	50,811,432	0.4003	0.4003	51,358,959	0.4020	0.4020	206,463	
Clever Fire Protection District	General Revenue	57,602,510	0.3914	0.3914	59,471,439	0.3914	0.3914	232,771	
Highlandville Fire Protection Dist	General Revenue	71,702,136	0.3811	0.3811	72,229,356	0.3869	0.3869	279,455	
Sparta Fire Protection District	General Revenue	35,844,240	0.2835	0.2835	37,242,148	0.2835	0.2835	105,581	
Chadwick Rural Fire Protection Dist	General Revenue	9,061,872	0.3000	0.3000	9,183,918	0.3000	0.3000	27,552	
Christian County Health Department	General Revenue	981,818,095	0.0441	0.0441	1,009,082,706	0.0444	0.0444	448,033	
Chadwick R-I School District	Operating Funds-Schools	10,579,488	3.6500	3.6500	E 10,768,264	3.6500	3.6500	393,042	E
	Debt Service	10,579,488	1.4935	1.0497	10,768,264	1.0533	1.0497	113,034	
Nixa R-II School District	Operating Funds-Schools	377,305,529	3.2434	3.2434	E 387,462,390	3.2434	3.2434	12,566,955	E
	Debt Service	377,305,529	2.0347	1.0666	387,462,390	1.6912	1.0666	4,132,674	
Sparta R-III School District	Operating Funds-Schools	34,977,433	3.4149	3.3500	E 36,606,067	3.4149	3.4093	1,248,011	E
	Debt Service	34,977,433	1.0723	0.7500	36,606,067	1.0310	0.6907	252,838	
Billings R-IV School District	Operating Funds-Schools	29,886,709	3.2147	3.2147	E 30,215,328	3.2237	3.2237	974,052	E
	Debt Service	29,886,709	0.8319	0.8319	30,215,328	0.9857	0.8229	248,642	
Clever R-V School District	Operating Funds-Schools	56,660,179	3.6373	3.6373	E 58,612,769	3.6211	3.6211	2,122,427	E
	Debt Service	56,660,179	1.2721	0.8636	58,612,769	1.2695	0.8797	515,617	
Ozark R-VI School District	Operating Funds-Schools	374,675,246	3.2846	3.2846	E 386,506,544	3.2851	3.2851	12,697,126	E
	Debt Service	374,675,246	1.2832	0.8554	386,506,544	1.3442	0.8549	3,304,244	
Spokane R-VII School District	Operating Funds-Schools	57,045,805	3.3280	3.3280	E 58,544,126	3.3204	3.3169	1,941,850	E
	Debt Service	57,045,805	1.5563	0.8815	58,544,126	1.3341	0.8926	522,565	
Christian County	General Revenue	981,818,095	0.2252	0.0000	1,009,082,706	0.2266	0.0000	0	
	Senate Bill 40	981,818,095	0.0794	0.0794	1,009,082,706	0.0799	0.0799	806,257	
	Senior Services	981,818,095	0.0500	0.0500	1,009,082,706	0.0500	0.0500	504,541	
	Common 1 Road & Bridge	98,082,867	0.2058	0.0000	101,684,999	0.2074	0.0000	0	
	Common 2 Road & Bridge	203,931,280	0.0836	0.0000	208,203,555	0.0846	0.0000	0	
<b><u>Clark</u></b>									
Clark County Ambulance District	General Revenue	93,776,941	0.2891	0.2891	95,810,348	0.2891	0.2891	276,988	
Clark County Nursing Home District	General Revenue	93,776,941	0.1156	0.1156	95,810,348	0.1156	0.1156	110,757	
Wayland Special Rd Dist Clark Co	Road & Bridge	12,422,936	0.3500	0.3500	12,656,256	0.3500	0.3500	44,297	
City of Alexandria	General Revenue	1,360,564	0.8992	0.8992	1,404,498	0.8992	0.8992	12,629	
City of Kahoka	General Revenue	16,755,118	0.7065	0.7065	16,702,100	0.7116	0.7116	118,852	
	Parks & Recreation	16,755,118	0.1365	0.1365	16,702,100	0.1375	0.1375	22,965	
	Library	16,755,118	0.2184	0.2184	16,702,100	0.2200	0.2200	36,745	



APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Clark</u></b>									
Village of Luray	General Revenue	320,044	0.5994	0.5994	293,440	0.6000	0.6000	1,761	
City of Wayland	General Revenue	3,722,000	0.7500	0.7500	3,749,250	0.7500	0.7500	28,119	
	Streets	3,722,000	0.2500	0.2500	3,749,250	0.2500	0.2500	9,373	
City of Wyaconda	General Revenue	1,537,327	0.9362	0.9362	1,515,937	0.9519	0.9519	14,430	
City of Revere	General Revenue	553,402	0.9789	0.9789	594,530	0.9788	0.9788	5,819	
Clark County Library	General Revenue	77,021,824	0.0976	0.0976	79,108,248	0.0976	0.0976	77,210	
Alexandria Fire Protection Dist	General Revenue	8,155,167	0.2660	0.2660	8,488,800	0.2660	0.2660	22,580	
Clark County Health Department	General Revenue	93,776,941	0.0964	0.0964	95,810,348	0.0964	0.0964	92,361	
Revere C-3 School District	Operating Funds-Schools	7,250,738	4.9200	4.9200	E **	**	**		
Luray 33 School District	Operating Funds-Schools	4,476,205	4.1514	4.1514	E 4,455,025	4.1743	4.1743	185,966	E
Clark Co. R-I School District	Operating Funds-Schools	67,191,002	2.8635	2.7500	F 75,862,366	2.8695	2.7500	2,086,215	F
	Debt Service	67,191,002	1.0686	0.7500	75,862,366	1.3406	0.7500	568,968	
Clark County	General Revenue	93,776,941	0.4492	0.3473	95,810,348	0.4492	0.3292	315,408	
	Road & Bridge	81,354,005	0.3307	0.3307	83,143,841	0.3307	0.3307	274,957	
	Special Road and Bridge	81,354,005	0.0000	0.0000	**	**	**		2011
	Special Road & Bridge	81,354,005	0.3490	0.3490	83,143,841	0.3490	0.3490	290,172	2012
<b><u>Clay</u></b>									
Eastern Clay County Ambulance Dist	General Revenue	33,572,649	0.2806	0.2806	33,443,922	0.2825	0.2825	94,479	
New Liberty Hospital District	General Revenue	861,351,350	0.1500	0.1500	872,216,323	0.1500	0.1500	1,308,324	
City of Avondale	General Revenue	3,995,665	0.4556	0.4480	3,959,319	0.4598	0.4598	18,205	
	Debt Service	3,995,665	0.9774	0.9774	3,959,319	1.0118	1.0118	40,060	
Village of Birmingham	General Revenue	2,754,758	0.3191	0.3191	2,700,502	0.3255	0.3255	8,790	
Village of Claycomo	General Revenue	54,634,751	0.3300	0.3300	51,912,314	0.3300	0.3300	171,311	
	Debt Service	54,634,751	0.2258	0.2200	51,912,314	0.0154	0.0154	7,994	
City of Excelsior Springs	General Revenue	133,824,095	0.6289	0.6289	140,853,032	0.6178	0.6178	870,190	
	Hospital	130,315,035	0.1770	0.1770	137,343,972	0.1737	0.1737	238,566	
	Parks	130,315,035	0.1770	0.1770	137,343,972	0.1737	0.1737	238,566	
	Recreation	130,315,035	0.1770	0.1770	137,343,972	0.1737	0.1737	238,566	
City of Glenaire	General Revenue	6,203,292	0.6257	0.6257	6,231,868	0.6257	0.6257	38,993	
City of Holt	General Revenue	4,947,046	0.4549	0.4549	4,998,705	0.4590	0.4590	22,944	
City of Kearney	General Revenue	133,540,208	0.6014	0.5800	135,753,659	0.6025	0.5800	787,371	
	Debt Service	133,540,208	0.0500	0.0500	135,753,659	0.0576	0.0500	67,877	
City of Liberty	General Revenue	448,002,509	0.8743	0.8465	450,592,300	0.8743	0.8417	3,792,635	
	Parks & Recreation	448,002,509	0.1541	0.1492	450,592,300	0.1541	0.1483	668,228	
City of Missouri City	General Revenue	2,037,055	0.8900	0.8900	2,027,666	0.8900	0.8900	18,046	
City of Mosby	General Revenue	2,352,564	0.9886	0.9886	2,402,402	0.9886	0.9886	23,750	
City of North Kansas City	General Revenue	252,791,293	0.4298	0.4298	247,001,394	0.4416	0.4416	1,090,758	
	Parks & Recreation	252,791,293	0.1200	0.1200	247,001,394	0.1200	0.1200	296,402	
	Library	252,791,293	0.2000	0.2000	247,001,394	0.3175	0.3000	741,004	B
	Pension	252,791,293	0.2200	0.2200	247,001,394	0.2200	0.2200	543,403	
Village of Oaks	General Revenue	2,571,830	0.5000	0.5000	2,443,219	0.5000	0.5000	12,216	
	Fire	2,571,830	0.3000	0.3000	**	**	**		2011
	Fire	**	**	**	2,443,219	0.3252	0.3000	7,330	A 2013
Village of Oakview	General Revenue	5,655,658	0.3910	0.3910	5,985,830	0.3900	0.3900	23,345	
	Fire	5,655,658	0.1191	0.1191	5,985,830	0.1188	0.1188	7,111	
	Fire & Ambulance-Temp	5,655,658	0.2749	0.2749	**	**	**		2011
	Fire & Ambulance-Temp	**	**	**	5,985,830	0.3000	0.3000	17,957	A 2015
Village of Oakwood	General Revenue	4,134,485	0.2954	0.2800	4,231,642	0.2962	0.2629	11,125	
	Fire	4,134,485	0.3000	0.3000	**	**	**		2011
	General Revenue-Temp	4,134,485	0.2200	0.2200	**	**	**		2011

APPENDIX VII  
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Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Clay</u></b>									
Village of Oakwood	Fire	**	**	**	4,231,642	0.3099	0.3099	13,114	A 2013
	General Revenue-Temp	**	**	**	4,231,642	0.2272	0.2272	9,614	A 2013
Village of Oakwood Park	General Revenue	2,405,517	0.4717	0.4717	3,135,176	0.4717	0.4717	14,789	2011
	Fire	2,405,517	0.3000	0.3000	**	**	**		
City of Pleasant Valley	General Revenue	40,093,528	0.6928	0.6928	40,683,856	0.6942	0.6942	282,427	
Village of Prathersville	General Revenue	2,618,118	0.2801	0.2801	2,656,599	0.2813	0.2813	7,473	
City of Randolph	General Revenue	4,291,147	0.5000	0.5000	5,523,971	0.5000	0.5000	27,620	
City of Smithville	General Revenue	128,629,652	0.4595	0.4487	131,352,189	0.4595	0.4500	591,085	
Kearney Fire Protection District	General Revenue	264,052,673	0.5169	0.5169	268,757,636	0.5169	0.5169	1,389,208	
	Ambulance	264,052,673	0.2808	0.2808	268,757,636	0.2810	0.2810	755,209	
	Dispatch	264,052,673	0.0300	0.0300	268,757,636	0.0300	0.0300	80,627	
	Debt Service	264,052,673	0.0887	0.0887	268,757,636	0.0887	0.0887	238,388	
Holt Community Fire Protection Dist	General Revenue	66,757,153	0.5689	0.5689	67,713,507	0.5689	0.5689	385,222	
	Ambulance	66,757,153	0.2738	0.2738	67,713,507	0.2738	0.2738	185,400	
Fishing River Fire Protection Dist	General Revenue	49,915,832	0.2769	0.2769	51,149,051	0.2769	0.2769	141,632	
Developmental Disabilities Resource	General Revenue	3,411,376,215	0.1200	0.1191	3,450,504,996	0.1200	0.1191	4,109,551	
Clay Platte Ray Mental Health Board	General Revenue	3,411,376,215	0.0991	0.0963	3,450,504,996	0.0992	0.0963	3,322,836	
Clay County Public Health Center	General Revenue	3,411,376,215	0.1000	0.1000	3,450,504,996	0.1000	0.1000	3,450,505	
The 210 Hwy Trans Development Dist	General Revenue	*	*	*	46,338,277	0.1000	0.0647	29,981	2016
Kearney R-I School District	Operating Funds-Schools	300,074,898	4.1961	4.0623	BE 304,489,608	4.1961	4.1961	12,776,688	E
	Debt Service	300,074,898	2.2149	1.1500	304,489,608	1.2297	1.1500	3,501,630	
Smithville R-II School District	Operating Funds-Schools	198,818,707	3.4408	3.4407	E 202,504,169	3.4448	3.4448	6,975,864	E
	Debt Service	198,818,707	1.9785	0.9600	202,504,169	1.7603	0.9600	1,944,040	
Excelsior Springs 40 School Dist	Operating Funds-Schools	200,962,292	4.2500	4.2500	E 205,443,220	4.2500	4.2500	8,731,337	E
	Debt Service	200,962,292	1.2149	0.9500	205,443,220	1.1435	0.9500	1,951,711	
Liberty 53 School District	Operating Funds-Schools	758,722,958	4.9000	4.9000	E 770,062,710	4.9000	4.9000	37,733,073	E
	Debt Service	758,722,958	2.4744	1.1950	770,062,710	2.3997	1.1950	9,202,249	
Missouri City 56 School District	Operating Funds-Schools	6,297,429	4.5656	4.2756	6,447,428	4.5823	4.3433	280,031	
North Kansas City 74 School Dist	Operating Funds-Schools	1,860,080,168	4.8698	4.8698	E 1,871,506,546	4.8698	4.8698	91,138,626	E
	Debt Service	1,860,080,168	1.0200	1.0200	1,871,506,546	1.0200	1.0200	19,089,367	
Clay County	General Revenue	3,411,376,215	0.1647	0.1300	3,450,504,996	0.1647	0.1300	4,485,656	
	Parks & Recreation	3,411,376,215	0.0000	0.0000	3,450,504,996	0.0000	0.0000	0	
	Road & Bridge	3,411,376,215	0.0823	0.0800	3,450,504,996	0.0824	0.0800	2,760,404	
	Senior Services	3,411,376,215	0.0500	0.0499	3,450,504,996	0.0500	0.0499	1,721,802	
<b><u>Clinton</u></b>									
Cameron Ambulance District	General Revenue	102,566,126	0.1990	0.1990	102,859,758	0.1998	0.1998	205,514	
Tri-County Ambulance District	General Revenue	196,223,645	0.2700	0.2700	201,305,720	0.2700	0.2700	543,525	
Cameron Spec Rd Dist Clinton Co	Road & Bridge	58,196,319	0.2519	0.2519	59,333,088	0.2519	0.2519	149,460	
	Special Road and Bridge	58,196,319	0.3500	0.3500	59,333,088	0.3500	0.3500	207,666	2013
Plattsburg Spec Rd Dist Clinton Co	Road & Bridge	36,700,173	0.2674	0.2674	36,508,097	0.2694	0.2694	98,353	
	Special Road and Bridge	36,700,173	0.3557	0.3557	A 36,508,097	0.3557	0.3557	129,859	2014
City of Cameron	General Revenue	71,595,663	0.5917	0.5917	69,524,183	0.6023	0.6117	425,279	C
	Parks & Recreation	71,595,663	0.1453	0.1453	69,524,183	0.1479	0.1502	104,425	C
	Library	71,595,663	0.1662	0.1662	69,524,183	0.1691	0.1717	119,373	C
	Band Revenue	71,595,663	0.0830	0.0830	69,524,183	0.0845	0.0858	59,652	C
City of Gower	General Revenue	13,550,750	0.5402	0.5402	13,928,816	0.5402	0.5402	75,243	
City of Lathrop	General Revenue	20,356,646	0.5577	0.5577	20,551,107	0.5662	0.5662	116,360	
	Parks & Recreation	20,356,646	0.1468	0.1468	20,551,107	0.1490	0.1490	30,621	
	Debt Service	20,356,646	0.7287	0.5165	20,551,107	1.0723	0.5361	110,174	
City of Plattsburg	General Revenue	25,605,746	0.5843	0.5806	25,640,010	0.5866	0.5815	149,097	

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Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Clinton</u></b>									
City of Plattsburg	Lights	25,605,746	0.0804	0.0799	25,640,010	0.0807	0.0800	20,512	2012
	Police	25,605,746	0.2216	0.2202	25,640,010	0.2225	0.2205	56,536	
	Cemetary	25,605,746	0.0188	0.0187	**	**	**		
	Cemetery	**	**	**	25,640,010	0.0189	0.0187	4,795	2012
	Park	25,605,746	0.1415	0.1406	25,640,010	0.1421	0.1408	36,101	
	Recreation	25,605,746	0.0491	0.0488	25,640,010	0.0493	0.0489	12,538	
City of Trimble	General Revenue	6,475,792	0.3305	0.3305	6,609,078	0.3305	0.3305	21,843	
	Debt Service	6,475,792	0.6804	0.6804	6,609,078	0.5158	0.5158	34,090	
Village of Turney	General Revenue	1,342,271	0.3254	0.3254	1,394,761	0.3382	0.3382	4,717	
Gower Fire Protection District	General Revenue	42,257,817	0.2631	0.2631	45,003,738	0.2605	0.2605	117,235	
Lathrop Fire Protection District	General Revenue	57,572,135	0.2687	0.2687	58,312,786	0.2704	0.2704	157,678	
Plattsburg Fire Protection District	General Revenue	60,652,718	0.3500	0.3500	61,062,737	0.3500	0.3500	213,720	
Cameron Fire Protection District	General Revenue	40,218,884	0.2851	0.2851	41,532,800	0.2851	0.2851	118,410	
Clinton County Health Department	General Revenue	270,665,734	0.0905	0.0905	274,943,636	0.0905	0.0905	248,824	
Cameron R-I School District	Operating Funds-Schools	109,569,248	3.5811	3.5811	E 109,894,424	3.6240	3.5071	3,854,107	E
	Debt Service	109,569,248	0.4977	0.4800	109,894,424	0.8538	0.5800	637,388	
Lathrop R-II School District	Operating Funds-Schools	59,074,472	4.3900	4.3900	E 58,979,059	4.3900	4.3900	2,589,181	E
	Debt Service	59,074,472	1.1177	0.4727	58,979,059	1.2439	0.6725	396,634	
Clinton County R-III School Dist	Operating Funds-Schools	72,589,551	3.9134	3.9134	E 71,455,260	3.9134	3.9134	2,796,330	E
	Debt Service	72,589,551	1.0202	1.0000	71,455,260	1.0284	1.0000	714,553	
Clinton County	General Revenue	270,665,734	0.3520	0.2750	274,943,636	0.3520	0.2400	659,865	
	Common Road District	270,665,734	0.1894	0.1894	179,102,451	0.2746	0.2746	491,815	
	Special Road and Bridge	270,665,734	0.3685	0.3500	A 179,102,451	0.3716	0.3500	626,859	2014
	Senate Bill 40	270,665,734	0.0905	0.0905	274,943,636	0.0905	0.0905	248,824	
<b><u>Cole</u></b>									
Village of Centertown	General Revenue	4,054,741	0.7470	0.7470	4,136,828	0.7470	0.7470	30,902	
City of Jefferson City	General Revenue	846,042,720	0.4712	0.4600	848,397,385	0.4749	0.4600	3,902,628	
	Firemen Retirement	846,042,720	0.0984	0.0961	848,397,385	0.0992	0.0961	815,310	
City of Lohman	General Revenue	2,067,264	0.2782	0.2782	2,048,468	0.2807	0.2807	5,750	
	Debt Service	2,067,264	0.3410	0.3410	2,048,468	0.3344	0.3344	6,850	
City of Russellville	General Revenue	7,460,133	0.7466	0.7466	7,476,581	0.7512	0.7512	56,164	
City of Taos	General Revenue	14,490,907	0.2709	0.2709	15,193,236	0.2756	0.2756	41,873	
Jeff City/Cole County Library Dist	General Revenue	1,312,503,941	0.1977	0.1977	1,324,400,350	0.1984	0.1984	2,627,610	
Cole County Fire Protection Dist	General Revenue	175,474,533	0.3000	0.3000	178,872,128	0.3000	0.3000	536,616	
Regional West Fire Protection Dist	General Revenue	169,180,170	0.2911	0.2911	173,379,914	0.2913	0.2913	505,056	
Osage Fire Protection District	General Revenue	109,291,558	0.2984	0.2984	112,933,775	0.2989	0.2989	337,559	
Russellville-Lohman Fire Prot Dist	General Revenue	46,129,489	0.2967	0.2967	47,107,759	0.2971	0.2971	139,957	
Cole Co R-I School District	Operating Funds-Schools	49,619,176	3.2353	3.2353	E 50,733,660	3.2210	3.2210	1,634,131	E
	Debt Service	49,619,176	1.2259	0.8800	50,733,660	1.0898	0.8800	446,456	
Cole Co R-II School District	Operating Funds-Schools	88,938,650	2.7500	2.7500	E 92,284,053	2.7500	2.7500	2,537,811	E
	Debt Service	88,938,650	1.3822	0.9100	92,284,053	1.0859	0.9100	839,785	
Cole Co. R-V School District	Operating Funds-Schools	59,529,009	3.3756	2.9500	F 60,689,713	3.3745	2.9500	1,790,347	F
	Debt Service	59,529,009	0.9285	0.7000	60,689,713	0.9375	0.7000	424,828	
Jefferson City School District	Operating Funds-Schools	1,194,621,119	3.7642	3.5000	1,188,058,347	3.7642	3.4714	41,242,257	
	Debt Service	1,194,621,119	0.3565	0.1770	1,188,058,347	0.3723	0.2056	2,442,648	
Cole County	General Revenue	1,312,503,941	0.1188	0.1151	1,324,400,350	0.1192	0.1096	1,451,543	
	Road & Bridge	1,312,503,941	0.2728	0.2700	1,324,400,350	0.2737	0.2700	3,575,881	
	Senate Bill 40	1,312,503,941	0.0890	0.0890	1,324,400,350	0.0893	0.0893	1,182,690	

# APPENDIX VII

## 2012 PROPERTY TAX RATES

### LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Cooper</u></b>									
Cooper County Memorial Hospital	General Revenue	221,055,579	0.1500	0.1500	223,927,068	0.1500	0.1500	335,891	
Cooper Co Nursing Home District	General Revenue	35,725,697	0.1419	0.1419	35,931,337	0.1432	0.1432	51,454	
City of Blackwater	General Revenue	1,202,290	0.9483	0.9483	1,253,656	0.9483	0.9483	11,888	
	Debt Service	1,202,290	0.4691	0.4691	1,253,656	0.4111	0.4111	5,154	
City of Boonville	General Revenue	92,869,770	0.6727	0.6500	96,404,169	0.6681	0.6500	626,627	
City of Bunceton	General Revenue	1,910,844	1.0000	1.0000	1,994,110	0.9880	0.9880	19,702	
City of Otterville	General Revenue	2,880,075	0.8277	0.8277	2,876,501	0.8287	0.8287	23,838	
City of Pilot Grove	General Revenue	4,931,518	0.7252	0.7252	4,975,721	0.7252	0.7252	36,084	
City of Prairie Home	General Revenue	1,981,537	0.9649	0.9649	2,010,962	0.9725	0.9725	19,557	
Village of Wooldridge	General Revenue	237,010	0.7000	0.7000	242,741	0.6998	0.6998	1,699	
Cooper Co Fire Protection Dist	General Revenue	58,198,228	0.4771	0.4771	58,899,834	0.4783	0.4783	281,718	
	Debt Service	58,198,228	0.3638	0.3638	58,899,834	0.3641	0.3641	214,454	
Otterville Fire Protection District	General Revenue	12,676,632	0.2938	0.2938	12,588,009	0.2978	0.2978	37,487	
Prairie Home Rural Fire Prot Dist	General Revenue	11,401,076	0.2600	0.2600	11,476,379	0.2600	0.2600	29,839	
Cooper County Public Health Center	General Revenue	221,055,579	0.1900	0.1900	223,927,068	0.1900	0.1900	425,461	
Blackwater R-II School District	Operating Funds-Schools	7,852,666	3.3971	3.3971	E 7,920,262	3.3698	3.3698	266,897	E
Cooper Co. R-IV School District	Operating Funds-Schools	8,408,189	4.4902	4.4881	E 8,611,009	4.4672	4.4672	384,671	E
	Debt Service	8,408,189	0.6873	0.6001	8,611,009	0.9775	0.6210	53,474	
Prairie Home R-V School District	Operating Funds-Schools	12,031,031	4.4695	4.4695	E 12,229,007	4.4379	4.4379	542,711	E
	Debt Service	12,031,031	0.3803	0.3803	12,229,007	0.2381	0.2381	29,117	
Otterville R-VI School District	Operating Funds-Schools	12,829,190	3.9097	3.9097	E 12,927,412	3.7850	3.7850	489,303	E
	Debt Service	12,829,190	0.6819	0.6203	12,927,412	0.6703	0.6703	86,652	
Pilot Grove C-4 School District	Operating Funds-Schools	16,356,155	3.2919	3.2919	E 16,871,018	3.1542	3.1542	532,146	E
	Operating Funds-Temp	16,356,155	0.6983	0.6983	16,871,018	0.6983	0.6983	117,810	2026
	Debt Service	16,356,155	0.9524	0.9000	16,871,018	0.9415	0.9000	151,839	
Boonville R-I School District	Operating Funds-Schools	132,327,082	3.4711	3.4711	E 134,977,894	3.4092	3.4092	4,601,666	E
	Debt Service	132,327,082	1.1503	0.7827	134,977,894	1.0154	0.8446	1,140,023	
Cooper County	General Revenue	221,055,579	0.4331	0.2390	223,927,068	0.4331	0.2390	535,186	
	Road & Bridge	221,055,579	0.3197	0.3197	223,927,068	0.3197	0.3197	715,895	
	Senate Bill 40	221,055,579	0.2000	0.2000	223,927,068	0.2000	0.2000	447,854	
<b><u>Crawford</u></b>									
North Crawford Co Ambulance Dist	General Revenue	180,490,720	0.2710	0.1098	184,343,245	0.2721	0.0982	181,025	
Steelville Ambulance District	General Revenue	64,585,575	0.3180	0.1310	64,534,025	0.3228	0.1758	113,451	
City of Bourbon	General Revenue	9,886,243	0.6740	0.6740	9,902,680	0.6755	0.6755	66,893	
	Parks & Recreation	9,886,243	0.1000	0.1000	9,902,680	0.1000	0.1000	9,903	
	Police	9,886,243	0.3198	0.3198	9,902,680	0.3205	0.3205	31,738	
Village of Leasburg	General Revenue	1,544,833	0.4893	0.4893	1,645,033	0.4893	0.4893	8,049	
City of Steelville	General Revenue	18,862,048	0.3563	0.3563	13,765,402	0.4953	0.4953	68,180	
Crawford County Library District	General Revenue	257,001,636	0.0929	0.0929	263,665,154	0.0929	0.0929	244,945	
Bourbon Fire District	General Revenue	44,562,441	0.2700	0.1604	46,340,098	0.2700	0.0963	44,626	
Steelville Fire Protection Dist	General Revenue	73,580,432	0.1960	0.1960	73,556,344	0.1987	0.1987	146,156	
Crawford Co R-I School District	Operating Funds-Schools	59,201,121	3.0593	3.0593	E 60,216,321	3.0852	3.0852	1,857,794	E
	Debt Service	59,201,121	1.0847	0.9350	60,216,321	1.1718	0.9350	563,023	
Crawford Co R-II School District	Operating Funds-Schools	109,657,985	2.9559	2.7500	F 111,204,661	2.9543	2.7500	3,058,128	F
	Debt Service	109,657,985	1.0450	0.5600	111,204,661	1.0505	0.5600	622,746	
Steelville R-III School District	Operating Funds-Schools	53,987,751	3.0999	3.0999	E 54,278,834	3.1352	3.1352	1,701,750	E
	Debt Service	53,987,751	1.3082	0.6700	54,278,834	1.2411	0.6700	363,668	
Crawford County	General Revenue	300,049,998	0.2635	0.1035	280,164,728	0.2871	0.1271	356,089	
	Road & Bridge	300,049,998	0.1869	0.1869	280,164,728	0.2036	0.2036	570,415	
	Senate Bill 40	300,049,998	0.0849	0.0849	280,164,728	0.0925	0.0925	259,152	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Crawford</u></b>									
Crawford County	Senior Services	300,049,998	0.0424	0.0424	280,164,728	0.0462	0.0462	129,436	
<b><u>Dade</u></b>									
Dade County Nursing Home	General Revenue	72,438,418	0.1208	0.1208	74,499,955	0.2568	0.2568	191,316	B
Good Shepherd Nursing Home Dist	General Revenue	25,762,538	0.1543	0.1543	26,933,355	0.1543	0.1543	41,558	
	Debt Service	25,762,538	0.5418	0.4300	26,933,355	0.5313	0.4300	115,813	
Bona Special Road Dist Dade Co	Road & Bridge	708,175	0.4150	0.4150	733,532	0.4155	0.4155	3,048	
Dry Bone Special Road Dist Dade Co	Road & Bridge	428,135	0.3315	0.3315	463,095	0.3315	0.3315	1,535	
Maize Creek Spec Road Dist Dade Co	Road & Bridge	446,825	0.5000	0.5000	446,240	0.5000	0.5000	2,231	
Sac Special Road Dist #1 Dade Co	Road & Bridge	1,055,017	0.3015	0.3015	1,063,877	0.3024	0.3024	3,217	
Sac Special Road Dist #2 Dade Co	Road & Bridge	1,167,391	0.2360	0.2360	1,180,364	0.2369	0.2369	2,796	
Southeast Special Road Dist Dade Co	Road & Bridge	397,505	0.3685	0.3685	384,130	0.3814	0.3814	1,465	
Birchwood Special Road District	Road & Bridge	1,012,855	0.2689	0.2689	1,013,473	0.2715	0.2715	2,752	
Village of Dadeville	General Revenue	1,424,878	0.4500	0.4500	1,452,557	0.4500	0.4500	6,537	
City of Everton	General Revenue	1,684,130	1.0000	1.0000	1,756,186	1.0000	1.0000	17,562	
	Parks & Recreation	1,684,130	0.1000	0.1000	1,756,186	0.1000	0.1000	1,756	
City of Greenfield	General Revenue	11,987,761	0.4226	0.4226	12,397,428	0.4226	0.4226	52,392	
	Parks & Recreation	11,987,761	0.1348	0.0000	12,397,428	0.1348	0.0000	0	
	Streets	11,987,761	0.1708	0.1708	12,397,428	0.1708	0.1708	21,175	
Village of South Greenfield	General Revenue	718,992	0.4869	0.4869	733,646	0.4870	0.4870	3,573	
City of Lockwood	General Revenue	7,306,370	0.5679	0.5679	7,512,044	0.5679	0.5679	42,661	
	Parks & Recreation	7,306,370	0.1514	0.1514	7,512,044	0.1514	0.1514	11,373	
	Library	7,306,370	0.1799	0.1799	7,512,044	0.1799	0.1799	13,514	
Dade County Library District	General Revenue	90,958,741	0.0932	0.0932	93,999,194	0.0932	0.0932	87,607	
Cedar Township of Dade Co	Road & Bridge	4,422,158	0.3929	0.3929	4,522,118	0.3930	0.3930	17,772	
	Special Road and Bridge	4,422,158	0.1319	0.1319	A 4,522,118	0.1319	0.1319	5,965	2014
Center Township of Dade Co	Road & Bridge	20,501,776	0.3398	0.3398	21,028,130	0.3410	0.3410	71,706	
Ernest Township of Dade Co	Road & Bridge	1,585,309	0.5000	0.5000	1,552,420	0.5000	0.5000	7,762	
Grant Township of Dade Co	Road & Bridge	4,283,447	0.3596	0.3596	4,447,700	0.3621	0.3621	16,105	
Lockwood Township of Dade Co	Road & Bridge	14,605,780	0.3024	0.3024	15,312,391	0.3024	0.3024	46,305	
Marion Township of Dade Co	Road & Bridge	4,710,007	0.3581	0.3581	4,896,802	0.3581	0.3581	17,535	
North Morgan Township of Dade Co	Road & Bridge	2,018,743	0.2099	0.2099	1,983,773	0.2179	0.2179	4,323	
North Township of Dade Co	Road & Bridge	4,047,722	0.4067	0.4067	4,149,672	0.4074	0.4074	16,906	
Pilgrim Township of Dade Co	Road & Bridge	2,490,581	0.3305	0.3305	2,610,669	0.3249	0.3249	8,482	
	Special Road and Bridge	2,490,581	0.2300	0.2300	A 2,610,669	0.2261	0.2261	5,903	2014
Polk Township of Dade Co	Road & Bridge	6,529,191	0.3281	0.3281	6,617,419	0.3319	0.3319	21,963	
	Special Road and Bridge	6,529,191	0.3300	0.3300	**	**	**		2011
	Special Road and Bridge	**	**	**	6,617,419	0.3438	0.3438	22,751	A 2015
Rock Prairie Township of Dade Co	Road & Bridge	11,344,008	0.3433	0.3433	11,689,112	0.3433	0.3433	40,129	
Sac Township of Dade Co	Road & Bridge	4,049,905	0.2737	0.2737	4,094,977	0.2788	0.2788	11,417	
Smith Township of Dade Co	Road & Bridge	2,217,231	0.4424	0.4424	2,344,399	0.4439	0.4439	10,407	
	Special Road and Bridge	2,217,231	0.2469	0.2469	2,344,399	0.2469	0.2469	5,788	2012
South Township of Dade Co	Road & Bridge	3,074,940	0.3960	0.3960	3,370,068	0.3975	0.3975	13,396	
	Special Road and Bridge	3,074,940	0.3357	0.3357	3,370,068	0.3370	0.3370	11,357	2012
South Morgan Township of Dade Co	Road & Bridge	3,136,011	0.3924	0.3924	3,146,852	0.4001	0.4001	12,591	
Washington Township of Dade Co	Road & Bridge	4,056,761	0.2929	0.2929	4,319,084	0.2899	0.2899	12,521	
Dadeville Rural Fire Prot Dist	General Revenue	10,186,169	0.1796	0.1796	10,426,975	0.1802	0.1802	18,789	
Dade Co R-4 Rural Fire Prot Dist	General Revenue	39,061,825	0.1869	0.1869	40,312,995	0.1869	0.1869	75,345	
Dade County Health Department	General Revenue	98,200,941	0.0925	0.0925	101,444,710	0.0925	0.0925	93,836	
Lockwood R-I School District	Operating Funds-Schools	27,308,098	3.0006	3.0006	E 28,428,844	2.9330	2.9330	833,818	E
	Debt Service	27,308,098	1.1102	0.6000	28,428,844	1.0382	0.6500	184,787	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Dade</u></b>										
Dadeville R-II School District	Operating Funds-Schools	9,774,323	3.4321	3.4300	E	10,058,980	4.0787	3.4300	345,023	E
Everton R-III School District	Operating Funds-Schools	9,845,803	4.3406	4.3406	E	10,011,491	4.4629	4.4559	446,102	E
	Debt Service	9,845,803	0.5312	0.4266		10,011,491	0.0120	0.0120	1,201	
Greenfield R-IV School District	Operating Funds-Schools	34,498,275	2.9113	2.9113	E	35,590,301	2.9031	2.9031	1,033,222	E
	Debt Service	34,498,275	0.4064	0.4064		35,590,301	0.4262	0.4064	144,639	
Dade County	General Revenue	98,200,941	0.1400	0.1400		101,444,710	0.1400	0.1400	142,023	
	Township Tax	98,200,941	0.0925	0.0925		101,444,710	0.0925	0.0925	93,836	
<b><u>Dallas</u></b>										
City of Buffalo	General Revenue	29,657,444	0.5270	0.5200		29,717,223	0.5313	0.5300	157,501	
City of Urbana	General Revenue	2,915,465	0.5737	0.5737		2,882,272	0.5807	0.5807	16,737	
Dallas County Library	General Revenue	148,883,218	0.0996	0.0996		151,214,270	0.0996	0.0996	150,609	
Southern Dallas Co Fire Prot Dist	General Revenue	20,456,726	0.2900	0.2900		20,954,643	0.2905	0.2900	60,768	
Elkland Fire Protection District	General Revenue	12,948,506	0.3000	0.3000		13,237,038	0.3000	0.3000	39,711	
Dallas County Health Department	General Revenue	148,883,218	0.1003	0.1003		151,214,270	0.1003	0.1003	151,668	
Dallas Co R-I School District	Operating Funds-Schools	107,678,784	3.3500	3.3500	E	109,385,303	3.3500	3.3500	3,664,408	E
Dallas County	General Revenue	148,883,218	0.3561	0.1651		151,214,270	0.3562	0.1709	258,425	
	Road & Bridge	148,883,218	0.2646	0.2646		151,214,270	0.2647	0.2647	400,264	
<b><u>Daviess</u></b>										
Community Ambulance District	General Revenue	94,255,653	0.3500	0.3500		98,004,547	0.3500	0.3500	343,016	
West Fork of Big Creek Watershed	Main & Op	1,016,310	0.1506	0.1506		1,034,496	0.1512	0.1512	1,564	
Jamesport Spec Rd Dist Daviess Co	Road & Bridge	8,559,229	0.3698	0.3698		9,152,353	0.3698	0.3698	33,845	
	Special Road and Bridge	8,559,229	0.2678	0.2678		9,152,353	0.2678	0.2678	24,510	2012
Lock Springs Special Road District	Road & Bridge	3,217,137	0.3220	0.3220		3,391,196	0.3220	0.3220	10,920	
	Special Road and Bridge	3,217,137	0.3178	0.3178		3,391,196	0.3178	0.3178	10,777	2012
Daviess County Special Rd Dist #1	Road & Bridge	20,282,504	0.2118	0.2118		20,499,573	0.2123	0.2123	43,521	
	Special Road and Bridge	20,282,504	0.3500	0.3500		**	**	**		2011
	Special Road and Bridge	**	**	**		20,499,573	0.3613	0.3613	74,065	A 2015
	Debt Service	20,282,504	0.2667	0.2667		20,499,573	0.2628	0.2000	40,999	
Village of Altamont	General Revenue	791,626	0.6500	0.6500		785,080	0.6500	0.6500	5,103	
City of Coffey	General Revenue	457,481	1.0000	1.0000		520,569	1.0000	1.0000	5,206	
City of Gallatin	General Revenue	12,501,786	0.6275	0.6275		12,990,138	0.6275	0.6275	81,513	
	Parks & Recreation	12,501,786	0.2232	0.2232		12,990,138	0.2232	0.2232	28,994	
	Band	12,501,786	0.0200	0.0200		12,990,138	0.0200	0.0200	2,598	
City of Jamesport	General Revenue	2,996,989	0.7221	0.7221		3,125,251	0.7221	0.7221	22,567	
	Parks & Recreation	2,996,989	0.1710	0.1710		3,125,251	0.1710	0.1710	5,344	
Village of Jameson	General Revenue	397,529	0.4999	0.4999		438,039	0.4998	0.4998	2,189	
	General Revenue-Temp	397,529	0.1999	0.1999		438,039	0.1999	0.1999	876	2013
Village of Lock Springs	General Revenue	220,585	0.4701	0.3983		243,399	0.4550	0.4000	974	
City of Pattonsburg	General Revenue	1,806,908	1.0000	1.0000		1,851,001	1.0000	1.0000	18,510	
Village of Winston	General Revenue	1,118,484	0.4646	0.4646		1,139,878	0.4649	0.4649	5,299	
	Streets	1,118,484	0.3010	0.3000	A	1,139,878	0.3010	0.3010	3,431	2013
Daviess County Library	General Revenue	107,960,704	0.1846	0.1846		112,410,229	0.1846	0.1846	207,509	
Benton Township of Daviess Co	General Revenue	5,403,928	0.1000	0.1000		5,780,891	0.1000	0.1000	5,781	
	Road & Bridge	5,403,928	0.5000	0.5000		5,780,891	0.4998	0.4998	28,893	
Colfax Township of Daviess Co	General Revenue	5,909,877	0.0970	0.0970		6,058,399	0.0973	0.0973	5,895	
	Road & Bridge	5,909,877	0.4855	0.4855		6,058,399	0.4868	0.4868	29,492	
	Special Road and Bridge	5,909,877	0.2480	0.2480		6,058,399	0.2480	0.2480	15,025	2012
Grand River Township of Daviess Co	General Revenue	4,580,947	0.0992	0.0992		4,794,895	0.0992	0.0992	4,757	
	Road & Bridge	4,580,947	0.4959	0.4959		4,794,895	0.4960	0.4960	23,783	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Daviess</u></b>									
Grand River Township of Daviess Co	Special Road and Bridge	4,580,947	0.3490	0.3490	4,794,895	0.3490	0.3490	16,734	2012
Harrison Township of Daviess Co	General Revenue	2,695,525	0.0862	0.0862	2,842,328	0.0862	0.0862	2,450	
	Road & Bridge	2,695,525	0.4255	0.4255	2,842,328	0.4255	0.4255	12,094	
	Special Road and Bridge	2,695,525	0.3181	0.3181	2,842,328	0.3181	0.3181	9,041	2012
Jackson Township of Daviess Co	General Revenue	8,320,294	0.0933	0.0933	9,540,291	0.0933	0.0933	8,901	
	Road & Bridge	5,103,157	0.4608	0.4608	6,149,095	0.4608	0.4608	28,335	
	Special Road and Bridge	5,103,157	0.3290	0.3290	6,149,095	0.3290	0.3290	20,231	2012
Jamesport Township of Daviess Co	General Revenue	8,559,229	0.0894	0.0894	9,152,353	0.0894	0.0894	8,182	
Jefferson Township of Daviess Co	General Revenue	5,136,955	0.1000	0.1000	5,198,123	0.1000	0.1000	5,198	
	Road & Bridge	5,136,955	0.4584	0.4584	5,198,123	0.4589	0.4589	23,854	
	Special Road and Bridge	5,136,955	0.3500	0.3500	5,198,123	0.3500	0.3500	18,193	2012
Liberty Township of Daviess Co	General Revenue	25,157,409	0.0644	0.0644	25,405,858	0.0644	0.0644	16,361	
	Road & Bridge	4,874,905	0.4952	0.4952	4,906,285	0.4952	0.4952	24,296	
Lincoln Township of Daviess Co	General Revenue	4,183,807	0.0999	0.0999	4,244,391	0.1000	0.1000	4,244	
	Road & Bridge	4,183,807	0.4994	0.4994	4,244,391	0.5000	0.5000	21,222	
	Special Road and Bridge	4,183,807	0.3496	0.3496	4,244,391	0.3500	0.3500	14,855	2012
Marion Township of Daviess Co	General Revenue	4,408,310	0.1000	0.1000	4,436,851	0.1000	0.1000	4,437	
	Road & Bridge	4,408,310	0.5000	0.5000	4,436,851	0.5000	0.5000	22,184	
	Special Road and Bridge	4,408,310	0.3500	0.3500	4,436,851	0.3500	0.3500	15,529	2012
Monroe Township of Daviess Co	General Revenue	3,003,446	0.1000	0.1000	3,185,397	0.1000	0.1000	3,185	
	Road & Bridge	3,003,446	0.4855	0.4855	3,185,397	0.4855	0.4855	15,465	
	Special Road and Bridge	3,003,446	0.3500	0.3500	3,185,397	0.3500	0.3500	11,149	2012
Salem Township of Daviess Co	General Revenue	5,178,028	0.1000	0.1000	5,486,096	0.1000	0.1000	5,486	
	Road & Bridge	5,178,028	0.4944	0.4944	5,486,096	0.4949	0.4949	27,151	
	Special Road and Bridge	5,178,028	0.3482	0.3482	5,486,096	0.3482	0.3482	19,103	2012
Sheridan Township of Daviess Co	General Revenue	4,418,919	0.0965	0.0965	4,535,608	0.0965	0.0965	4,377	
	Road & Bridge	4,418,919	0.4485	0.4485	4,535,608	0.4485	0.4485	20,342	
	Special Road and Bridge	4,418,919	0.3468	0.3468	4,535,608	0.3468	0.3468	15,729	2012
Union Township of Daviess Co	General Revenue	17,880,935	0.0500	0.0500	18,610,053	0.0500	0.0500	9,305	
	Road & Bridge	17,880,935	0.3800	0.3800	18,610,053	0.3800	0.3800	70,718	
Washington Township of Daviess Co	General Revenue	3,123,095	0.1000	0.1000	3,138,695	0.1000	0.1000	3,139	
	Road & Bridge	3,123,095	0.5000	0.5000	3,138,695	0.5000	0.5000	15,693	
	Special Road and Bridge	3,123,095	0.3500	0.3500	3,138,695	0.3500	0.3500	10,985	2012
KAW Fire Protection District	General Revenue	25,487,931	0.4979	0.4979	26,037,395	0.5010	0.5010	130,447	
Jameson Fire Protection District	General Revenue	5,368,709	0.3000	0.3000	5,560,067	0.3000	0.3000	16,680	
Coffey Fire Protection District	General Revenue	4,092,289	0.3000	0.3000	4,276,653	0.3000	0.3000	12,830	
Pattonsburg Rescue & Fire Prot Dist	General Revenue	12,149,135	0.3000	0.3000	12,632,161	0.3000	0.3000	37,896	
Gallatin Fire Protection District	General Revenue	25,216,974	0.2994	0.2994	26,881,463	0.2994	0.2994	80,483	
Daviess County Health Department	General Revenue	107,960,704	0.2419	0.2419	112,410,229	0.2419	0.2419	271,920	
Pattonsburg R-II School District	Operating Funds-Schools	12,499,412	4.4515	4.4376	E 13,020,223	4.4195	4.2876	558,255	E
	Debt Service	12,499,412	1.1770	0.5623	13,020,223	0.6578	0.5623	73,213	
Winston R-VI School District	Operating Funds-Schools	20,648,963	3.0726	3.0726	E 20,890,674	3.0693	3.0693	641,197	E
	Debt Service	20,648,963	0.1057	0.0900	20,890,674	0.0992	0.0900	18,802	
North Daviess R-III School District	Operating Funds-Schools	9,011,733	5.4331	5.4331	E 9,464,855	5.3430	5.3430	505,707	E
Gallatin R-V School District	Operating Funds-Schools	37,423,484	3.7192	3.7192	E 39,310,915	3.6649	3.6649	1,440,706	E
Tri-County R-VII School District	Operating Funds-Schools	14,928,362	4.1258	4.1258	E 15,835,504	4.1351	4.1351	654,814	E
Daviess County	General Revenue	107,960,704	0.1200	0.1200	112,410,229	0.1200	0.1200	134,892	
	Senate Bill 40	107,960,704	0.0800	0.0700	112,410,229	0.0800	0.0800	89,928	
	Senior Services	107,960,704	0.0500	0.0500	112,410,229	0.0500	0.0500	56,205	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>De Kalb</u></b>									
DeKalb-Clinton Ambulance Dist No 1	General Revenue	70,498,805	0.2462	0.2462	72,186,553	0.2462	0.2462	177,723	
Grindstone-Lost-Muddy-Creek Sub Dis	General Revenue	38,938,606	0.1305	0.1305	39,448,078	0.1305	0.1305	51,480	
Village of Amity	General Revenue	403,136	0.4660	0.4660	387,890	0.4844	0.4844	1,879	
City of Clarksdale	General Revenue	1,439,419	0.7111	0.7111	1,444,541	0.7111	0.7111	10,272	
	Lights	1,439,419	0.2222	0.2222	1,444,541	0.2221	0.2221	3,208	
	Streets	1,439,419	0.2444	0.2444	1,444,541	0.2444	0.2444	3,530	
	Debt Service	1,439,419	1.9380	1.9380	1,444,541	0.2132	0.2132	3,080	
City of Maysville	General Revenue	8,678,995	0.7968	0.7968	8,748,529	0.8091	0.8091	70,784	
	Streets	8,678,995	0.3997	0.3997	8,748,529	0.3997	0.3997	34,968	2012
City of Stewartsville	General Revenue	5,933,457	0.5247	0.5247	5,987,453	0.5247	0.5247	31,416	
	Lights	5,933,457	0.1262	0.1262	5,987,453	0.1262	0.1262	7,556	
City of Union Star	General Revenue	2,098,485	0.4565	0.4565	2,109,214	0.4565	0.4565	9,629	
	Lights	2,098,485	0.2037	0.2037	2,109,214	0.2037	0.2037	4,296	
	Streets	2,098,485	0.3511	0.3511	2,109,214	0.3511	0.3511	7,405	
	Debt Service	2,098,485	0.3122	0.3122	2,109,214	0.3187	0.3187	6,722	
Village of Weatherby	General Revenue	480,322	0.4796	0.4796	473,888	0.4862	0.4862	2,304	
	General Revenue-Temp	480,322	0.3000	0.3000	A 473,888	0.3000	0.3000	1,422	2014
City of Osborn	General Revenue	3,504,642	0.7456	0.7456	3,599,086	0.7484	0.7484	26,936	
Adams Township of DeKalb Co	General Revenue	7,404,955	0.1000	0.1000	7,598,812	0.1000	0.1000	7,599	
	Road & Bridge	7,404,955	0.3934	0.3934	7,598,812	0.3934	0.3934	29,894	
	Special Road and Bridge	7,404,955	0.1421	0.1421	A 7,598,812	0.1421	0.1421	10,798	2014
Camden Township of DeKalb Co	General Revenue	17,164,708	0.0995	0.0995	17,404,799	0.0996	0.0996	17,335	
	Road & Bridge	17,164,708	0.3531	0.3514	17,404,799	0.3536	0.3536	61,543	
Colfax Township of DeKalb Co	General Revenue	9,009,143	0.1000	0.1000	9,136,760	0.1000	0.1000	9,137	
	Road & Bridge	9,009,143	0.4213	0.4213	9,136,760	0.4213	0.4213	38,493	
	Special Road and Bridge	9,009,143	0.3500	0.3500	**	**	**		2011
	Special Road and Bridge	**	**	**	9,136,760	0.3603	0.3603	32,920	A 2015
Dallas Township of DeKalb Co	General Revenue	4,268,035	0.1000	0.1000	4,267,188	0.1000	0.1000	4,267	
	Road & Bridge	4,268,035	0.4239	0.4239	4,267,188	0.4288	0.4288	18,298	
	Special Road and Bridge	4,268,035	0.3500	0.3500	4,267,188	0.3500	0.3500	14,935	2013
Grand River Township of DeKalb Co	General Revenue	39,351,544	0.1000	0.1000	38,912,299	0.1000	0.1000	38,912	
	Road & Bridge	39,351,544	0.3738	0.3738	38,912,299	0.3780	0.3780	147,088	
Grant Township of DeKalb Co	General Revenue	5,025,488	0.1000	0.1000	5,529,267	0.1000	0.1000	5,529	
	Road & Bridge	5,025,488	0.5000	0.5000	5,529,267	0.5000	0.5000	27,646	
	Special Road and Bridge	5,025,488	0.3500	0.3500	**	**	**		2011
	Special Road and Bridge	**	**	**	5,529,267	0.3584	0.3584	19,817	A 2015
Polk Township of DeKalb Co	General Revenue	37,089,328	0.1000	0.1000	37,958,835	0.1000	0.1000	37,959	
	Road & Bridge	37,089,328	0.4165	0.4165	37,958,835	0.4165	0.4165	158,099	
Sherman Township of DeKalb Co	General Revenue	7,179,093	0.1000	0.1000	7,148,021	0.1000	0.1000	7,148	
	Road & Bridge	7,179,093	0.3976	0.3976	7,148,021	0.4021	0.4021	28,742	
	Special Road and Bridge	7,179,093	0.3500	0.3500	**	**	**		2011
	Special Road and Bridge	**	**	**	7,148,021	0.3646	0.3646	26,062	A 2015
Washington Township of DeKalb Co	General Revenue	18,397,446	0.0926	0.0926	19,031,357	0.0926	0.0926	17,623	
	Road & Bridge	18,397,446	0.3499	0.3499	19,031,357	0.3499	0.3499	66,591	
Osborn Fire Protection District	General Revenue	11,046,574	0.2473	0.2473	11,266,033	0.2473	0.2473	27,861	
Stewartsville Fire Protection Dist	General Revenue	17,692,187	0.2806	0.2806	18,859,195	0.2797	0.2797	52,749	
Central DeKalb Co Fire Prot Dist	General Revenue	31,916,608	0.2548	0.2548	32,489,184	0.2555	0.2555	83,010	
Clarksdale Fire Protection District	General Revenue	9,646,991	0.4301	0.4301	9,979,201	0.4301	0.4301	42,921	
Union Star Fire Protection District	General Revenue	26,174,257	0.2848	0.2848	26,881,401	0.2848	0.2848	76,558	
Osborn R-O School District	Operating Funds-Schools	9,220,400	4.7435	4.7345	E 9,346,648	4.7395	4.7395	442,984	E



APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>De Kalb</u></b>										
Osborn R-O School District	Debt Service	9,220,400	0.7577	0.4600		9,346,648	0.7729	0.4600	42,995	
Maysville R-I School District	Operating Funds-Schools	41,837,496	3.5560	3.5560	E	42,667,462	3.5383	3.5383	1,509,703	E
	Operating Funds-Temp	41,837,496	0.3752	0.3752		42,667,462	0.3752	0.3752	160,088	2014
Union Star R-II School District	Operating Funds-Schools	25,540,000	5.0797	5.0175	E	26,399,645	5.0741	5.0175	1,324,602	E
Stewartsville C-2 School District	Operating Funds-Schools	13,669,844	4.0726	4.0726	E	14,068,761	4.0601	4.0601	571,206	E
	Debt Service	13,669,844	0.7683	0.4890		14,068,761	0.6968	0.5015	70,555	
DeKalb County	General Revenue	144,906,286	0.3030	0.0000		147,366,877	0.3736	0.0000	0	
	Senate Bill 40	144,906,286	0.0900	0.0900		147,366,877	0.0900	0.0900	132,630	
	Senior Services	144,906,286	0.0300	0.0300		147,366,877	0.0300	0.0300	44,210	
<b><u>Dent</u></b>										
Salem Memorial Hospital District	General Revenue	237,133,222	0.1902	0.1902		240,074,938	0.1908	0.1908	458,063	
City of Salem	General Revenue	46,193,862	0.6240	0.6240		46,594,563	0.6243	0.6243	290,890	
	Library	46,193,862	0.2818	0.2818		46,594,563	0.2819	0.2819	131,350	
Dent County Fire Protection Dist	General Revenue	92,505,972	0.2274	0.2274		94,439,205	0.2274	0.2274	214,755	
Dent County Health Center	General Revenue	151,995,389	0.0932	0.0932		154,600,642	0.0935	0.0932	144,088	
Salem R-80 School District	Operating Funds-Schools	64,932,890	2.7500	2.7500	E	65,778,151	2.7500	2.7500	1,808,899	E
Oak Hill R-I School District	Operating Funds-Schools	13,194,280	3.0445	3.0304	E	13,373,020	3.0548	3.0548	408,519	E
Green Forest R-II School District	Operating Funds-Schools	17,860,190	2.7500	2.7500	E	18,641,540	2.7500	2.7500	512,642	E
	Operating Funds-Temp	17,860,190	0.0000	0.0000		**	**	**		2011
Dent-Phelps R-III School District	Operating Funds-Schools	28,578,173	2.7500	2.7500	E	29,407,680	2.7500	2.7500	808,711	E
North Wood R-IV School District	Operating Funds-Schools	17,961,265	2.7500	2.7500	E	18,204,983	2.7500	2.7500	500,637	E
Dent County	General Revenue	151,995,389	0.0350	0.0350		154,600,642	0.0351	0.0350	54,110	
	Road & Bridge	151,995,389	0.2550	0.2550		154,600,642	0.2557	0.2550	394,232	
	Senate Bill 40	151,995,389	0.1500	0.1500		154,600,642	0.1504	0.1500	231,901	
	Senior Services	151,995,389	0.0466	0.0466		154,600,642	0.0467	0.0467	72,198	
<b><u>Douglas</u></b>										
Ava Ambulance District	General Revenue	98,689,813	0.1137	0.0000		99,104,500	0.1146	0.0000	0	
Douglas County Library	General Revenue	130,725,913	0.0827	0.0827		131,319,844	0.0834	0.0834	109,521	
Douglas County Health Department	General Revenue	130,725,913	0.2056	0.2056		131,319,844	0.2072	0.2072	272,095	
Skyline R-II School District	Operating Funds-Schools	8,776,474	2.8723	2.8723	E	8,897,621	2.8971	2.8971	257,773	E
Plainview R-VIII School District	Operating Funds-Schools	5,729,420	2.8906	2.8906	E	5,936,388	2.8481	2.8481	169,074	E
Ava R-I School District	Operating Funds-Schools	89,053,690	2.7500	2.7500	E	90,546,816	2.7500	2.7500	2,490,037	E
Douglas County	General Revenue	130,725,913	0.3000	0.1275		131,319,844	0.3024	0.1300	170,716	
	Road & Bridge	130,725,913	0.2171	0.2171		131,319,844	0.2188	0.2188	287,328	
	Senate Bill 40	130,725,913	0.0827	0.0827		131,319,844	0.0834	0.0834	109,521	
<b><u>Dunklin</u></b>										
City of Arbyrd	General Revenue	3,845,070	1.0000	1.0000		3,895,432	1.0000	1.0000	38,954	
City of Campbell	General Revenue	9,131,346	0.0000	0.0000		9,455,073	0.0000	0.0000	0	
City of Cardwell	General Revenue	2,713,739	0.5821	0.5821		2,882,264	0.5821	0.5821	16,778	
	Streets	2,713,739	0.1772	0.1772		2,882,264	0.1772	0.1772	5,107	
City of Clarkton	General Revenue	5,038,489	0.6569	0.6569		5,150,866	0.6569	0.6569	33,836	
City of Holcomb	General Revenue	3,272,939	0.7114	0.7114		3,316,336	0.7114	0.7114	23,592	
City of Hornersville	General Revenue	3,252,400	0.8233	0.8233		3,594,820	0.8233	0.8233	29,596	
City of Kennett	General Revenue	87,332,082	0.5659	0.5659		92,005,505	0.5679	0.5679	522,499	
	Parks & Recreation	87,332,082	0.1500	0.1500		92,005,505	0.1500	0.1500	138,008	
	Special Park	87,332,082	0.1000	0.1000		92,005,505	0.1000	0.1000	92,006	
City of Malden	General Revenue	26,701,422	0.7539	0.7539		28,886,278	0.7539	0.7539	217,774	
City of Senath	General Revenue	8,845,216	0.6546	0.6546		9,323,285	0.6546	0.6546	61,030	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Dunklin</u></b>									
City of Senath	Health	8,845,216	0.1149	0.1149	9,323,285	0.1149	0.1149	10,712	
Buffalo Township of Dunklin Co	General Revenue	9,372,275	0.1000	0.1000	9,891,794	0.1000	0.1000	9,892	
	Road & Bridge	9,372,275	0.3086	0.3086	9,891,794	0.3086	0.3086	30,526	
Clay Township of Dunklin Co	General Revenue	16,958,351	0.1000	0.1000	17,862,980	0.1000	0.1000	17,863	
	Road & Bridge	16,958,351	0.3272	0.3272	17,862,980	0.3272	0.3272	58,448	
Cotton Hill Township of Dunklin Co	General Revenue	43,719,635	0.1000	0.1000	46,091,899	0.1000	0.1000	46,092	
	Road & Bridge	43,719,635	0.3020	0.3020	46,091,899	0.3020	0.3020	139,198	
Freeborn Township of Dunklin Co	General Revenue	11,679,380	0.1000	0.1000	11,917,658	0.1000	0.1000	11,918	
	Road & Bridge	11,679,380	0.2610	0.2610	11,917,658	0.2610	0.2610	31,105	
Holcomb Township of Dunklin Co	General Revenue	11,512,588	0.1000	0.1000	11,743,030	0.1000	0.1000	11,743	
	Road & Bridge	11,512,588	0.2611	0.2469	11,743,030	0.2611	0.2611	30,661	
Independence Township of Dunklin Co	General Revenue	111,473,458	0.1000	0.1000	117,171,654	0.1000	0.1000	117,172	
	Road & Bridge	111,473,458	0.2580	0.2580	117,171,654	0.2585	0.2585	302,889	
Salem Township of Dunklin Co	General Revenue	27,398,064	0.1000	0.1000	27,966,043	0.1000	0.1000	27,966	
	Road & Bridge	27,398,064	0.3022	0.3022	27,966,043	0.3022	0.3022	84,513	
Union Township of Dunklin Co	General Revenue	58,570,441	0.1000	0.1000	58,663,417	0.1000	0.1000	58,663	
	Road & Bridge	58,570,441	0.3488	0.3488	58,663,417	0.3564	0.3564	209,076	
Dunklin County Health Department	General Revenue	290,684,192	0.1000	0.1000	301,308,475	0.1000	0.1000	301,308	
Malden R-I School District	Operating Funds-Schools	42,907,382	3.5265	3.5216	E 45,681,630	3.7500	2.7500	1,256,245	E
	Debt Service	42,907,382	0.3557	0.0000	45,681,630	0.7309	0.7200	328,908	
Campbell R-II School District	Operating Funds-Schools	50,648,732	3.2833	3.2722	E 50,288,995	3.4294	3.2722	1,645,556	E
	Debt Service	50,648,732	0.7824	0.7635	50,288,995	0.8804	0.7635	383,956	
Holcomb R-III School District	Operating Funds-Schools	20,435,605	3.1906	3.1906	E 21,365,300	3.2243	3.2243	688,881	E
	Debt Service	20,435,605	0.7405	0.7405	21,365,300	0.7786	0.7405	158,210	
Clarkton C-4 School District	Operating Funds-Schools	11,766,106	3.5110	3.4300	E 12,142,735	3.5221	3.4300	416,496	E
Senath-Hornersville C-8 School Dist	Operating Funds-Schools	44,792,235	3.4568	3.4568	E 46,563,945	3.4836	3.4836	1,622,102	E
Southland C-9 School District	Operating Funds-Schools	15,511,100	3.2413	3.2413	E 15,797,005	3.2740	3.2740	517,194	E
Kennett 39 School District	Operating Funds-Schools	88,485,394	3.5425	3.5000	E 93,228,026	3.5685	3.5000	3,262,981	E
	Debt Service	88,485,394	0.7164	0.7000	93,228,026	0.7821	0.7000	652,596	
Dunklin County	General Revenue	290,684,192	0.0000	0.0000	301,308,475	0.0000	0.0000	0	
	Library	290,684,192	0.2500	0.2500	301,308,475	0.2500	0.2500	753,271	
	Johnson Grass	290,684,192	0.0000	0.0000	301,308,475	0.0000	0.0000	0	
	Ambulance	290,684,192	0.1372	0.1372	301,308,475	0.1376	0.1376	414,600	
	Senate Bill 40	290,684,192	0.1000	0.1000	301,308,475	0.1000	0.1000	301,308	
<b><u>Franklin</u></b>									
Gerald Ambulance District	General Revenue	109,838,911	0.2926	0.2926	111,022,944	0.2936	0.2368	262,902	
Meramec Ambulance District	General Revenue	518,640,193	0.2678	0.2113	532,502,467	0.2678	0.2078	1,106,540	
	Dispatch	518,640,193	0.0279	0.0279	532,502,467	0.0279	0.0279	148,568	
St. Clair Ambulance District	General Revenue	212,447,221	0.3273	0.2466	214,144,563	0.3282	0.2440	522,513	
Union Ambulance District	General Revenue	326,947,198	0.1675	0.1675	328,356,142	0.1682	0.1682	552,295	
Washington Area Ambulance District	General Revenue	465,476,730	0.1504	0.0000	472,446,155	0.1510	0.0000	0	
New Haven Ambulance District	General Revenue	89,423,345	0.3000	0.2218	89,560,147	0.3000	0.2252	201,689	
City of Berger	General Revenue	1,921,303	0.8227	0.8227	1,803,390	0.8765	0.8765	15,807	
City of Gerald	General Revenue	16,560,085	0.8181	0.7845	16,601,540	0.8213	0.7845	130,239	
	Parks & Recreation	16,560,085	0.2249	0.2157	16,601,540	0.2258	0.2157	35,810	
Village of Leslie	General Revenue	1,130,662	0.4829	0.4800	1,141,320	0.4878	0.4800	5,478	
City of New Haven	General Revenue	34,470,431	0.6358	0.6358	34,428,224	0.6450	0.6450	222,062	
	Parks & Recreation	34,470,431	0.2300	0.2300	34,428,224	0.1881	0.1800	61,971	B
Village of Oak Grove	General Revenue	11,307,912	0.1702	0.1600	11,994,859	0.1703	0.1600	19,192	
City of Pacific	General Revenue	117,261,763	0.3947	0.3947	117,347,969	0.3954	0.3954	463,994	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Franklin</u></b>									
Village of Parkway	General Revenue	5,566,713	0.3052	0.3052	5,676,540	0.3063	0.2800	15,894	
City of St. Clair	General Revenue	57,691,759	0.4961	0.4961	59,152,924	0.4978	0.4978	294,463	
	Parks & Recreation	57,691,759	0.1549	0.1549	59,152,924	0.1554	0.1554	91,924	
City of Sullivan	General Revenue	80,066,136	0.3993	0.3993	80,364,391	0.4031	0.4031	323,949	
	Library	78,243,801	0.1036	0.1036	78,531,833	0.1046	0.1046	82,144	
City of Union	General Revenue	167,291,604	0.5386	0.5386	168,842,955	0.5405	0.5405	912,596	
	Parks & Recreation	167,291,604	0.1297	0.1297	168,842,955	0.1302	0.1302	219,834	
City of Washington	General Revenue	330,522,718	0.6020	0.6020	336,326,783	0.6048	0.6048	2,034,104	
Franklin County Library District	General Revenue	1,582,960,601	0.0777	0.0777	1,617,505,710	0.0777	0.0777	1,256,802	
Washington Public Library	General Revenue	156,893,638	0.0927	0.0927	154,792,873	0.0945	0.0945	146,279	
Beaufort Leslie Fire Prot Dist	General Revenue	55,319,927	0.4654	0.4654	55,924,439	0.4654	0.4654	260,272	
Boles Fire Protection District	General Revenue	273,966,817	0.5755	0.5755	285,850,280	0.5805	0.5805	1,659,361	
	Debt Service	273,966,817	0.2629	0.2629	285,850,280	0.1620	0.1620	463,077	
Pacific Fire Protection District	General Revenue	235,979,090	0.6497	0.6497	237,419,580	0.6514	0.6514	1,546,551	
	Pension	235,979,090	0.0462	0.0462	237,419,580	0.0462	0.0462	109,688	
	Joint Dispatch	235,979,090	0.0462	0.0462	237,419,580	0.0462	0.0462	109,688	
	Debt Service	235,979,090	0.0697	0.0697	237,419,580	0.0665	0.0665	157,884	
St. Clair Fire Protection District	General Revenue	222,046,118	0.5669	0.4797	223,924,505	0.5684	0.4712	1,055,132	
Sullivan Fire Protection District	General Revenue	188,226,013	0.3701	0.1307	187,538,711	0.3768	0.1351	253,365	
Union Fire Protection District	General Revenue	316,317,504	0.2728	0.2728	317,578,436	0.2741	0.1300	412,852	
Gerald-Rosebud Fire Protection Dist	General Revenue	65,005,631	0.2440	0.2440	65,468,529	0.2452	0.2452	160,529	
New Haven-Berger Fire Prot Dist	General Revenue	94,704,078	0.2500	0.2500	95,000,878	0.2500	0.2500	237,502	
Gray Summit Sewer District	General Revenue	2,511,350	0.3888	0.3888	2,430,453	0.4022	0.4022	9,775	
Beauty View Sewer District	General Revenue	825,097	0.5822	0.5822	823,072	0.5837	0.5837	4,804	
Crestview Sewer District	General Revenue	1,117,180	0.4627	0.4627	1,116,284	0.4631	0.4631	5,170	
St. Clair Sewer District	General Revenue	9,575,156	0.3116	0.3116	9,615,135	0.3116	0.3116	29,961	
Sylvan Manor Sunset Acres Sew Dist	General Revenue	1,661,400	0.5356	0.5356	1,660,167	0.5362	0.5362	8,902	
Calvey Creek Sewer District	General Revenue	17,281,833	0.3655	0.3655	17,839,661	0.3655	0.3655	65,204	
East Central College	General Revenue	1,646,915,740	0.3544	0.3544	1,671,875,570	0.3559	0.3559	5,950,205	
	Debt Service	1,646,915,740	0.0999	0.0841	1,671,875,570	0.0917	0.0841	1,406,047	
Franklin Co R-II School District	Operating Funds-Schools	25,022,876	3.4447	3.4447	E 24,781,989	3.4699	3.4447	853,665	E
Meramec Valley R-III School Dist	Operating Funds-Schools	313,764,603	3.6200	3.6200	F 317,946,945	3.6200	3.6192	11,507,136	F
	Debt Service	313,764,603	1.3349	0.6900	317,946,945	0.9181	0.6900	2,193,834	
Union R-XI School District	Operating Funds-Schools	297,593,753	2.8542	2.7900	F 300,510,596	2.8360	2.7900	8,384,246	F
	Debt Service	297,593,753	1.1081	0.9600	300,510,596	0.9739	0.9600	2,884,902	
Lonedell R-XIV School District	Operating Funds-Schools	38,040,989	3.6090	3.4800	E 38,327,975	3.5955	3.4800	1,333,814	E
	Debt Service	38,040,989	0.2676	0.2100	38,327,975	0.2467	0.2100	80,489	
Spring Bluff R-XV School District	Operating Funds-Schools	24,128,610	3.1659	3.1400	E 24,282,954	3.1166	3.1166	756,803	E
	Debt Service	24,128,610	0.9278	0.7000	24,282,954	0.7919	0.7000	169,981	
Franklin County R-XVI School Dist	Operating Funds-Schools	10,987,353	3.1733	3.1733	E 11,206,793	3.1842	3.1842	356,847	E
	Debt Service	10,987,353	0.2487	0.1300	11,206,793	0.1986	0.1300	14,569	
St. Clair R-XIII School District	Operating Funds-Schools	145,650,394	2.7500	2.7500	E 146,923,161	2.7500	2.7500	4,040,387	E
	Debt Service	145,650,394	0.9087	0.6200	146,923,161	0.6820	0.6200	910,924	
Sullivan C-2 School District	Operating Funds-Schools	157,997,538	2.9157	2.9157	E 156,947,528	2.9367	2.9367	4,609,078	E
	Debt Service	157,997,538	1.8564	1.0955	156,947,528	1.7795	1.0745	1,686,401	
New Haven School District	Operating Funds-Schools	34,738,217	4.0840	3.9448	E 35,235,080	4.0614	3.9448	1,389,953	E
	Debt Service	34,738,217	1.0799	0.5300	35,235,080	1.1280	0.5300	186,746	
Washington School District	Operating Funds-Schools	737,144,980	3.5075	3.5075	E 758,486,084	3.4943	3.4943	26,503,779	E
	Debt Service	737,144,980	0.3650	0.2985	758,486,084	0.4139	0.3317	2,515,898	
Franklin County	General Revenue	1,827,956,631	0.2750	0.1382	1,850,904,474	0.2761	0.1308	2,420,983	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Franklin</u></b>									
Franklin County	Road & Bridge	1,827,956,631	0.1978	0.1978	1,850,904,474	0.1986	0.1986	3,675,896	
	Senate Bill 40	1,827,956,631	0.0935	0.0935	1,850,904,474	0.0939	0.0939	1,737,999	
<b><u>Gasconade</u></b>									
Owensville Ambulance District	General Revenue	86,103,589	0.3239	0.1179	86,278,958	0.3239	0.1027	88,608	
Hermann Area Ambulance District	General Revenue	124,420,170	0.2860	0.1460	128,366,398	0.2869	0.1469	188,570	
Hermann Area Hospital District	General Revenue	117,225,662	0.7009	0.7009	121,202,783	0.7024	0.7024	851,328	
Morrison Levee Dist Gasconade Co	General Revenue	78,110	0.7169	0.7169	78,110	0.7169	0.7169	560	
Morrison Sp Rd Dist #4 Gasconade Co	Road & Bridge	5,368,532	0.2559	0.2559	5,511,671	0.2559	0.2559	14,104	
City of Bland	General Revenue	3,424,724	0.9211	0.9211	3,419,302	0.9250	0.9250	31,629	
	Parks & Recreation	3,424,724	0.2465	0.2465	3,419,302	0.2476	0.2476	8,466	
	Debt Service	3,424,724	0.8477	0.8477	3,419,302	1.7088	1.3000	44,451	
City of Gasconade	General Revenue	1,480,791	0.6244	0.6244	1,483,550	0.6290	0.6290	9,332	
	Debt Service	1,480,791	2.3001	2.3001	1,483,550	2.5479	2.3001	34,123	
City of Hermann	General Revenue	35,823,080	0.3550	0.3535	37,963,083	0.3560	0.3560	135,149	
	Parks & Recreation	35,823,080	0.0092	0.0092	37,963,083	0.0092	0.0092	3,493	
	Band	35,823,080	0.0100	0.0100	37,963,083	0.0100	0.0100	3,796	
	Debt Service	**	**	**	37,963,083	1.2459	0.0000	0	
City of Morrison	General Revenue	1,210,281	0.5393	0.5393	1,254,216	0.5393	0.5393	6,764	
City of Owensville	General Revenue	35,378,270	0.3232	0.3232	34,929,649	0.3276	0.3276	114,430	
	Parks & Recreation	35,378,270	0.3232	0.3232	34,929,649	0.3276	0.3276	114,430	
	Debt Service	35,378,270	0.8960	0.8960	34,929,649	0.3674	0.3674	128,332	
City of Rosebud	General Revenue	4,150,697	0.4233	0.4233	4,179,359	0.4249	0.4249	17,758	
Gasconade County Library District	General Revenue	209,666,105	0.0964	0.0964	213,496,968	0.0965	0.0965	206,025	
Bland Fire Protection District	General Revenue	20,153,784	0.2170	0.2170	20,325,884	0.2171	0.2171	44,127	
Gasconade County Health Depart	General Revenue	209,666,105	0.0964	0.0964	213,496,968	0.0965	0.0965	206,025	
Gasconade Co R-II School District	Operating Funds-Schools	147,305,442	3.4117	3.1800	F 148,504,743	3.3935	3.1800	4,722,451	F
	Debt Service	147,305,442	0.6977	0.6700	148,504,743	1.2919	0.6700	994,982	
Gasconade County R-I School Dist	Operating Funds-Schools	107,608,908	2.9974	2.9974	E 112,136,191	3.0009	3.0009	3,365,095	E
	Debt Service	107,608,908	1.6628	0.7500	112,136,191	1.5949	0.7500	841,021	
Gasconade County	General Revenue	209,666,105	0.3633	0.1769	213,496,968	0.3636	0.1516	323,661	
	Common Road District	204,297,575	0.2661	0.2661	207,985,296	0.2664	0.2664	554,073	
	Mental Health	209,666,105	0.0800	0.0800	213,496,968	0.0800	0.0800	170,798	
	Senate Bill 40	209,666,105	0.0964	0.0964	213,496,968	0.0965	0.0965	206,025	
<b><u>Gentry</u></b>									
Grand River Regional Ambulance Dist	General Revenue	140,301,700	0.1800	0.1800	146,868,345	0.1800	0.1800	264,363	
City of Albany	General Revenue	15,423,062	0.6257	0.6257	17,196,286	0.6257	0.6257	107,597	
	Parks & Recreation	15,423,062	0.2772	0.2772	17,196,286	0.2772	0.2772	47,668	
	Library	15,423,062	0.4600	0.4600	17,196,286	0.4600	0.4600	79,103	
	Health	15,423,062	0.1746	0.1746	17,196,286	0.1746	0.1746	30,025	
Village of Darlington	General Revenue	300,164	0.4998	0.4998	237,120	0.5000	0.4998	1,185	
Village of Gentry	General Revenue	261,261	0.5000	0.5000	302,609	0.4999	0.4999	1,513	
City of King City	General Revenue	6,779,301	0.7043	0.7043	7,141,391	0.7043	0.7043	50,297	
	Parks & Recreation	6,779,301	0.1735	0.1735	7,141,391	0.1735	0.1735	12,390	
	Health	6,779,301	0.1735	0.1735	7,141,391	0.1735	0.1735	12,390	
	Police	6,779,301	0.1456	0.1456	7,141,391	0.1456	0.1456	10,398	2013
City of McFall	General Revenue	591,766	0.6967	0.6967	605,483	0.6991	0.6991	4,233	
City of Stanberry	General Revenue	10,023,793	0.6371	0.6371	10,630,254	0.6371	0.6371	67,725	
	Parks & Recreation	10,023,793	0.1687	0.1687	10,630,254	0.1687	0.1687	17,933	
	Streets	10,023,793	0.3760	0.3760	10,630,254	0.3760	0.3760	39,970	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Gentry</u></b>									
Gentry County Library Dist	General Revenue	69,243,634	0.2000	0.2000	72,186,601	0.2000	0.2000	144,373	
	Debt Service	69,243,634	0.1001	0.1001	72,186,601	0.0000	0.0000	0	
Athens Township of Gentry Co	General Revenue	22,837,250	0.1000	0.1000	25,079,726	0.1000	0.1000	25,080	
	Road & Bridge	22,837,250	0.3825	0.3825	25,079,726	0.3825	0.3825	95,930	
	Special Road District	22,837,250	0.1971	0.1971	25,079,726	0.1971	0.1971	49,432	2012
	Special Road and Bridge	22,837,250	0.2500	0.2500	**	**	**		2011
	Special Road and Bridge	**	**	**	25,079,726	0.2571	0.2571	64,480	A 2015
Bogle Township of Gentry Co	General Revenue	4,801,836	0.1000	0.1000	4,979,867	0.1000	0.1000	4,980	
	Road & Bridge	4,801,836	0.5000	0.5000	4,979,867	0.5000	0.5000	24,899	
	Special Road and Bridge	4,801,836	0.3200	0.3200	**	**	**		2011
	Gravel	4,801,836	0.3500	0.3500	**	**	**		2011
	Gravel & Maintenance	4,801,836	0.4500	0.4500	4,979,867	0.4500	0.4500	22,409	2013
	Special Road and Bridge	**	**	**	4,979,867	0.3249	0.3249	16,180	A 2015
	Gravel	**	**	**	4,979,867	0.3553	0.3553	17,693	A 2015
Cooper Township of Gentry Co	General Revenue	17,531,357	0.1000	0.1000	18,345,873	0.1000	0.1000	18,346	
	Road & Bridge	17,531,357	0.4834	0.4834	18,345,873	0.4834	0.4834	88,684	
	Special Road and Bridge	17,531,357	0.1500	0.1500	**	**	**		2011
	Special Road and Bridge	**	**	**	18,345,873	0.1539	0.1539	28,234	A 2015
Howard Township of Gentry Co	General Revenue	2,138,411	0.0992	0.0992	2,149,293	0.1000	0.1000	2,149	
	Road & Bridge	2,138,411	0.4959	0.4959	2,149,293	0.5000	0.5000	10,746	
	Special Road and Bridge	2,138,411	0.3472	0.3472	**	**	**		2011
	Gravel	2,138,411	0.2976	0.2976	**	**	**		2011
	Special Road and Bridge	**	**	**	2,149,293	0.3640	0.3640	7,823	A 2015
	Gravel	**	**	**	2,149,293	0.3120	0.3120	6,706	A 2015
Huggins Township of Gentry Co	General Revenue	2,965,294	0.1000	0.1000	3,352,812	0.1000	0.1000	3,353	
	Road & Bridge	2,965,294	0.5000	0.5000	3,352,812	0.5000	0.5000	16,764	
	Special Road and Bridge	2,965,294	0.3300	0.3300	**	**	**		2011
	Special Road and Bridge	**	**	**	3,352,812	0.3404	0.3404	11,413	A 2015
Jackson Township of Gentry Co	General Revenue	22,112,248	0.1000	0.1000	22,204,965	0.1000	0.1000	22,205	
	Road & Bridge	22,112,248	0.4782	0.4782	22,204,965	0.4820	0.4820	107,028	
	Special Road District	22,112,248	0.2539	0.2539	A 22,204,965	0.2539	0.2539	56,378	2014
	Special Road and Bridge	22,112,248	0.1200	0.1200	**	**	**		2011
	Special Road and Bridge	**	**	**	22,204,965	0.1246	0.1246	27,667	A 2015
Miller Township of Gentry Co	General Revenue	8,236,942	0.1000	0.1000	8,859,452	0.1000	0.1000	8,859	
	Road & Bridge	8,236,942	0.5000	0.5000	8,859,452	0.5000	0.5000	44,297	
	Special Road District	8,236,942	0.2900	0.2900	8,859,452	0.2900	0.2900	25,692	2012
	Special Road and Bridge	8,236,942	0.3537	0.3537	A 8,859,452	0.3537	0.3537	31,336	2014
Wilson Township of Gentry Co	General Revenue	3,943,358	0.0996	0.0996	4,352,025	0.0996	0.0996	4,335	
	Road & Bridge	3,943,358	0.4982	0.4982	4,352,025	0.4982	0.4982	21,682	
	Special Road and Bridge	3,943,358	0.2889	0.2889	4,352,025	0.2889	0.2889	12,573	2012
	Gravel	3,943,358	0.2989	0.2989	**	**	**		2011
	Gravel & Maintenance	3,943,358	0.2989	0.2989	4,352,025	0.2989	0.2989	13,008	2013
	Gravel	**	**	**	4,352,025	0.3063	0.3063	13,330	A 2015
	Gravel and Maintenance	**	**	**	4,352,025	0.3573	0.3573	15,550	A 2015
Albany Community Fire Prot Dist	General Revenue	34,893,208	0.1669	0.1669	37,753,611	0.1669	0.1669	63,011	
	Fire	34,893,208	0.1500	0.1500	37,753,611	0.1500	0.1500	56,630	
Stanberry Fire Protection Dist	General Revenue	23,432,679	0.4000	0.4000	24,245,277	0.4000	0.4000	96,981	
McFall Fire Protection District	General Revenue	3,714,743	0.2974	0.2974	3,844,105	0.2976	0.2976	11,440	
King City Fire Protection District	General Revenue	43,968,304	0.3000	0.3000	45,310,546	0.3000	0.3000	135,932	
King City R-I School District	Operating Funds-Schools	43,974,749	4.3600	4.1925	44,972,363	4.3600	4.1858	1,882,453	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Gentry</u></b>										
King City R-I School District	Debt Service	43,974,749	0.6407	0.5100		44,972,363	0.7051	0.5100	229,359	
Stanberry R-II School District	Operating Funds-Schools	23,048,909	4.1000	4.1000	E	23,864,428	4.1000	4.1000	978,442	E
	Operating Funds-Temp	23,048,909	1.3300	1.3300		23,864,428	1.3300	1.3300	317,397	2026
Albany R-III School District	Operating Funds-Schools	33,854,296	4.4893	4.4893	E	36,661,162	4.4893	4.4893	1,645,830	E
Gentry County	General Revenue	84,569,096	0.3484	0.3484		89,324,013	0.3484	0.3484	311,205	
	Senior Services	84,569,096	0.0500	0.0500		89,324,013	0.0500	0.0500	44,662	
	General Revenue-Temp	84,569,096	0.1921	0.1921	A	89,324,013	0.1921	0.1921	171,591	2014
<b><u>Greene</u></b>										
City of Ash Grove	General Revenue	12,865,433	0.5522	0.5522		13,275,196	0.5527	0.5527	73,372	
City of Battlefield	General Revenue	49,766,851	0.3366	0.3366		49,528,848	0.3424	0.3424	169,587	
	Debt Service	49,766,851	0.0248	0.0248		**	**	**		
City of Fair Grove	General Revenue	14,172,414	0.5302	0.5302		14,539,996	0.5321	0.5321	77,367	
	Debt Service	14,172,414	0.2108	0.2108		14,539,996	0.2112	0.2112	30,708	
City of Republic	General Revenue	159,164,303	0.4090	0.4090		160,891,997	0.4202	0.4309	693,284	C
	Parks & Recreation	159,164,303	0.1101	0.1101		160,891,997	0.1131	0.1160	186,635	C
	Lights	159,164,303	0.0629	0.0629		160,891,997	0.0646	0.0662	106,511	C
City of Springfield	Parks & Recreation	2,663,770,699	0.1807	0.1807		2,657,426,556	0.1829	0.1829	4,860,433	
	Health	2,663,770,699	0.1232	0.1232		2,657,426,556	0.1247	0.1247	3,313,811	
	Art Museum	2,663,770,699	0.0378	0.0378		2,657,426,556	0.0383	0.0383	1,017,794	
	General Revenue-Temp	2,663,770,699	0.2592	0.2592		2,657,426,556	0.2624	0.2624	6,973,087	2025
City of Strafford	General Revenue	25,208,667	0.3503	0.3503		26,594,242	0.3503	0.3503	93,160	
City of Walnut Grove	General Revenue	4,924,023	0.5952	0.5952		5,247,518	0.5952	0.5952	31,233	
City of Willard	General Revenue	43,887,523	0.4014	0.4014		44,442,452	0.4014	0.4014	178,392	
	Parks & Recreation	43,887,523	0.1228	0.1228		44,442,452	0.1228	0.1228	54,575	
Springfield Greene County Library	General Revenue	4,268,034,318	0.2418	0.2418		4,313,780,016	0.2433	0.2433	10,495,427	
Battlefield Fire Protection Dist	General Revenue	502,063,839	0.3418	0.3418		512,054,722	0.6113	0.6113	3,130,191	B
Strafford Fire Protection District	General Revenue	135,077,234	0.7432	0.7432		140,942,906	0.7432	0.7432	1,047,488	
Fair Grove Fire Protection District	General Revenue	60,786,052	0.3237	0.3000		62,884,711	0.3249	0.3000	188,654	
Brookline Fire Protection District	General Revenue	102,993,876	0.2486	0.2486		105,368,690	0.2486	0.2486	261,947	
Logan-Rogersville Fire Prot Dist	General Revenue	352,244,149	0.3657	0.3657		361,878,533	0.3657	0.3657	1,323,390	
Willard Fire Protection District	General Revenue	134,594,792	0.2562	0.2562		138,336,426	0.7796	0.7796	1,078,471	B
Walnut Grove Fire Protection Dist	General Revenue	32,718,267	0.3000	0.3000		33,722,656	0.3000	0.3000	101,168	
West Republic Fire Protection Dist	General Revenue	23,847,941	0.2684	0.2684		24,191,339	0.2708	0.2708	65,510	
Ebenezer Fire Protection District	General Revenue	98,648,652	0.8579	0.8579	B	101,475,539	0.8579	0.8579	870,559	
Bois D'Arc Fire Protection District	General Revenue	22,201,154	0.3193	0.3193		22,945,544	0.3193	0.3193	73,265	
Ash Grove Fire Protection District	General Revenue	23,500,022	0.3544	0.3544		24,253,314	0.3544	0.3544	85,954	
Pleasant View Fire Protection Dist	General Revenue	28,257,260	0.3000	0.3000		29,364,660	0.8207	0.8207	240,996	B
C and E Community Improvement Dist	General Revenue	19,149,140	2.3251	2.3251		18,962,010	2.3480	2.3480	445,228	
Ozarks Technical Community College	General Revenue	5,540,565,118	0.0937	0.0937		5,647,368,600	0.0939	0.0939	5,302,879	
	General Revenue-Temp	5,540,565,118	0.0468	0.0468		5,647,368,600	0.0469	0.0469	2,648,616	2019
Willard R-II School District	Operating Funds-Schools	320,351,810	3.2655	3.1995	E	325,223,420	3.2660	3.1630	10,286,817	E
	Debt Service	320,351,810	1.6517	0.7905		325,223,420	1.6219	0.8770	2,852,209	
Republic R-III School District	Operating Funds-Schools	284,988,972	3.4400	3.4400	E	287,651,236	3.4400	3.4400	9,895,203	E
	Debt Service	284,988,972	1.6927	0.8400		287,651,236	2.1352	0.8400	2,416,270	
Ash Grove R-IV School District	Operating Funds-Schools	51,811,039	3.1180	3.1180	E	53,884,560	3.1155	3.1155	1,678,773	E
	Debt Service	51,811,039	0.7677	0.5000		53,884,560	0.7983	0.5000	269,423	
Walnut Grove R-V School District	Operating Funds-Schools	17,054,825	4.0530	3.8559	BE	17,069,140	4.0530	3.8559	658,169	E
Strafford R-VI School District	Operating Funds-Schools	165,963,377	2.7500	2.7500	F	162,144,582	2.7500	2.7500	4,458,976	F
	Debt Service	165,963,377	0.7893	0.7000		162,144,582	0.7226	0.7000	1,135,012	
Logan-Rogersville R-VIII School Dis	Operating Funds-Schools	207,311,259	3.0589	3.0100	E	212,072,152	3.0554	3.0554	6,479,653	E

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Greene</u></b>										
Logan-Rogersville R-VIII School Dis	Debt Service	207,311,259	1.0250	0.9300		212,072,152	1.0750	0.8846	1,875,990	
Springfield R-XII School District	Operating Funds-Schools	3,184,997,630	3.1269	3.1269	E	3,205,529,000	3.1899	3.1899	102,253,170	E
	Debt Service	3,184,997,630	0.6849	0.5100		3,205,529,000	0.6409	0.5100	16,348,198	
Fair Grove R-X School District	Operating Funds-Schools	62,519,818	2.8575	2.7500	F	63,252,725	2.8910	2.7500	1,739,450	F
	Debt Service	62,519,818	1.1888	0.9000		63,252,725	1.2025	0.9000	569,275	
Greene County	General Revenue	4,268,034,318	0.2497	0.1307		4,313,780,016	0.2513	0.1206	5,202,419	
	Road & Bridge	4,268,034,318	0.2497	0.1307		4,313,780,016	0.2513	0.1206	5,202,419	
	Senate Bill 40	4,268,034,318	0.0463	0.0463		4,313,780,016	0.0466	0.0466	2,010,221	
	Senior Services	4,268,034,318	0.0493	0.0493		4,313,780,016	0.0496	0.0496	2,139,635	
<b><u>Grundy</u></b>										
Grundy County Nursing Home District	General Revenue	110,821,513	0.1498	0.1498		114,603,492	0.1498	0.1498	171,676	
Spickard Special Road District	Special Road and Bridge	1,503,714	0.3279	0.3279		1,016,391	0.3389	0.3389	3,445	2013
Village of Brimson	General Revenue	270,069	0.2037	0.2000		306,997	0.2037	0.2000	614	
City of Galt	General Revenue	855,844	0.9999	0.9999		867,677	1.0000	1.0000	8,677	
City of Laredo	General Revenue	859,485	0.7000	0.7000		897,455	0.7000	0.7000	6,282	
	Streets	859,485	0.3000	0.3000		897,455	0.2999	0.2999	2,691	
City of Spickard	General Revenue	1,139,093	0.9648	0.9648		1,214,094	0.9648	0.9648	11,714	
City of Tindall	General Revenue	510,059	0.4500	0.4500		526,320	0.4500	0.4500	2,368	
City of Trenton	General Revenue	54,313,132	0.8683	0.8683		54,653,201	0.8794	0.8794	480,620	
	Parks & Recreation	54,313,132	0.1604	0.1604		54,653,201	0.1624	0.1624	88,757	
Grundy Co Jewett Norris Library	General Revenue	110,821,513	0.1997	0.1997		114,603,492	0.1997	0.1997	228,863	
Franklin Township of Grundy Co	General Revenue	4,652,590	0.0955	0.0955		4,885,245	0.0955	0.0955	4,665	
	Road & Bridge	4,652,590	0.4211	0.4211		4,885,245	0.4211	0.4211	20,572	
	Special Road and Bridge	4,652,590	0.3500	0.3500	A	4,885,245	0.3500	0.3500	17,098	2014
Harrison Township of Grundy Co	General Revenue	1,927,050	0.1000	0.1000		2,046,552	0.1000	0.1000	2,047	
	Road & Bridge	1,927,050	0.5000	0.5000		2,046,552	0.5000	0.5000	10,233	
	Special Road and Bridge	1,927,050	0.3500	0.3500		2,046,552	0.3500	0.3500	7,163	2012
Jackson Township of Grundy Co	General Revenue	3,736,369	0.0978	0.0978		3,997,454	0.0972	0.0972	3,886	
	Road & Bridge	3,736,369	0.4016	0.4016		3,997,454	0.3992	0.3992	15,958	
	Special Road and Bridge	3,736,369	0.3500	0.3500	A	3,997,454	0.3479	0.3479	13,907	2014
Jefferson Township of Grundy Co	Debt Service	3,736,369	0.3658	0.3658		3,997,454	0.6331	0.6331	25,308	
	General Revenue	6,412,768	0.0938	0.0938		6,768,604	0.0938	0.0938	6,349	
	Road & Bridge	6,412,768	0.4762	0.4762		6,768,604	0.4762	0.4762	32,232	
Liberty Township of Grundy Co	Special Road and Bridge	6,412,768	0.3500	0.3500	A	6,768,604	0.3500	0.3500	23,690	2014
	General Revenue	3,563,384	0.1000	0.1000		3,660,325	0.1000	0.1000	3,660	
	Road & Bridge	3,563,384	0.5000	0.5000		3,660,325	0.5000	0.5000	18,302	
Lincoln Township of Grundy Co	Special Road and Bridge	3,563,384	0.3482	0.3482		3,660,325	0.3482	0.3482	12,745	2012
	General Revenue	7,626,911	0.0961	0.0961		8,061,801	0.0961	0.0961	7,747	
	Road & Bridge	7,626,911	0.2914	0.2914		8,061,801	0.2914	0.2914	23,492	
Madison Township of Grundy Co	Special Road and Bridge	7,626,911	0.3307	0.3307		8,061,801	0.3307	0.3307	26,660	2012
	General Revenue	5,987,510	0.1000	0.1000		6,435,332	0.1000	0.1000	6,435	
	Road & Bridge	5,987,510	0.5000	0.5000		6,435,332	0.5000	0.5000	32,177	
Marion Township of Grundy Co	Special Road and Bridge	5,987,510	0.3627	0.3627	A	6,435,332	0.3627	0.3627	23,341	2014
	General Revenue	4,702,478	0.0978	0.0978		4,993,678	0.0976	0.0976	4,874	
	Road & Bridge	4,702,478	0.4892	0.4892		4,993,678	0.4880	0.4880	24,369	
Myers Township of Grundy County	Special Road and Bridge	4,702,478	0.3500	0.3500	A	4,993,678	0.3492	0.3492	17,438	2014
	Debt Service	4,702,478	0.2747	0.2747		4,993,678	0.1015	0.1015	5,069	
	General Revenue	1,887,259	0.0995	0.0995		1,928,334	0.1000	0.1000	1,928	
Myers Township of Grundy County	Road & Bridge	1,887,259	0.4975	0.4975		1,928,334	0.4999	0.4999	9,640	
	Special Road and Bridge	1,887,259	0.3500	0.3500	A	1,928,334	0.3500	0.3500	6,749	2014

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b>Grundy</b>									
Taylor Township of Grundy Co	General Revenue	1,751,045	0.1000	0.1000	1,891,694	0.1000	0.1000	1,892	2012
	Road & Bridge	1,751,045	0.4718	0.4718	1,891,694	0.4718	0.4718	8,925	
	Special Road and Bridge	1,751,045	0.3494	0.3494	1,891,694	0.3494	0.3494	6,610	
Trenton Township of Grundy Co	General Revenue	62,826,354	0.0628	0.0628	63,964,889	0.0633	0.0628	40,170	
	Road & Bridge	62,826,354	0.2811	0.2811	63,964,889	0.2833	0.2811	179,805	
Wilson Township of Grundy Co	General Revenue	4,312,013	0.0980	0.0980	4,507,765	0.0980	0.0980	4,418	2014
	Road & Bridge	4,312,013	0.4900	0.4900	4,507,765	0.4900	0.4900	22,088	
	Special Road and Bridge	4,312,013	0.3500	0.3500	A 4,507,765	0.3500	0.3500	15,777	
Washington Township of Grundy Co	General Revenue	1,435,787	0.0963	0.0963	1,461,765	0.0963	0.0963	1,408	
	Road & Bridge	1,435,787	0.4818	0.4818	1,461,765	0.4818	0.4818	7,043	
Grundy County Rural Fire Prot Dist	General Revenue	31,008,383	0.2828	0.2828	28,493,645	0.3000	0.3000	85,481	
Laredo Fire Protection District	General Revenue	9,933,095	0.2758	0.2758	10,434,886	0.2758	0.2758	28,779	
Spickard Fire Protection District	General Revenue	12,719,920	0.2910	0.2910	12,127,079	0.3000	0.3000	36,381	
Grundy County Health Department	General Revenue	110,821,513	0.2996	0.2996	114,603,492	0.2996	0.2996	343,352	
North Central Missouri College	General Revenue	79,601,528	0.4000	0.4000	84,099,432	0.4000	0.4000	336,398	
Grundy Co R-V School District	Operating Funds-Schools	11,574,074	5.9207	5.9207	E 11,926,905	5.8693	5.8693	700,026	E
Spickard R-II School District	Operating Funds-Schools	3,834,873	4.3923	4.3923	E 3,873,868	4.3874	4.3874	169,962	E
Pleasant View R-VI School District	Operating Funds-Schools	8,697,469	4.3927	4.3927	E 8,095,591	4.3763	4.3763	354,287	E
Laredo R-VII School District	Operating Funds-Schools	5,238,697	4.9000	4.8979	E 5,397,278	4.8060	4.8060	259,393	E
	Operating Funds-Temp	5,238,697	1.4000	1.3000	5,397,278	1.4000	1.4000	75,562	2013
Trenton R-IX School District	Operating Funds-Schools	71,049,969	3.5285	3.5285	E 73,707,908	3.4577	3.4577	2,548,598	E
	Debt Service	71,049,969	0.9218	0.9000	73,707,908	0.9000	0.9000	663,371	
Grundy County	General Revenue	110,821,513	0.3899	0.1894	114,603,492	0.3899	0.1700	194,826	
	Developmentally Disabled	110,821,513	0.0999	0.0999	114,603,492	0.0999	0.0999	114,489	
	Senior Services	110,821,513	0.0499	0.0499	114,603,492	0.0499	0.0499	57,187	
<b>Harrison</b>									
North Harrison Co Ambulance Dist	General Revenue	29,176,357	0.4960	0.4960	30,015,844	0.4960	0.4960	148,879	
Noel Adams Ambulance District	General Revenue	74,750,167	0.2809	0.0000	75,413,781	0.2815	0.0000	0	
Harrison County Hospital District	General Revenue	98,590,376	0.4500	0.4500	99,789,068	0.4500	0.4500	449,051	
Panther Creek Watershed Sub Dist	General Revenue	1,562,470	0.2400	0.2400	1,566,010	0.2400	0.2400	3,758	
West Fork of Big Creek Sub Dist	General Revenue	11,601,746	0.4000	0.4000	11,799,300	0.4000	0.4000	47,197	
East Fork of Big Creek Subdistrict	General Revenue	4,609,948	0.4000	0.4000	4,804,240	0.4000	0.4000	19,217	
City of Bethany	General Revenue	28,753,173	0.5493	0.5493	28,695,766	0.5515	0.5515	158,257	
	Parks & Recreation	28,753,173	0.0000	0.0000	28,695,766	0.0000	0.0000	0	
	Road	28,753,173	0.3105	0.3105	28,695,766	0.3118	0.3118	89,473	
Village of Blythedale	General Revenue	716,332	0.9392	0.9392	749,926	0.9393	0.9393	7,044	
City of Cainsville	General Revenue	1,564,112	0.5169	0.5169	1,572,762	0.5169	0.5169	8,130	
	Fire	1,564,112	0.0000	0.0000	1,572,762	0.0000	0.0000	0	
	Gravel	1,564,112	0.5169	0.5169	1,572,762	0.5169	0.5169	8,130	
	General Revenue-Temp	**	**	**	1,572,762	0.0031	0.0031	49	A 2015
	Debt Service	1,564,112	0.2692	0.2692	1,572,762	0.2439	0.2439	3,836	
City of Gilman City	General Revenue	1,650,671	0.5149	0.5149	1,647,443	0.5159	0.5159	8,499	
	Parks & Recreation	1,650,671	0.0500	0.0500	1,647,443	0.0500	0.0500	824	
	Streets	1,650,671	0.1864	0.1864	1,647,443	0.1868	0.1868	3,077	
Village of Mount Moriah	General Revenue	437,271	0.4967	0.4967	460,826	0.4878	0.4878	2,248	
City of New Hampton	General Revenue	972,326	0.6800	0.6800	1,068,458	0.6800	0.6800	7,266	
	Lights	972,326	0.1500	0.1500	1,068,458	0.1500	0.1500	1,603	
	Streets	972,326	0.3000	0.3000	1,068,458	0.3000	0.3000	3,205	
City of Ridgeway	General Revenue	1,857,119	1.0000	1.0000	2,047,579	0.9706	0.9706	19,874	
	Parks & Recreation	1,857,119	0.0500	0.0500	2,047,579	0.0486	0.0486	995	



APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Harrison</u></b>									
Adams Township of Harrison Co	General Revenue	2,533,586	0.0999	0.0999	2,764,694	0.0999	0.0999	2,762	A 2011
	Road & Bridge	2,533,586	0.4997	0.4997	2,764,694	0.4997	0.4997	13,815	
	Special Road and Bridge	2,533,586	0.3498	0.3498	**	**	**		
	Special Road and Bridge	**	**	**	2,764,694	0.3519	0.3519	9,729	
Bethany Township of Harrison County	General Revenue	35,948,793	0.1000	0.1000	34,681,607	0.1000	0.1000	34,682	
	Road & Bridge	35,948,793	0.3327	0.3327	34,681,607	0.3458	0.3458	119,929	
Butler Township of Harrison Co	General Revenue	2,025,479	0.1000	0.1000	2,107,634	0.1000	0.1000	2,108	A 2011
	Road & Bridge	2,025,479	0.4384	0.4384	2,107,634	0.4384	0.4384	9,240	
	Special Road and Bridge	2,025,479	0.3500	0.3500	**	**	**		
	Special Road and Bridge	**	**	**	2,107,634	0.3502	0.3502	7,381	
Clay Township of Harrison Co	General Revenue	2,595,108	0.0994	0.0994	2,692,457	0.0994	0.0994	2,676	A 2011
	Road & Bridge	2,595,108	0.4972	0.4972	2,692,457	0.4972	0.4972	13,387	
	Special Road and Bridge	2,595,108	0.3480	0.3480	**	**	**		
	Special Road and Bridge	**	**	**	2,692,457	0.3599	0.3599	9,690	
Colfax Township of Harrison Co	General Revenue	6,067,686	0.0999	0.0999	6,192,770	0.0999	0.0999	6,187	A 2011
	Road & Bridge	6,067,686	0.4714	0.4714	6,192,770	0.4714	0.4714	29,193	
	Special Road and Bridge	6,067,686	0.3496	0.3496	**	**	**		
	Special Road and Bridge	**	**	**	6,192,770	0.3549	0.3549	21,978	
Cypress Township of Harrison Co	General Revenue	2,552,716	0.1000	0.1000	2,558,769	0.1000	0.1000	2,559	A 2011
	Road & Bridge	2,552,716	0.4086	0.4086	2,558,769	0.4142	0.4142	10,598	
	Special Road and Bridge	2,552,716	0.3500	0.3500	**	**	**		
	Special Road and Bridge	**	**	**	2,558,769	0.3655	0.3655	9,352	
Dallas Township of Harrison Co	General Revenue	2,191,120	0.1000	0.1000	2,226,800	0.1000	0.1000	2,227	A 2011
	Road & Bridge	2,191,120	0.4356	0.4356	2,226,800	0.4356	0.4356	9,700	
	Special Road and Bridge	2,191,120	0.3500	0.3500	**	**	**		
	Special Road and Bridge	**	**	**	2,226,800	0.3599	0.3599	8,014	
Fox Creek Township of Harrison Co	General Revenue	2,011,186	0.1000	0.1000	2,018,934	0.1000	0.1000	2,019	A 2011
	Road & Bridge	2,011,186	0.4625	0.4625	2,018,934	0.4630	0.4630	9,348	
	Special Road and Bridge	2,011,186	0.3500	0.3500	**	**	**		
	Special Road and Bridge	**	**	**	2,018,934	0.3609	0.3609	7,286	
Grant Township of Harrison Co	General Revenue	3,426,050	0.1000	0.1000	3,666,748	0.0991	0.0991	3,634	A 2011
	Road & Bridge	3,426,050	0.5000	0.5000	3,666,748	0.4954	0.4954	18,165	
	Special Road and Bridge	3,426,050	0.3500	0.3500	**	**	**		
	Special Road and Bridge	**	**	**	3,666,748	0.3500	0.3500	12,834	
Hamilton Township of Harrison Co	General Revenue	2,682,172	0.0988	0.0988	2,773,727	0.0988	0.0988	2,740	A 2011
	Road & Bridge	2,682,172	0.4942	0.4942	2,773,727	0.4942	0.4942	13,708	
	Special Road and Bridge	2,682,172	0.3459	0.3459	**	**	**		
	Special Road and Bridge	**	**	**	2,773,727	0.3598	0.3598	9,980	
Jefferson Township of Harrison Co	General Revenue	3,726,225	0.1000	0.1000	3,935,002	0.0999	0.0999	3,931	A 2011
	Road & Bridge	3,726,225	0.4738	0.4738	3,935,002	0.4732	0.4732	18,620	
	Special Road and Bridge	3,726,225	0.3500	0.3500	**	**	**		
	Special Road and Bridge	**	**	**	3,935,002	0.3500	0.3500	13,773	
Lincoln Township of Harrison Co	General Revenue	2,119,370	0.0998	0.0998	2,147,119	0.0998	0.0998	2,143	A 2011
	Road & Bridge	2,119,370	0.4992	0.4992	2,147,119	0.4992	0.4992	10,718	
	Special Road and Bridge	2,119,370	0.3494	0.3494	**	**	**		
	Special Road and Bridge	**	**	**	2,147,119	0.3601	0.3601	7,732	
Madison Township of Harrison Co	General Revenue	4,604,611	0.0971	0.0971	4,697,149	0.0971	0.0971	4,561	A 2011
	Road & Bridge	4,604,611	0.4854	0.4854	4,697,149	0.4854	0.4854	22,800	
	Special Road and Bridge	4,604,611	0.3398	0.3398	**	**	**		
	Special Road and Bridge	**	**	**	4,697,149	0.3544	0.3544	16,647	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Harrison</u></b>									
Marion Township of Harrison Co	General Revenue	5,164,474	0.1000	0.1000	5,513,824	0.0982	0.0982	5,415	
	Road & Bridge	5,164,474	0.4599	0.4599	5,513,824	0.4515	0.4515	24,895	
	Special Road and Bridge	5,164,474	0.3500	0.3500	**	**	**		2011
	Special Road and Bridge	**	**	**	5,513,824	0.3500	0.3500	19,298	A 2015
Sherman Township of Harrison Co	General Revenue	3,843,358	0.0996	0.0996	4,459,460	0.0996	0.0996	4,442	
	Road & Bridge	3,843,358	0.4980	0.4980	4,459,460	0.4980	0.4980	22,208	
	Special Road and Bridge	3,843,358	0.3497	0.3497	**	**	**		2011
	Special Road and Bridge	**	**	**	4,459,460	0.3565	0.3565	15,898	A 2015
Sugar Creek Township of Harrison Co	General Revenue	3,705,006	0.1000	0.1000	3,758,147	0.1000	0.1000	3,758	
	Road & Bridge	3,705,006	0.3949	0.3949	3,758,147	0.3949	0.3949	14,841	
	Special Road and Bridge	3,705,006	0.3500	0.3500	**	**	**		2011
	Special Road and Bridge	**	**	**	3,758,147	0.3597	0.3597	13,518	A 2015
Trail Creek Township of Harrison Co	General Revenue	3,297,634	0.1000	0.1000	3,166,215	0.1000	0.1000	3,166	
	Road & Bridge	3,297,634	0.5000	0.5000	3,166,215	0.5000	0.5000	15,831	
	Special Road and Bridge	3,297,634	0.3500	0.3500	**	**	**		2011
	Special Road and Bridge	**	**	**	3,166,215	0.3774	0.3774	11,949	A 2015
Union Township of Harrison Co	General Revenue	4,051,328	0.1000	0.1000	4,093,435	0.1000	0.1000	4,093	
	Road & Bridge	4,051,328	0.4990	0.4990	4,093,435	0.4990	0.4990	20,426	
	Special Road and Bridge	4,051,328	0.3500	0.3500	**	**	**		2011
	Special Road and Bridge	**	**	**	4,093,435	0.3570	0.3570	14,614	A 2015
Washington Township of Harrison Co	General Revenue	1,892,560	0.1000	0.1000	1,928,467	0.1000	0.1000	1,928	
	Road & Bridge	1,892,560	0.4985	0.4985	1,928,467	0.4985	0.4985	9,613	
	Special Road and Bridge	1,892,560	0.3500	0.3500	**	**	**		2011
	Special Road and Bridge	**	**	**	1,928,467	0.3601	0.3601	6,944	A 2015
White Oak Township of Harrison Co	General Revenue	4,151,914	0.1000	0.1000	4,406,110	0.0999	0.0999	4,402	
	Road & Bridge	4,151,914	0.4689	0.4689	4,406,110	0.4684	0.4684	20,638	
	Special Road and Bridge	4,151,914	0.3500	0.3500	**	**	**		2011
	Special Road and Bridge	**	**	**	4,406,110	0.3500	0.3500	15,421	A 2015
Ridgeway Fire Protection District	General Revenue	7,174,257	0.3000	0.3000	7,499,956	0.2966	0.2966	22,245	
Gilman City Fire Protection Dist	General Revenue	10,306,482	0.2983	0.2983	10,746,329	0.2983	0.2983	32,056	
New Hampton Fire Protection Dist	General Revenue	9,475,152	0.3000	0.3000	9,738,327	0.3000	0.3000	29,215	
North Harrison Fire Protection Dist	Fire	16,734,029	0.2973	0.2973	16,950,464	0.2973	0.2973	50,394	
Cainsville Fire Protection District	General Revenue	7,236,982	0.3000	0.3000	7,275,473	0.3000	0.3000	21,826	
Harrison County Health Department	General Revenue	98,590,376	0.3040	0.3040	B 99,789,068	0.3040	0.3000	299,367	
Cainsville R-I School District	Operating Funds-Schools	5,246,433	6.0740	6.0000	E 5,329,969	6.0778	6.0000	319,798	E
South Harrison Co R-II School Dist	Operating Funds-Schools	59,056,088	3.6700	3.6700	E 58,818,443	3.6700	3.6700	2,158,637	E
North Harrison Co R-III School Dist	Operating Funds-Schools	15,844,586	4.5000	4.5000	E 16,104,564	4.4323	4.4323	713,803	E
Gilman City R-IV School District	Operating Funds-Schools	9,858,148	5.1472	5.0649	E 10,157,993	5.0961	5.0961	517,661	E
Ridgeway R-V School District	Operating Funds-Schools	6,734,268	6.1236	5.9480	BE 6,981,955	6.1137	5.9480	415,287	E
Harrison County	General Revenue	98,590,376	0.3773	0.3773	99,789,068	0.3773	0.3773	376,504	
	Senior Services	98,590,376	0.0500	0.0500	99,789,068	0.0500	0.0500	49,895	
<b><u>Henry</u></b>									
Windsor Ambulance District	General Revenue	45,862,476	0.2791	0.2791	45,384,750	0.2891	0.2891	131,207	
Bethlehem Spec Rd Dist #2 Henry Co	Road & Bridge	2,380,523	0.6068	0.6068	2,873,699	0.6100	0.6100	17,530	
Deerfield Creek SRD, Henry Co	Road & Bridge	5,461,613	0.1822	0.1822	5,969,028	0.1822	0.1822	10,876	
Fields Creek Sp Rd Dist #1 Henry Co	Road & Bridge	20,965,046	0.3529	0.3529	21,017,946	0.3580	0.3580	75,244	
Honey Creek Sp Rd Dist #1 Henry Co	Road & Bridge	2,052,100	0.3968	0.3968	2,094,467	0.3973	0.3973	8,321	
Montrose Spec Rd Dist Henry Co	Road & Bridge	3,471,774	0.3144	0.3144	3,646,154	0.3144	0.3144	11,464	
Mt Hope Spec Rd Dist Henry Co	Road & Bridge	1,270,155	0.4685	0.4685	1,308,188	0.4685	0.4685	6,129	
Osage Spec Rd Dist #1 Henry Co	Road & Bridge	5,076,108	0.3418	0.3418	5,273,025	0.3419	0.3419	18,028	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Henry</u></b>									
Shawnee Spec Rd Dist #1 Henry Co	Road & Bridge	4,746,404	0.2450	0.2450	5,207,026	0.4129	0.2906	15,132	
Wagner Spec Rd Dist Henry Co	Road & Bridge	798,408	0.4318	0.4318	864,070	0.4249	0.4249	3,671	
Windsor Spec Rd Dist Henry Co	Road & Bridge	30,021,691	0.2749	0.2749	30,992,690	0.2749	0.2749	85,199	
Clinton Country Club Spec Rd Dist	Road and Bridge	2,063,926	0.2609	0.2609	2,279,670	0.2609	0.2609	5,948	
	Special Road and Bridge	2,063,926	0.2836	0.2836	2,279,670	0.2836	0.2836	6,465	2013
City of Blairstown	General Revenue	493,781	1.0000	1.0000	486,030	1.0000	1.0000	4,860	
	Streets	493,781	0.5000	0.5000	486,030	0.5000	0.5000	2,430	2012
Village of Brownington	General Revenue	440,525	0.8318	0.8318	395,979	0.9279	0.9279	3,674	
City of Calhoun	General Revenue	1,904,376	0.6426	0.6426	1,940,012	0.6426	0.6426	12,467	
	Police	1,904,376	0.2386	0.2386	1,940,012	0.2386	0.2386	4,629	2012
	Fire	1,904,376	0.1909	0.1909	1,940,012	0.1909	0.1909	3,703	2012
City of Clinton	General Revenue	116,997,433	0.5237	0.5237	119,006,319	0.5239	0.5239	623,474	
	Parks & Recreation	116,997,433	0.1466	0.1466	119,006,319	0.1466	0.1466	174,463	
City of Deepwater	General Revenue	2,431,659	0.8383	0.8383	2,507,914	0.8434	0.8434	21,152	
	Lights	2,431,659	0.1441	0.1441	2,507,914	0.1450	0.1450	3,636	
	Cemetery	2,431,659	0.0975	0.0975	2,507,914	0.0981	0.0981	2,460	
City of Montrose	General Revenue	2,957,261	0.9395	0.9395	3,106,975	0.9395	0.9395	29,190	
	Debt Service	2,957,261	0.4406	0.4406	3,106,975	0.4148	0.4148	12,888	
City of Urich	General Revenue	3,165,575	0.9357	0.9357	3,208,558	0.9357	0.9357	30,022	
	Parks & Recreation	3,165,575	0.2888	0.2888	3,208,558	0.2888	0.2888	9,266	
City of Windsor	General Revenue	22,068,653	0.6100	0.6100	22,636,798	0.6105	0.6105	138,198	
	Library	22,068,653	0.0000	0.0000	22,636,798	0.0000	0.0000	0	
	Park	22,068,653	0.2361	0.2361	22,636,798	0.2363	0.2363	53,491	
	Pool	22,068,653	0.1180	0.1180	22,636,798	0.1181	0.1181	26,734	
	Recreation	22,068,653	0.0590	0.0590	22,636,798	0.0590	0.0590	13,356	
Henry County Library District	General Revenue	295,248,156	0.1956	0.1956	306,746,055	0.1956	0.1956	599,995	
Bear Creek Township of Henry Co	General Revenue	3,406,799	0.1915	0.1915	3,548,260	0.1915	0.1915	6,795	
	Road & Bridge	3,406,799	0.3352	0.3352	3,548,260	0.3352	0.3352	11,894	
	Special Road and Bridge	3,406,799	0.2495	0.2495	3,548,260	0.2495	0.2495	8,853	2013
Bethlehem Township of Henry County	General Revenue	10,976,615	0.1193	0.1193	11,650,972	0.1206	0.1206	14,051	
	Road & Bridge	8,193,542	0.2671	0.2671	8,340,707	0.2686	0.2686	22,403	
Bogard Township of Henry Co	General Revenue	8,509,291	0.1722	0.1722	9,102,403	0.1722	0.1722	15,674	
	Road & Bridge	8,509,291	0.3646	0.3646	9,102,403	0.3646	0.3646	33,187	
	Special Road and Bridge	8,509,291	0.2402	0.2402	9,102,403	0.2402	0.2402	21,864	2012
Clinton Township of Henry Co	General Revenue	103,760,819	0.0508	0.0508	105,587,072	0.0508	0.0508	53,638	
	Road & Bridge	103,760,819	0.1017	0.1017	105,587,072	0.1017	0.1017	107,382	
Davis Township of Henry Co	General Revenue	12,246,486	0.1981	0.1981	12,973,341	0.1981	0.1981	25,700	
	Road & Bridge	12,246,486	0.4952	0.4952	12,973,341	0.4952	0.4952	64,244	
Deepwater Township of Henry Co	General Revenue	7,455,036	0.1668	0.1668	8,177,035	0.1668	0.1668	13,639	
	Road & Bridge	1,914,699	0.3469	0.3469	2,358,623	0.3469	0.3469	8,182	
Deer Creek Township of Henry Co	General Revenue	7,694,692	0.1481	0.1481	8,100,631	0.1481	0.1481	11,997	
	Road & Bridge	4,630,661	0.4476	0.4476	4,686,559	0.4591	0.4591	21,516	
Fairview Township of Henry Co	General Revenue	6,975,199	0.1560	0.1560	7,290,085	0.1560	0.1560	11,373	
	Road & Bridge	6,975,199	0.3328	0.3328	7,290,085	0.3328	0.3328	24,261	
Fields Creek Township of Henry Co	General Revenue	37,976,625	0.1634	0.1634	39,135,054	0.1640	0.1640	64,181	
	Road & Bridge	13,012,621	0.3071	0.3071	14,136,292	0.3019	0.3019	42,677	
Honey Creek Township of Henry Co	General Revenue	3,392,195	0.1521	0.1521	3,557,834	0.1521	0.1521	5,411	
	Road & Bridge	1,340,095	0.1466	0.1466	1,463,367	0.1443	0.1443	2,112	
Leesville Township of Henry Co	General Revenue	14,989,692	0.1316	0.1316	15,808,453	0.1316	0.1316	20,804	
	Road & Bridge	14,989,692	0.2636	0.2636	15,808,453	0.2636	0.2636	41,671	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Henry</u></b>									
Osage Township of Henry Co	General Revenue	9,806,144	0.1308	0.1308	10,222,552	0.1308	0.1308	13,371	A 2015
	Road & Bridge	4,730,036	0.2680	0.2680	4,949,527	0.2680	0.2680	13,265	
Shawnee Township of Henry Co	General Revenue	7,802,718	0.1596	0.1596	8,529,417	0.1587	0.1587	13,536	
	Road & Bridge	3,056,314	0.4251	0.4251	3,322,391	0.4251	0.4251	14,123	
Springfield Township of Henry Co	General Revenue	3,979,763	0.1890	0.1890	4,097,745	0.1890	0.1890	7,745	
	Road & Bridge	3,979,763	0.4724	0.4724	4,097,745	0.4724	0.4724	19,358	
Tebo Township of Henry Co	General Revenue	8,236,957	0.1779	0.1779	8,752,143	0.1751	0.1751	15,325	
	Road & Bridge	8,236,957	0.3875	0.3875	8,752,143	0.3813	0.3813	33,372	
	Special Road and Bridge	**	**	**	8,752,143	0.1800	0.1800	15,754	
Walker Township of Henry Co	General Revenue	6,124,127	0.1724	0.1724	6,206,424	0.1724	0.1724	10,700	
	Road & Bridge	6,124,127	0.4309	0.4309	6,206,424	0.4309	0.4309	26,743	
White Oak Township of Henry Co	General Revenue	7,227,200	0.1896	0.1896	7,494,880	0.1896	0.1896	14,210	
	Road & Bridge	7,227,200	0.3999	0.3999	7,494,880	0.3999	0.3999	29,972	
Windsor Township of Henry Co	General Revenue	30,021,691	0.1450	0.1450	30,992,690	0.1450	0.1450	44,939	
Big Creek Township of Henry Co	General Revenue	5,298,908	0.1579	0.1579	5,519,064	0.1579	0.1579	8,715	
	Road & Bridge	5,298,908	0.2567	0.2567	5,519,064	0.2567	0.2567	14,167	
Tightwad Fire Protection District	General Revenue	14,936,394	0.3000	0.3000	15,750,980	0.3000	0.3000	47,253	
Henry County Health Center	General Revenue	295,880,957	0.0976	0.0976	306,746,055	0.0976	0.0976	299,384	
Henry County R-I School District	Operating Funds-Schools	41,102,117	3.3220	2.7500	F 42,096,473	3.2675	2.7500	1,157,653	F
	Debt Service	41,102,117	0.9975	0.5000	42,096,473	0.7797	0.5000	210,482	
Shawnee R-III School District	Operating Funds-Schools	8,939,896	4.1192	4.1192	E 9,310,086	4.1513	4.1513	386,490	E
	Debt Service	8,939,896	0.5760	0.3067	9,310,086	0.5645	0.3067	28,554	
Calhoun R-VIII School District	Operating Funds-Schools	9,392,394	4.1625	4.1625	E 9,625,792	4.1039	4.1039	395,033	E
Leesville R-IX School District	Operating Funds-Schools	14,465,386	3.4691	3.4691	E 15,254,730	3.4307	3.4307	523,344	E
Davis R-XII School District	Operating Funds-Schools	16,465,315	3.5329	3.5329	E 17,231,791	3.5220	3.5220	606,904	E
	Debt Service	16,465,315	0.2247	0.2000	17,231,791	0.0572	0.0000	0	
Montrose R-XIV School District	Operating Funds-Schools	9,954,293	4.5920	4.5920	E 10,661,557	4.5523	4.5523	485,346	E
Clinton School District	Operating Funds-Schools	156,512,249	3.5269	3.5269	E 159,800,120	3.5217	3.5217	5,627,681	E
	Operating Funds-Temp	156,512,249	0.8459	0.8459	159,800,120	0.8500	0.8500	1,358,301	2027
Henry County	General Revenue	295,880,957	0.2487	0.0546	306,746,055	0.2487	0.0608	186,502	
	Senior Services	295,880,957	0.0488	0.0488	306,746,055	0.0488	0.0488	149,692	
<b><u>Hickory</u></b>									
City of Cross Timbers	General Revenue	825,762	0.4961	0.4961	799,856	0.5217	0.4961	3,968	
City of Hermitage	General Revenue	5,066,250	0.4797	0.4797	5,013,489	0.4864	0.4864	24,386	
City of Weaubleau	General Revenue	2,453,184	0.3739	0.3739	2,440,863	0.3763	0.3763	9,185	
City of Wheatland	General Revenue	3,568,348	0.3404	0.3404	3,539,548	0.3438	0.3438	12,169	
Hickory County Library District	General Revenue	108,304,067	0.1295	0.1295	108,900,827	0.1295	0.1295	141,027	
Hickory County Health Department	General Revenue	108,304,077	0.1508	0.1508	108,900,827	0.1509	0.1509	164,331	
Hickory Co. R-I School District	Operating Funds-Schools	38,664,573	2.9141	2.9141	E 39,376,915	2.8987	2.8987	1,141,419	E
	Debt Service	38,664,573	1.6045	0.7500	39,376,915	1.3936	0.7685	302,612	
Wheatland R-II School District	Operating Funds-Schools	32,889,052	2.9618	2.9618	E 33,113,400	2.9405	2.9405	973,700	E
	Debt Service	32,889,052	0.7457	0.4138	33,113,400	0.6254	0.4138	137,023	
Weaubleau R-III School District	Operating Funds-Schools	21,156,218	2.7500	2.7500	E 21,879,883	2.7500	2.7500	601,697	E
	Debt Service	21,156,218	1.0794	0.8900	21,879,883	1.3609	0.8900	194,731	
Hermitage R-IV School District	Operating Funds-Schools	38,567,381	2.7500	2.7500	E 38,599,702	2.7500	2.7500	1,061,492	E
	Debt Service	38,567,381	0.7313	0.5500	38,599,702	0.7086	0.5500	212,298	
Hickory County	General Revenue	108,304,077	0.3144	0.1960	108,900,827	0.3145	0.1733	188,725	
	Road & Bridge	108,304,077	0.2404	0.2404	108,900,827	0.2405	0.2405	261,906	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Holt</u></b>									
Corning Special Road Dist Holt Co	Special Road and Bridge	2,729,758	0.3394	0.3394	2,719,563	0.3414	0.3414	9,285	2013
South Union Twsp Indpt Sp Rd Holt	Special Road and Bridge	2,120,106	0.3488	0.3488	1,932,459	0.3488	0.3488	6,740	2012
Village of Bigelow	General Revenue	389,896	0.7758	0.7758	381,925	0.7936	0.7936	3,031	
Village of Corning	General Revenue	158,815	0.4881	0.4881	133,331	0.5000	0.4000	533	
	Lights	158,815	0.2444	0.2444	133,331	0.2500	0.2000	267	
City of Craig	General Revenue	1,314,855	1.0000	1.0000	1,382,602	1.0000	1.0000	13,826	
	Motor Fuel	1,314,855	0.4000	0.4000	1,382,602	0.3999	0.3999	5,529	
	Debt Service	1,314,855	1.4094	1.4094	1,382,602	1.3125	1.3125	18,147	
City of Forest City	General Revenue	2,540,321	0.9855	0.9855	2,503,881	1.0000	1.0000	25,039	
Village of Fortescue	General Revenue	396,502	0.7000	0.7000	*	*	*		
City of Maitland	General Revenue	2,012,441	0.9629	0.9629	2,114,049	0.9629	0.9629	20,356	
	Lights	2,012,441	0.3500	0.3500	2,114,049	0.3500	0.3500	7,399	
	Health	2,012,441	0.1500	0.1500	2,114,049	0.1500	0.1500	3,171	
	General Revenue-Temp	2,012,441	0.2383	0.2383	2,114,049	0.2383	0.2383	5,038	2012
City of Mound City	General Revenue	11,144,667	0.7574	0.7574	11,830,732	0.7574	0.7574	89,606	
	Parks & Recreation	11,144,667	0.2705	0.2705	11,830,732	0.2705	0.2705	32,002	
	Library	11,144,667	0.4080	0.4080	11,830,732	0.4080	0.4080	48,269	
	Health	11,144,667	0.1623	0.1623	11,830,732	0.1623	0.1623	19,201	
	Street Lights	11,144,667	0.2069	0.2069	11,830,732	0.2069	0.2069	24,478	2012
City of Oregon	General Revenue	6,763,954	1.0000	1.0000	B 7,026,756	1.0000	1.0000	70,268	
	Library	6,763,954	0.3895	0.3895	7,026,756	0.3895	0.3895	27,369	
	Health	6,763,954	0.1723	0.1723	7,026,756	0.1723	0.1723	12,107	
	Debt Service	6,763,954	0.5907	0.5907	7,026,756	0.6681	0.6681	46,946	
Village of Big Lake	General Revenue	5,322,604	0.2521	0.2521	4,587,258	0.3067	0.3067	14,069	
	Health	5,322,604	0.1119	0.1119	4,587,258	0.1361	0.1361	6,243	
Mound City Rural Fire Prot Dist	General Revenue	34,020,966	0.2172	0.2172	35,620,736	0.2172	0.2172	77,368	
Southern Fire Protection District	General Revenue	34,607,526	0.2258	0.2258	36,244,567	0.2258	0.2258	81,840	
Northwest Holt Co Fire Prot Dist	General Revenue	14,400,069	0.4528	0.4528	18,069,360	0.4553	0.4553	82,270	
Maitland Volunteer Fire Prot Dist	General Revenue	5,291,162	0.2947	0.2947	6,253,260	0.2839	0.2839	17,753	
Craig R-III School District	Operating Funds-Schools	19,418,070	4.8217	4.8181	E 22,928,765	4.9030	4.9030	1,124,197	E
Mound City R-2 School District	Operating Funds-Schools	27,012,935	3.5247	3.5247	E 28,053,377	3.7356	3.7356	1,047,962	E
South Holt Co R-I School District	Operating Funds-Schools	28,398,799	3.7307	3.7307	E 28,844,395	3.9368	3.9368	1,135,546	E
Holt County	General Revenue	101,176,399	0.4291	0.3305	109,907,279	0.4291	0.3351	368,299	
	Johnson Grass	101,176,399	0.0394	0.0394	109,907,279	0.0394	0.0394	43,303	
	Road & Bridge	101,176,399	0.4291	0.4291	109,907,279	0.4291	0.4291	471,612	
	Senior Services	101,176,399	0.0492	0.0492	109,907,279	0.0492	0.0492	54,074	
<b><u>Howard</u></b>									
Howard County Ambulance District	General Revenue	109,696,243	0.2962	0.2962	111,284,312	0.2984	0.2984	332,072	
Moniteau Creek Watershed Sub Dist	General Revenue	13,194,786	0.3200	0.3200	13,433,315	0.3200	0.3200	42,987	
Armstrong Spec Rd Dist Howard Co	General Revenue	8,106,046	0.3422	0.3422	8,196,610	0.3422	0.3422	28,049	2012
Glasgow Spec Rd Dist #60 Howard Co	General Revenue	19,882,183	0.2271	0.2271	20,594,292	0.2271	0.2271	46,770	2012
	Special Road and Bridge	**	**	**	20,594,292	0.1234	0.1234	25,413	A 2012
City of Armstrong	General Revenue	1,517,272	0.8800	0.8800	1,533,088	0.8800	0.8800	13,491	
City of Fayette	General Revenue	16,176,389	0.5546	0.5546	16,651,800	0.5555	0.5555	92,501	
City of Franklin	General Revenue	505,236	0.9538	0.9538	482,021	1.0000	1.0000	4,820	
City of New Franklin	General Revenue	7,159,720	0.6127	0.6127	7,105,759	0.6211	0.6211	44,134	
City of Glasgow	General Revenue	10,195,194	0.5564	0.5564	10,483,969	0.5600	0.5600	58,710	
	Parks & Recreation	10,195,194	0.2617	0.2617	10,483,969	0.2634	0.2634	27,615	
	Library	10,195,194	0.2500	0.2500	10,483,969	0.2500	0.2500	26,210	
Howard County Library	General Revenue	100,015,480	0.1000	0.1000	101,331,590	0.1000	0.1000	101,332	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Howard</u></b>									
Howard Co Fire Protection District	General Revenue	63,343,106	0.2934	0.2934	63,657,488	0.2973	0.2973	189,254	
	Debt Service	63,343,106	0.2291	0.1407	63,657,488	0.2407	0.1439	91,603	
Armstrong Fire Protection District	General Revenue	13,952,712	0.2918	0.2918	14,094,229	0.2918	0.2918	41,127	
Glasgow Fire Protection District	General Revenue	29,003,670	0.2731	0.2731	29,842,627	0.2731	0.2731	81,500	
New Franklin R-I School District	Operating Funds-Schools	24,965,849	3.4363	3.4363	E 25,190,536	3.3691	3.3691	848,694	E
	Debt Service	24,965,849	0.7032	0.5257	25,190,536	0.6672	0.5929	149,355	
Fayette R-III School District	Operating Funds-Schools	46,088,326	3.4567	3.4567	E 46,864,673	3.4771	3.4771	1,629,532	E
	Debt Service	46,088,326	1.1560	0.7528	46,864,673	0.8166	0.7528	352,797	
Howard Co R-II School District	Operating Funds-Schools	22,346,971	4.0427	4.0427	E 23,202,362	4.0427	4.0427	938,002	E
Howard County	General Revenue	109,696,243	0.4038	0.2760	111,284,312	0.4068	0.2719	302,582	
	Road & Bridge	81,708,014	0.2967	0.2967	82,493,410	0.2998	0.2998	247,315	
	Senate Bill 40	109,696,243	0.1000	0.1000	111,284,312	0.1000	0.1000	111,284	
<b><u>Howell</u></b>									
South Howell Co Ambulance District	General Revenue	301,857,397	0.1976	0.1976	311,162,081	0.1993	0.1993	620,146	
Willow Springs Ambulance District	General Revenue	74,325,405	0.1797	0.1797	75,615,405	0.2730	0.2076	156,978	
Mountain-View Summersville Amb Dis	General Revenue	72,618,476	0.1887	0.1887	73,208,319	0.1892	0.1892	138,510	
City of Mountain View	General Revenue	24,383,717	0.0000	0.0000	23,786,726	0.0000	0.0000	0	
	Library	24,383,717	0.0000	0.0000	23,786,726	0.0000	0.0000	0	
City of West Plains	General Revenue	137,240,730	0.2971	0.2971	143,603,434	0.2971	0.2971	426,646	
	Library	137,240,730	0.2000	0.2000	143,603,434	0.2000	0.2000	287,207	
City of Willow Springs	General Revenue	18,686,400	0.4783	0.4783	18,821,855	0.4783	0.4783	90,025	
	Library	18,686,400	0.1527	0.1527	18,821,855	0.1527	0.1527	28,741	
Howell County Rural Fire Dist #1	General Revenue	96,737,430	0.2610	0.2610	97,413,948	0.2661	0.2661	259,219	
Pomona Fire Protection District	General Revenue	23,594,562	0.2825	0.2825	23,484,605	0.2974	0.2974	69,843	
Brandsville Fire Protection Dist	General Revenue	8,654,898	0.2931	0.2931	9,129,101	0.2931	0.2931	26,757	
Howell County Health Department	General Revenue	415,737,782	0.1000	0.0975	426,359,346	0.1000	0.1000	426,359	
Howell Valley R-I School District	Operating Funds-Schools	24,033,720	3.9594	3.9594	E 23,701,890	3.9167	3.9167	928,332	E
Mountain View-Birch Tree R-III SD	Operating Funds-Schools	64,096,867	2.6806	2.6806	E 63,569,411	2.7014	2.7014	1,717,264	E
	Operating Funds-Temp	64,096,867	0.8607	0.8607	63,569,411	0.8607	0.8607	547,142	2028
Willow Springs R-IV School District	Operating Funds-Schools	66,222,015	2.7500	2.7500	E 67,987,030	2.7500	2.7500	1,869,643	E
Richards R-V School District	Operating Funds-Schools	36,739,270	2.7500	2.7500	F 38,859,510	2.7500	2.7500	1,068,637	F
West Plains R-VII School District	Operating Funds-Schools	140,765,400	3.6763	3.6536	E 146,964,050	3.6408	3.6408	5,350,667	E
Glenwood R-VIII School District	Operating Funds-Schools	24,701,820	3.0044	3.0044	E 25,585,280	3.0278	3.0278	774,671	E
Junction Hill C-12 School District	Operating Funds-Schools	16,215,330	2.8671	2.8671	E 17,021,250	2.8532	2.8532	485,650	E
Fairview R-XI School District	Operating Funds-Schools	41,405,547	3.5520	3.4500	E 42,362,310	3.8277	3.4500	1,461,500	E
Howell County	General Revenue	419,501,942	0.2773	0.0000	430,264,726	0.2798	0.0000	0	
	Road & Bridge	419,501,942	0.0978	0.0978	430,264,726	0.0987	0.0987	424,671	
	Senate Bill 40	419,501,942	0.0564	0.0564	426,359,346	0.0575	0.0575	245,157	
<b><u>Iron</u></b>									
Iron County Ambulance District	General Revenue	187,400,967	0.1344	0.0918	190,131,812	0.1347	0.0000	0	
Road District #1	Road & Bridge	187,400,967	0.2705	0.2705	190,131,812	0.2711	0.2711	515,447	
City of Annapolis	General Revenue	9,218,363	0.5500	0.5500	10,174,884	0.5500	0.5500	55,962	
City of Arcadia	General Revenue	4,898,825	0.4784	0.4784	4,952,813	0.4784	0.4784	23,694	
Village of Des Arc	General Revenue	567,173	0.4673	0.4627	561,404	0.4822	0.4822	2,707	
City of Ironton	General Revenue	13,464,614	0.5328	0.5328	13,680,894	0.5386	0.5386	73,685	
	Parks & Recreation	13,464,614	0.1523	0.1523	13,680,894	0.1540	0.1540	21,069	
City of Pilot Knob	General Revenue	6,207,369	0.4022	0.4022	6,226,925	0.4022	0.4022	25,045	
City of Viburnum	General Revenue	8,075,195	1.0000	1.0000	8,262,687	1.0000	1.0000	82,627	
	Parks & Recreation	8,075,195	0.2300	0.2300	8,262,687	0.2300	0.2300	19,004	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<b><u>Iron</u></b>										
City of Viburnum	Solid Waste Landfill	8,075,195	0.1000	0.1000		8,262,687	0.1000	0.1000	8,263	
	Health	8,075,195	0.2000	0.2000		8,262,687	0.2000	0.2000	16,525	
Iron County Library District	General Revenue	187,400,967	0.0897	0.0897		190,131,812	0.0899	0.0899	170,928	
Quad County Fire Protection Dist	General Revenue	95,652,206	0.2951	0.2951		96,868,597	0.2954	0.2954	286,150	
Southern Iron County Fire Prot Dist	General Revenue	29,776,037	0.2499	0.2499		31,106,149	0.2499	0.2499	77,734	
Pilot Knob Fire Protection District	General Revenue	47,992,903	0.2967	0.2967		48,657,992	0.2977	0.2977	144,855	
Iron County Health Department	General Revenue	187,400,967	0.0897	0.0897		190,131,812	0.0899	0.0899	170,928	
South Iron Co R-I School District	Operating Funds-Schools	28,039,328	3.1875	3.1875	E	29,259,080	3.1519	3.1519	922,217	E
Arcadia Valley R-II School District	Operating Funds-Schools	43,429,874	2.7500	2.7500	F	44,029,963	2.7500	2.7500	1,210,824	F
	Debt Service	43,429,874	0.9766	0.6200		44,029,963	0.9523	0.6200	272,986	
Bellevue R-III School District	Operating Funds-Schools	8,941,220	2.7500	2.7500	E	9,155,940	2.7500	2.7500	251,788	E
Iron Co C-4 School District	Operating Funds-Schools	103,042,137	2.7500	2.7500	E	92,064,029	2.7500	2.7500	2,531,761	E
Iron County	General Revenue	187,400,967	0.3806	0.2876		190,131,812	0.3815	0.2950	560,889	
	Senate Bill 40	187,400,967	0.0897	0.0897		190,131,812	0.0899	0.0899	170,928	
<b><u>Jackson</u></b>										
Public Water Sup Dist 17 Jackson Co	General Revenue	78,828,747	0.0570	0.0570		81,890,043	0.0570	0.0570	46,677	
City of Blue Springs	General Revenue	718,099,095	0.5988	0.5988		726,531,839	0.6035	0.5989	4,351,199	
	Debt Service	718,099,095	0.3278	0.1501		726,531,839	0.3698	0.1500	1,089,798	
City of Buckner	General Revenue	23,551,734	0.6293	0.6293		23,518,113	0.6310	0.6310	148,399	
City of Grain Valley	General Revenue	158,423,999	0.5718	0.5685		160,931,114	0.5718	0.5685	914,893	
	Parks & Recreation	158,423,999	0.1260	0.1255		160,931,114	0.1260	0.1255	201,969	
	Health	158,423,999	0.0522	0.0500		160,931,114	0.0522	0.0500	80,466	
	Debt Service	158,423,999	1.5975	0.9925		160,931,114	1.2694	0.9925	1,597,241	
City of Grandview	General Revenue	258,787,123	1.0000	1.0000		260,383,084	1.0000	1.0000	2,603,831	
	Parks & Recreation	258,787,123	0.1200	0.1200		260,383,084	0.1200	0.1200	312,460	
	Debt Service	258,787,123	0.4325	0.3800		260,383,084	0.4250	0.3800	989,456	
City of Greenwood	General Revenue	64,564,526	0.4497	0.4472		64,619,791	0.4550	0.4537	293,180	
	GR-Fire Temp	64,564,526	0.6103	0.6069		**	**	**		2011
	GR-Hydrant Temp	64,564,526	0.0195	0.0194		**	**	**		2011
	GR-Fire Temp	**	**	**		64,619,791	0.7503	0.6158	397,929	A 2015
	GR-Hydrant Temp	**	**	**		64,619,791	0.0208	0.0197	12,730	A 2015
	Debt Service	64,564,526	0.6841	0.5482		64,619,791	0.5061	0.5055	326,653	
City of Independence	General Revenue	1,030,991,942	0.4907	0.4924	C	1,024,179,276	0.4950	0.4950	5,069,687	
	Indep. Sq. Spec. Benefit	4,444,121	0.5596	0.5596		4,453,964	0.5641	0.5596	24,924	
	Public Health-Recreation	1,030,991,942	0.2311	0.2312	C	1,024,179,276	0.2331	0.2331	2,387,362	
City of Kansas City	General Revenue	7,046,981,273	0.6786	0.6786		6,791,875,883	0.7079	0.7079	48,079,689	
	Museum	7,046,981,273	0.0188	0.0188		6,791,875,883	0.0196	0.0196	1,331,208	
	Health	7,046,981,273	0.4935	0.4935		6,791,875,883	0.5000	0.5000	33,959,379	
	Health-Temp	7,046,981,273	0.2200	0.2200		6,791,875,883	0.2200	0.2200	14,942,127	2013
	Debt Service	7,046,981,273	0.7610	0.1400		6,791,875,883	0.9264	0.1400	9,508,626	
City of Lake Lotawana	General Revenue	66,699,973	0.4600	0.4600		67,209,044	0.4600	0.4600	309,162	
City of Lake Tapawingo	General Revenue	15,490,666	0.3494	0.3494		15,808,455	0.3494	0.3494	55,235	
	Debt Service	15,490,666	1.1630	1.1630		15,808,455	1.0121	1.0121	159,997	
City of Levasy	General Revenue	798,678	0.8286	0.8286		816,651	0.8287	0.8286	6,767	
City of Lone Jack	General Revenue	16,442,106	0.7624	0.7558		16,700,335	0.7645	0.7641	127,607	
	Debt Service	16,442,106	1.0745	0.9194		16,655,211	1.0447	0.9194	153,128	
City of Oak Grove	General Revenue	85,533,924	0.6607	0.6607		85,152,420	0.6647	0.6646	565,923	
	Debt Service	85,533,924	1.4772	0.1985		85,152,420	1.1455	0.1985	169,028	
City of Raytown	General Revenue	302,434,638	0.3662	0.3662		293,943,325	0.3762	0.3694	1,085,827	
	Parks & Recreation	302,434,638	0.1829	0.1829		293,943,325	0.1878	0.1845	542,325	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b>Jackson</b>									
Village of Sibley	General Revenue	3,497,459	0.4007	0.4007	3,472,858	0.4035	0.4035	14,013	
City of Sugar Creek	General Revenue	46,352,034	1.0000	1.0000	43,015,950	1.0000	1.0000	430,160	
	Health	46,352,034	0.1300	0.1300	43,015,950	0.1300	0.1300	55,921	
City of Lee's Summit	General Revenue	1,620,849,484	0.9167	0.8966	1,638,685,805	0.9213	0.9213	15,097,212	
	Parks & Recreation	1,620,849,484	0.1631	0.1595	1,638,685,805	0.1631	0.1630	2,671,058	
	Debt Service	1,620,849,484	0.5592	0.4697	1,638,685,805	0.5125	0.4697	7,696,907	
Village of River Bend	General Revenue	1,659,386	0.4208	0.4208	2,140,937	0.3480	0.3480	7,450	
Mid Continent Public Library	General Revenue	11,479,390,171	0.3200	0.3200	11,548,804,561	0.3200	0.3200	36,956,175	
Kansas City Public Library	General Revenue	3,061,347,649	0.5000	0.5000	3,004,194,305	0.5000	0.5000	15,020,972	
Central Jackson Co Fire Prot Dist	General Revenue	932,115,954	1.0929	0.9293	940,693,845	1.0981	0.9346	8,791,725	
	Dispatch	932,115,954	0.0199	0.0199	940,693,845	0.0200	0.0200	188,139	
	Debt Service	932,115,954	0.2054	0.1200	940,693,845	0.2001	0.1200	1,128,833	
Lone Jack Community Fire Prot Dist	General Revenue	72,478,010	0.8482	0.8482	74,248,392	0.8482	0.8482	629,775	
	Ambulance	72,478,010	0.3000	0.3000	74,248,392	0.3000	0.3000	222,745	
Prairie Township Fire Prot Dist	General Revenue	107,528,789	0.7400	0.7400	110,353,865	0.7400	0.7400	816,619	
	Ambulance	107,528,789	0.3000	0.3000	110,353,865	0.3000	0.3000	331,062	
Raytown Fire Protection District	General Revenue	302,434,638	0.7800	0.7800	300,737,746	0.7800	0.7800	2,345,754	
	Pension	302,434,638	0.0500	0.0500	300,737,746	0.0500	0.0500	150,369	
	Debt Service	302,434,638	0.1800	0.1800	300,737,746	0.1800	0.1800	541,328	
Lotawana Fire Protection District	General Revenue	80,743,345	0.5004	0.5004	81,898,459	0.5004	0.5004	409,820	
	Ambulance	80,743,345	0.2376	0.2376	81,898,459	0.2376	0.2376	194,591	
	Debt Service	80,743,345	0.1500	0.1500	81,898,459	0.1500	0.1500	122,848	
Fort Osage Fire Protection District	General Revenue	163,135,280	0.8630	0.8630	163,612,457	0.8630	0.8630	1,411,976	
	Ambulance	163,135,280	0.4994	0.4994	163,612,457	0.4994	0.4994	817,081	
	Dispatch	163,135,280	0.0300	0.0300	163,612,457	0.0300	0.0300	49,084	
	Debt Service	163,135,280	0.4469	0.2500	163,612,457	0.4761	0.2600	425,392	
Inter City Fire Protection District	General Revenue	9,522,728	0.6092	0.5352	9,348,058	0.6092	0.3584	33,503	
	Ambulance	**	**	**	9,348,058	0.3215	0.3215	30,054	A
	Ambulance/EMS	**	**	**	9,348,058	0.4287	0.4287	40,075	A
	Debt Service	9,522,728	0.4365	0.4355	9,348,058	0.2053	0.2053	19,192	
Jackson County Health Department	General Revenue	9,201,363,298	0.2280	0.1526	9,147,789,739	0.2302	0.1529	13,986,971	
Metropolitan Community College Dist	General Revenue	12,528,508,243	0.2335	0.2335	12,502,957,462	0.2349	0.2349	29,369,447	
Fort Osage R-I School District	Operating Funds-Schools	259,002,207	4.5500	4.5500	E 256,546,753	4.5500	4.5500	11,672,877	E
	Debt Service	259,002,207	1.2047	0.9500	256,546,753	1.2742	0.9500	2,437,194	
Blue Springs R-IV School District	Operating Funds-Schools	1,216,723,859	5.1340	4.7273	1,217,172,701	5.1340	4.6997	57,203,465	
	Debt Service	1,216,723,859	1.8665	1.0013	1,217,172,701	1.8521	1.0289	12,523,490	
Grain Valley R-V School District	Operating Funds-Schools	243,331,311	3.9723	3.9723	E 250,342,810	3.9400	3.9400	9,863,507	E
	Debt Service	243,331,311	2.6640	1.5933	251,764,082	2.5001	1.5933	4,011,357	
Oak Grove R-VI School District	Operating Funds-Schools	120,194,663	3.8239	3.8200	E 122,166,136	3.7902	3.7902	4,630,341	E
	Debt Service	120,194,663	1.6652	1.3000	122,166,136	1.2661	1.2661	1,546,745	
Lee's Summit R-VII School District	Operating Funds-Schools	1,620,817,669	5.2124	5.0350	F 1,632,904,530	5.1897	4.9879	81,447,645	F
	Debt Service	1,620,817,669	1.9362	1.0700	1,632,904,530	1.9815	1.0700	17,472,078	
Hickman Mills C-1 School District	Operating Funds-Schools	365,277,816	5.4717	5.4717	E 365,846,712	5.4717	5.4717	20,018,035	E
	Debt Service	365,277,816	1.4186	0.8500	365,846,712	1.3857	0.8500	3,109,697	
Raytown C-2 School District	Operating Funds-Schools	617,339,470	5.1500	5.1500	E 607,304,457	5.1500	5.1500	31,276,180	E
	Debt Service	617,339,470	1.4433	1.1700	607,304,457	1.5475	1.1700	7,105,462	
Grandview C-4 School District	Operating Funds-Schools	424,351,578	5.0936	5.0936	E 418,761,659	5.0936	5.0936	21,330,044	E
	Debt Service	424,351,578	0.8692	0.8000	418,761,659	1.2445	0.8000	3,350,093	
Lone Jack C-6 School District	Operating Funds-Schools	48,545,393	4.1482	4.1439	E 48,669,612	4.1231	4.1231	2,006,697	E
	Debt Service	48,545,393	2.2269	1.3875	48,669,612	1.4450	1.3875	675,291	



APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Jackson</u></b>										
Independence 30 School District	Operating Funds-Schools	934,233,285	4.4300	4.4300	E	926,241,650	4.4300	4.4300	41,032,505	E
	Debt Service	934,233,285	1.9793	1.1500		926,241,650	2.6190	1.2400	11,485,396	
Kansas City 33 School District	Operating Funds-Schools	2,747,076,379	3.3000	2.9883	G	2,690,140,533	3.3731	3.0653	82,460,878	G
	Article X, Section 11 g	2,747,076,379	1.9617	1.9617		**	**	**		2011
	Article X, Section 11 g	**	**	**		2,690,140,533	1.8847	1.8847	50,701,079	2012
Center 58 School District	Operating Funds-Schools	386,553,164	5.9330	5.7151	BE	380,833,950	5.9330	5.8051	22,107,792	E
	Debt Service	386,553,164	1.1231	0.8600		380,833,950	1.2505	0.8600	3,275,172	
Jackson County	General Revenue	9,201,363,298	0.2667	0.1487		9,147,789,739	0.2693	0.1481	13,547,877	
	Parks & Recreation	9,201,363,298	0.1425	0.0898		9,147,789,739	0.1439	0.0897	8,205,567	
	Road & Bridge	9,201,363,298	0.2010	0.1387		9,147,789,739	0.2030	0.1391	12,724,576	
	Developmentally Disabled	9,201,363,298	0.0758	0.0748		9,147,789,739	0.0765	0.0748	6,842,547	
	Mental Health	9,201,363,298	0.1234	0.1218		9,147,789,739	0.1246	0.1218	11,142,008	
<b><u>Jasper</u></b>										
Carl Junction Sp Rd Dist Jasper Co	Road & Bridge	59,460,792	0.3038	0.3038		61,469,294	0.3050	0.3050	187,481	
Carthage Sp Rd Dist Jasper Co	Road & Bridge	301,132,521	0.2397	0.2375		301,666,764	0.2400	0.2397	723,095	
La Russell Spec Rd Dist Jasper Co	Road & Bridge	8,679,696	0.3493	0.3493		9,009,157	0.3500	0.3500	31,532	
Joplin Road Dist Newton & Jasper Co	Road & Bridge	1,077,892,570	0.2087	0.2087		1,067,190,052	0.2161	0.2161	2,306,198	
City of Alba	General Revenue	3,452,424	0.6347	0.6346		3,580,876	0.6347	0.6347	22,728	
	Parks & Recreation	3,452,424	0.1674	0.1674		3,580,876	0.1674	0.1674	5,994	
City of Asbury	General Revenue	4,915,142	0.6370	0.6270		6,357,521	0.6370	0.6370	40,497	
Village of Avilla	General Revenue	848,484	0.1899	0.1899		912,311	0.1821	0.1821	1,661	
City of Carl Junction	General Revenue	75,332,043	0.4811	0.4807		78,131,809	0.4811	0.4811	375,892	
	Debt Service	75,332,043	0.4049	0.4049		78,131,809	0.4047	0.4047	316,199	
City of Cartersville	General Revenue	9,277,018	0.6375	0.6375		9,316,737	0.6386	0.6386	59,497	
City of Carthage	General Revenue	114,680,960	0.3491	0.3483		115,253,144	0.3491	0.3491	402,349	
	Parks & Recreation	114,680,960	0.1506	0.1503		115,253,144	0.1506	0.1506	173,571	
	Library	114,680,960	0.1743	0.1739		115,253,144	0.1743	0.1743	200,886	
	Health	114,680,960	0.0794	0.0792		115,253,144	0.0794	0.0794	91,511	
City of Duenweg	General Revenue	8,088,740	0.7500	0.7500		8,067,091	0.7500	0.7500	60,503	
City of Jasper	General Revenue	6,715,105	0.7595	0.7595		6,730,487	0.7634	0.7634	51,381	
City of La Russell	General Revenue	851,643	0.0000	0.0000		770,144	0.0000	0.0000	0	
City of Neck City	General Revenue	1,026,829	0.2436	0.2436		1,091,453	0.2436	0.2436	2,659	
City of Oronogo	General Revenue	19,044,548	0.2725	0.2725		19,729,639	0.2728	0.2728	53,822	
	Streets	19,044,548	0.1301	0.1301		19,729,639	0.1302	0.1302	25,688	
City of Purcell	General Revenue	2,176,345	0.3298	0.3298		2,287,341	0.3298	0.3298	7,544	
Village of Reeds	General Revenue	729,716	0.1713	0.1700		726,042	0.1726	0.1700	1,234	
City of Sarcoxie	General Revenue	9,482,687	0.5708	0.5708		9,570,176	0.5708	0.5708	54,627	
	Parks & Recreation	9,482,687	0.1091	0.1091		9,570,176	0.1091	0.1091	10,441	
	Health	9,482,687	0.0000	0.0000		9,570,176	0.0000	0.0000	0	
City of Waco	General Revenue	568,838	0.2417	0.2417		564,991	0.2500	0.2500	1,412	
City of Webb City	General Revenue	89,955,060	0.3753	0.3750		90,652,557	0.3796	0.3796	344,117	
	Parks & Recreation	89,955,060	0.0851	0.0851		90,652,557	0.0861	0.0861	78,052	
	Library	89,955,060	0.2527	0.2512		90,652,557	0.2556	0.2556	231,708	
City of Joplin	Parks & Recreation	536,653,699	0.0507	0.0507		516,403,003	0.0540	0.0540	278,858	
	Library	480,838,897	0.2545	0.2545		461,116,701	0.2545	0.2545	1,173,542	
	Health	536,653,699	0.0507	0.0507		516,403,003	0.0540	0.0540	278,858	
	Garbage	536,653,699	0.0507	0.0507		516,403,003	0.0540	0.0540	278,858	
Carthage Fire Protection District	General Revenue	138,094,951	0.2712	0.2700		140,834,431	0.2714	0.2700	380,253	
Duenweg Fire Protection District	General Revenue	85,438,162	0.3000	0.3000		83,037,158	0.3000	0.3000	249,111	
Carl Junction Fire Protection Dist	General Revenue	196,926,937	0.2508	0.2508		202,085,873	0.2509	0.2509	507,033	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<b><u>Jasper</u></b>										
Oronogo Fire Protection District	General Revenue	42,225,420	0.2656	0.2656		43,985,432	0.2656	0.2656	116,825	
Central Jasper Co Fire Prot Dist	General Revenue	25,919,673	0.2859	0.2859		26,452,052	0.2859	0.2859	75,626	
Tri-Cities Fire Protection District	Fire	26,769,649	0.3154	0.3154		27,212,764	0.3154	0.3154	85,829	
Asbury Fire Protection District	General Revenue	13,250,901	0.2769	0.2769		14,843,269	0.2769	0.2769	41,101	
Carl Junction R-I School District	Operating Funds-Schools	211,351,501	3.0056	3.0000	E	218,517,041	3.0001	3.0000	6,555,511	E
	Debt Service	211,351,501	1.0590	0.8200		218,517,041	1.0204	0.8200	1,791,840	
Avilla R-XIII School District	Operating Funds-Schools	18,977,605	3.5269	3.5269	E	19,515,730	3.5260	3.5260	688,125	E
Jasper County R-V School District	Operating Funds-Schools	34,467,278	3.4795	3.2100	F	35,656,685	3.4837	3.2100	1,144,580	F
Sarcoxie R-II School District	Operating Funds-Schools	34,080,372	2.7500	2.7500	F	33,802,481	2.7500	2.7500	929,568	F
	Debt Service	34,080,372	1.1191	0.5500		33,802,481	1.1937	0.5500	185,914	
Carthage R-IX School District	Operating Funds-Schools	280,728,574	2.8823	2.7500	F	282,575,519	2.8686	2.7500	7,770,827	F
	Debt Service	280,728,574	1.3596	0.8300		282,575,519	1.4439	0.8300	2,345,377	
Webb City R-VII School District	Operating Funds-Schools	210,336,916	2.7500	2.7500	E	213,992,277	2.7500	2.7500	5,884,788	E
	Debt Service	210,336,916	1.0229	0.6800		213,992,277	1.2032	0.6800	1,455,147	
Joplin R-VIII School District	Operating Funds-Schools	832,108,467	2.7806	2.7500	E	810,210,615	2.9072	2.7500	22,280,792	E
	Debt Service	832,108,467	0.8887	0.5600		810,210,615	1.3309	0.9100	7,372,917	
Jasper County	General Revenue	1,486,164,162	0.2953	0.0993		1,478,251,254	0.3020	0.0753	1,113,123	
	Common Road District	345,166,079	0.2033	0.2033		354,476,914	0.2036	0.2036	721,715	
	Mental Health	1,486,164,162	0.0805	0.0805		1,478,251,254	0.0823	0.0823	1,216,601	
	Senate Bill 40	1,486,164,162	0.0805	0.0805		1,478,251,254	0.0823	0.0823	1,216,601	
<b><u>Jefferson</u></b>										
Big River Ambulance District	General Revenue	278,890,550	0.4034	0.3074		276,639,175	0.4077	0.3089	854,538	
Joachim-Plattin Ambulance District	General Revenue	801,205,376	0.3200	0.1651		795,094,358	0.3249	0.1595	1,268,176	
North Jefferson Co. Ambulance Dist.	General Revenue	332,919,678	0.4947	0.4947		334,286,681	0.4947	0.4947	1,653,716	
	Pension	332,919,678	0.0493	0.0493		334,286,681	0.0494	0.0494	165,138	
Valle Ambulance District	General Revenue	364,159,931	0.4509	0.4509		365,804,794	0.4519	0.4519	1,653,072	
Rock Township Ambulance District	General Revenue	1,115,047,468	0.2100	0.1323		1,114,680,719	0.2100	0.2100	2,340,830	
Festus Spec Rd Dist Jefferson Co	Road & Bridge	492,359,136	0.1756	0.1756		494,022,223	0.1768	0.1768	873,431	
Hillsboro Spec Rd Dist Jefferson Co	Road & Bridge	24,581,687	0.1962	0.1962		24,524,300	0.1971	0.1971	48,337	
City of Arnold	General Revenue	268,725,723	0.3988	0.3973		344,389,482	0.4013	0.3973	1,368,259	
Village of Cedar Hill Lakes	General Revenue	2,030,261	0.4663	0.4663		2,014,768	0.4699	0.4699	9,467	
City of Crystal City	General Revenue	74,585,119	0.5012	0.4985		74,677,379	0.5057	0.5057	377,644	
	Parks & Recreation	74,585,119	0.1323	0.1316		74,677,379	0.1335	0.1335	99,694	
	Library	74,585,119	0.1323	0.1316		74,677,379	0.1335	0.1335	99,694	
City of De Soto	General Revenue	65,907,968	0.4339	0.4339		65,830,194	0.4375	0.4375	288,007	
	Parks & Recreation	65,907,968	0.1107	0.1107		65,830,194	0.1116	0.1116	73,466	
	Library	65,907,968	0.1847	0.1847		65,830,194	0.1862	0.1862	122,576	
City of Festus	General Revenue	155,986,819	0.1503	0.1500		159,360,798	0.1503	0.1500	239,041	
	Parks & Recreation	155,986,819	0.1102	0.1100		159,360,798	0.1102	0.1100	175,297	
	Library	155,986,819	0.1102	0.1100		159,360,798	0.1102	0.1100	175,297	
	Health	155,986,819	0.0802	0.0800		159,360,798	0.0802	0.0800	127,489	
City of Herculaneum	General Revenue	68,632,050	0.6818	0.6818		69,672,741	0.6838	0.6838	476,422	
City of Hillsboro	General Revenue	32,389,002	0.4588	0.4588		32,822,188	0.4588	0.4588	150,588	
	Parks & Recreation	32,389,002	0.0823	0.0823		32,822,188	0.0823	0.0823	27,013	
City of Kimmswick	General Revenue	2,306,252	0.4544	0.0000		2,172,487	0.4858	0.0000	0	
City of Olympian Village	General Revenue	4,355,328	0.2433	0.2433		4,287,887	0.2471	0.2471	10,595	
	Road	4,355,328	0.1264	0.1264		4,287,887	0.1284	0.1284	5,506	
Village of Parkdale	General Revenue	1,455,886	0.0966	0.0966		1,471,701	0.0967	0.0967	1,423	
City of Pevely	General Revenue	98,702,749	0.7950	0.7950		96,085,144	0.8246	0.8246	792,318	
Village of Scotsdale	General Revenue	2,744,503	0.3310	0.3310		2,762,511	0.3343	0.3343	9,235	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Jefferson</u></b>									
City of Byrnes Mill	General Revenue	35,204,549	0.4125	0.4096	35,299,342	0.4140	0.4096	144,586	
Village of Lake Tekakwitha	General Revenue	1,738,970	0.5000	0.5000	1,724,390	0.5000	0.5000	8,622	
Village of Peaceful Village	General Revenue	390,761	0.0000	0.0000	542,481	0.0000	0.0000	0	
Northwest Library Subdistrict	General Revenue	576,106,555	0.1887	0.1887	574,476,706	0.1900	0.1900	1,091,506	
Windsor-Fox Library Subdistrict	General Revenue	1,090,496,052	0.1740	0.1740	1,090,863,592	0.1748	0.1748	1,906,830	
Antonia Fire Protection District	General Revenue	189,779,116	0.8642	0.8121	190,018,027	1.0796	1.0133	1,925,453	B
	Pension	189,779,116	0.0453	0.0453	190,018,027	0.0455	0.0455	86,458	
	Dispatch	189,779,116	0.0271	0.0271	190,018,027	0.0272	0.0272	51,685	
	Debt Service	189,779,116	0.1871	0.1871	190,018,027	0.1621	0.0000	0	
Cedar Hill Fire Protection District	General Revenue	161,074,360	0.8172	0.8172	159,707,145	0.8264	0.8264	1,319,820	
	Pension	161,074,360	0.0466	0.0466	159,707,145	0.0471	0.0471	75,222	
Dunklin Fire Protection District	General Revenue	159,169,436	0.6675	0.6675	158,416,616	0.6675	0.6675	1,057,431	
	Pension	159,169,436	0.0481	0.0481	158,416,616	0.0489	0.0489	77,466	
Goldman Fire Protection District	General Revenue	58,100,576	0.8903	0.8903	57,982,915	0.8903	0.8903	516,222	
	Dispatch	58,100,576	0.0474	0.0474	57,982,915	0.0476	0.0476	27,600	
Hematite Fire Protection District	General Revenue	68,037,679	0.4722	0.4722	66,281,559	0.4853	0.4853	321,664	
High Ridge Fire Protection District	General Revenue	399,233,212	0.7791	0.6311	399,746,129	0.7819	0.6196	2,476,827	
	Pension	399,233,212	0.0752	0.0752	399,746,129	0.0755	0.0755	301,808	
	Dispatch	399,233,212	0.0469	0.0469	399,746,129	0.0471	0.0471	188,280	
	Debt Service	399,233,212	0.0921	0.0921	399,746,129	0.0939	0.0939	375,362	
Hillsboro Fire Protection District	General Revenue	121,390,122	0.6412	0.6412	121,971,780	0.6424	0.6424	783,547	
Jefferson R7 Fire Prot Dist	General Revenue	183,726,069	0.2500	0.2500	177,632,203	0.3203	0.3203	568,956	B
	Fire-Temporary	183,726,069	0.0500	0.0500	177,632,203	0.0500	0.0500	88,816	2014
Rock Community Fire Prot Dist	General Revenue	714,432,576	0.7781	0.5730	713,478,281	0.7826	0.5676	4,049,703	
	Pension	714,432,576	0.0928	0.0928	713,478,281	0.0933	0.0933	665,675	
	Communications	714,432,576	0.0457	0.0457	713,478,281	0.0460	0.0460	328,200	
De Soto Rural Fire Protection Dist	General Revenue	189,238,619	0.6591	0.6591	190,471,681	0.6603	0.6603	1,257,685	
Mapaville Fire Protection District	General Revenue	50,356,155	0.5136	0.5136	51,285,634	0.5136	0.5136	263,403	
Saline Valley Fire Protection Dist	General Revenue	224,823,631	1.2100	1.2100	225,150,412	1.2100	1.2100	2,724,320	
	Pension	224,823,631	0.0900	0.0900	225,150,412	0.0900	0.0900	202,635	
	Dispatch	224,823,631	0.0400	0.0400	225,150,412	0.0400	0.0400	90,060	
Jefferson County Health Department	General Revenue	2,974,868,822	0.0742	0.0742	2,971,071,571	0.0747	0.0747	2,219,390	
Jefferson College	General Revenue	2,916,247,541	0.3362	0.3362	2,910,507,578	0.3386	0.3386	9,854,979	
Northwest R-I School District	Operating Funds-Schools	543,218,111	3.9756	3.9515	E 542,273,249	3.9639	3.9639	21,495,169	E
	Debt Service	543,218,111	0.4895	0.4895	542,273,249	0.5395	0.5395	2,925,564	
Grandview R-II School District	Operating Funds-Schools	49,624,658	3.2727	3.2727	E 49,849,323	3.2758	3.2758	1,632,964	E
	Debt Service	49,624,658	1.8420	1.5120	49,849,323	1.5401	1.5120	753,722	
Hillsboro R-III School District	Operating Funds-Schools	239,924,165	3.6528	3.6397	E 242,282,008	3.7610	3.7610	9,112,226	E
	Debt Service	239,924,165	1.1125	0.9493	242,282,008	0.9994	0.9493	2,299,983	
Dunklin R-V School District	Operating Funds-Schools	159,778,763	3.6777	3.6777	E 158,188,741	3.7522	3.7522	5,935,558	E
	Debt Service	159,778,763	0.8129	0.6700	159,528,411	0.8409	0.6700	1,068,840	
Festus R-VI School District	Operating Funds-Schools	240,503,134	2.7500	2.7500	E 239,451,715	2.7500	2.7500	6,584,922	E
	Debt Service	240,503,134	1.0509	0.9900	239,451,715	1.0249	0.9900	2,370,572	
Jefferson Co R-VII School District	Operating Funds-Schools	181,678,695	3.7109	3.6943	E 175,712,567	3.8203	3.8203	6,712,747	E
	Debt Service	181,678,695	0.8664	0.6841	175,712,567	0.7764	0.7764	1,364,232	
Sunrise R-IX School District	Operating Funds-Schools	33,224,531	3.0448	3.0448	E 33,792,453	3.0280	3.0280	1,023,235	E
	Debt Service	33,224,531	1.3062	0.9300	33,792,453	1.0325	0.9300	314,270	
Windsor C-1 School District	Operating Funds-Schools	206,000,125	3.5553	3.5553	E 206,958,198	3.5386	3.5386	7,323,423	E
	Debt Service	205,650,075	1.8054	1.2523	206,958,198	1.4884	1.2523	2,591,738	
Fox C-6 School District	Operating Funds-Schools	844,191,909	4.2744	4.2744	E 842,613,225	4.2873	4.2873	36,125,357	E

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Jefferson</u></b>										
Fox C-6 School District	Debt Service	844,191,909	0.3731	0.3300		842,613,225	0.3411	0.3300	2,780,624	
Crystal City 47 School District	Operating Funds-Schools	58,282,950	3.9537	3.9416	E	56,836,417	4.0558	3.9416	2,240,264	E
	Debt Service	58,282,950	0.9680	0.8000		56,836,417	0.9519	0.8000	454,691	
DeSoto 73 School District	Operating Funds-Schools	181,511,328	3.4655	3.4655	E	181,670,194	3.4552	3.4552	6,277,069	E
	Debt Service	181,511,328	0.9229	0.6804		181,670,194	0.7802	0.6907	1,254,796	
Jefferson County	General Revenue	2,974,868,822	0.1857	0.0330		2,971,071,571	0.1870	0.0315	935,888	
	Parks & Recreation	2,974,868,822	0.0279	0.0279		2,971,071,571	0.0281	0.0279	828,929	
	Road & Bridge	2,456,880,363	0.2115	0.2115		2,452,520,923	0.2129	0.2115	5,187,082	
	Developmentally Disabled	2,974,868,822	0.0929	0.0929		2,971,071,571	0.0935	0.0935	2,777,952	
	Mental Health	2,974,868,822	0.0929	0.0929		2,971,071,571	0.0935	0.0935	2,777,952	
<b><u>Johnson</u></b>										
Johnson County Ambulance District	General Revenue	534,106,981	0.2987	0.2987		534,429,372	0.3000	0.3000	1,603,288	
Western Missouri Medical Center	General Revenue	540,063,444	0.1496	0.1496		540,364,599	0.1508	0.1497	808,926	
South Fork of Blackwater Watershed	General Revenue	38,347,698	0.1000	0.1000		38,802,599	0.1000	0.1000	38,803	
City of Centerview	General Revenue	1,275,802	0.9000	0.9000		1,254,512	0.9000	0.9000	11,291	
City of Chilhowee	General Revenue	1,372,336	1.0000	1.0000		1,398,728	0.9999	0.9999	13,986	
City of Holden	General Revenue	17,239,237	0.7403	0.7376		17,291,854	0.7412	0.7376	127,545	
	Debt Service	17,239,237	0.1852	0.1186		17,291,854	0.1921	0.1186	20,508	
City of Kingsville	General Revenue	5,052,184	0.7500	0.7500		5,263,065	0.7500	0.7500	39,473	
City of Knob Noster	General Revenue	21,074,231	0.6716	0.6716		21,018,361	0.6796	0.6796	142,841	
	Fire	21,074,231	0.3000	0.3000		21,018,361	0.3000	0.3000	63,055	2012
City of Leeton	General Revenue	3,182,063	0.8880	0.8880		3,165,436	0.8957	0.8957	28,353	
City of Warrensburg	General Revenue	192,375,712	0.3515	0.3515		192,151,970	0.3594	0.3594	690,594	
	Parks & Recreation	192,375,712	0.1909	0.1909		192,151,970	0.1952	0.1952	375,081	
Trails Consolidated Library	General Revenue	894,175,385	0.2618	0.2618		893,618,216	0.2636	0.2636	2,355,578	
Fire District #2 of Johnson County	General Revenue	108,252,812	0.3662	0.3662		108,915,138	0.3671	0.3669	399,610	
Johnson County Fire Prot Dist	General Revenue	193,991,755	0.3590	0.3590		193,911,562	0.3590	0.3590	696,143	
	Debt Service	193,991,755	0.2563	0.1800		193,911,562	0.2425	0.1800	349,041	
Johnson County Community Health	General Revenue	540,063,444	0.1000	0.1000		540,364,599	0.1000	0.1000	540,365	
Kingsville R-I School District	Operating Funds-Schools	22,391,224	3.7500	3.7500	E	22,404,044	3.7500	3.7500	840,152	E
	Debt Service	22,391,224	1.5034	1.0662		22,404,044	1.3276	1.0662	238,872	
Holden R-III School District	Operating Funds-Schools	87,711,593	3.7500	3.7500	E	87,343,884	3.7500	3.7500	3,275,396	E
	Debt Service	87,711,593	0.8432	0.8400		87,343,884	0.9404	0.8400	733,689	
Chilhowee R-IV School District	Operating Funds-Schools	8,829,438	5.5552	5.5552	E	8,725,672	5.6106	5.5552	484,729	E
Johnson Co R-VII School District	Operating Funds-Schools	35,137,098	3.4123	3.4123	E	34,905,557	3.5499	3.5499	1,239,112	E
	Debt Service	35,137,098	0.9335	0.8000		34,905,557	1.7820	0.8000	279,244	
Knob Noster R-VIII School District	Operating Funds-Schools	55,346,151	2.7500	2.7500	E	54,914,259	2.7500	2.7500	1,510,142	E
Leeton R-X School District	Operating Funds-Schools	15,162,259	4.1100	4.0969	E	15,066,023	4.1100	4.1100	619,214	E
	Debt Service	15,162,259	1.3164	0.8600		15,066,023	1.0754	0.8600	129,568	
Warrensburg R-VI School District	Operating Funds-Schools	256,745,346	3.6970	3.6970	E	256,330,120	3.7208	3.7208	9,537,531	E
	Debt Service	256,745,346	0.8330	0.7200		256,330,120	0.7676	0.7200	1,845,577	
Johnson County	General Revenue	540,063,444	0.3275	0.1300		540,364,599	0.3301	0.1300	702,474	
	Road & Bridge	540,063,444	0.2415	0.2415		540,364,599	0.2434	0.2434	1,315,247	
	Senate Bill 40	540,063,444	0.1195	0.1194		540,364,599	0.1200	0.1200	648,438	
<b><u>Knox</u></b>										
Knox County Ambulance District	General Revenue	60,505,303	0.3500	0.3500		70,817,071	0.3442	0.3442	243,752	
	Dispatch	60,505,303	0.0300	0.0300		70,817,071	0.0295	0.0295	20,891	
Knox County Nursing Home District	General Revenue	59,572,129	0.3000	0.3000		69,627,825	0.2971	0.2971	206,864	
City of Baring	General Revenue	611,566	1.0000	0.8912		912,881	0.8913	0.8913	8,137	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Knox</u></b>									
City of Edina	General Revenue	9,253,437	0.7500	0.7500	10,260,090	0.7500	0.7500	76,951	
	Lights	9,253,437	0.1500	0.1500	10,260,090	0.1427	0.1427	14,641	
City of Hurdland	General Revenue	700,246	0.9497	0.7988	892,404	0.8018	0.8018	7,155	
	Fire	700,246	0.3500	0.2955	892,404	0.2966	0.2966	2,647	
	Debt Service	700,246	0.8608	0.8608	892,404	0.5889	0.5889	5,255	
City of Knox City	General Revenue	1,144,337	1.0000	0.9867	1,319,737	0.9928	0.9900	13,065	
	Streets	1,144,337	0.2500	0.2500	**	**	**		2011
	Streets	**	**	**	1,319,737	0.2500	0.2500	3,299	A 2015
Village of Newark	General Revenue	434,913	0.6698	0.6698	560,135	0.5315	0.5315	2,977	
Village of Novelty	General Revenue	647,511	1.0000	1.0000	673,263	1.0000	1.0000	6,733	
	Streets	647,511	0.3000	0.3000	**	**	**		2011
	Streets	**	**	**	673,263	0.2577	0.2500	1,683	A 2015
Knox County Library	General Revenue	60,505,303	0.1000	0.1000	70,817,071	0.0983	0.0983	69,613	
Knox County Health Department	General Revenue	60,505,303	0.1000	0.1000	70,817,071	0.0983	0.0983	69,613	
Knox Co R-I School District	Operating Funds-Schools	60,371,883	3.6045	3.6045	E 60,247,887	3.6524	3.6045	2,171,635	E
	Debt Service	60,368,883	0.2196	0.2000	60,247,887	0.2539	0.2000	120,496	
Knox County	General Revenue	60,505,303	0.3341	0.2899	70,817,071	0.4281	0.2635	186,603	
	Road & Bridge	60,505,303	0.3409	0.3409	70,817,071	0.3105	0.3105	219,887	
	Special Road and Bridge	60,505,303	0.3500	0.3500	70,817,071	0.3500	0.3500	247,860	2013
<b><u>Laclede</u></b>									
Lebanon Spec Rd Dist #1 Laclede Co	Special Road and Bridge	245,601,066	0.1949	0.1949	248,890,304	0.1953	0.1953	486,083	2013
	Rd & Bridge (County)	245,601,066	0.3270	0.3270	248,890,304	0.3277	0.3277	815,614	
Phillipsburg Spec Rd #3 Laclede Co	Road & Bridge	13,925,213	0.2765	0.2765	14,255,474	0.2765	0.2765	39,416	
	Special Road and Bridge	13,925,213	0.2300	0.2300	14,255,474	0.2300	0.2300	32,788	2013
Laclede County Road District	Road & Bridge	110,955,208	0.2457	0.0000	113,397,694	0.2450	0.0000	0	
Conway Spec Road Dist #2 Laclede Co	Road & Bridge	10,269,858	0.2491	0.2491	10,983,009	0.2420	0.2420	26,579	
	Special Road and Bridge	10,269,858	0.3500	0.3500	**	**	**		2011
	Special Road and Bridge	**	**	**	10,983,009	0.3591	0.3591	39,440	A 2015
City of Conway	General Revenue	4,307,139	0.0000	0.0000	4,549,903	0.0000	0.0000	0	
City of Lebanon	General Revenue	188,124,640	0.2595	0.2551	190,755,642	0.2595	0.2551	486,618	
	Parks & Recreation	188,124,640	0.2595	0.2551	190,755,642	0.2595	0.2551	486,618	
Village of Phillipsburg	General Revenue	1,197,362	0.4620	0.4620	1,263,107	0.4663	0.4663	5,890	
Village of Evergreen	Building Maint.	1,159,336	0.2511	0.2511	1,173,267	0.2511	0.2511	2,946	2013
	Fire Equipment Maint.	1,159,336	0.2511	0.2511	1,173,267	0.2511	0.2511	2,946	2013
	Fire Truck #1 Maint.	1,159,336	0.2511	0.2511	1,173,267	0.2511	0.2511	2,946	2013
	Fire Truck #2 Maint.	1,159,336	0.2511	0.2511	1,173,267	0.2511	0.2511	2,946	2013
	Police Vehicle #2 Maint.	1,159,336	0.2511	0.2511	1,173,267	0.2511	0.2511	2,946	2013
	Police Vehilce #1 Maint.	1,159,336	0.2511	0.2511	1,173,267	0.2511	0.2511	2,946	2013
Lebanon-Laclede County Library	General Revenue	383,898,661	0.1342	0.1342	387,976,367	0.1350	0.1350	523,768	
Lebanon Rural Fire Protection Dist	General Revenue	101,795,629	0.1869	0.1869	103,683,463	0.1870	0.1870	193,888	
Bennett Spring Fire Protection Dist	General Revenue	9,665,212	0.2996	0.2996	9,740,363	0.3000	0.3000	29,221	
Competition Fire Protection Dist	General Revenue	9,340,233	0.3000	0.3000	9,465,072	0.3000	0.3000	28,395	
Nebo-Falcon Fire Protection Dist	General Revenue	10,754,644	0.3000	0.3000	10,907,069	0.3000	0.3000	32,721	
Lebanon Special Business District	General Revenue	3,825,660	0.6746	0.6746	3,818,940	0.6758	0.6758	25,808	
Laclede County Health Department	General Revenue	383,898,661	0.1000	0.1000	387,976,367	0.1000	0.1000	387,976	
Laclede Co. R-I School District	Operating Funds-Schools	31,977,584	2.7500	2.7500	F 32,832,285	2.7500	2.7500	902,888	F
Gasconade C-4 School District	Operating Funds-Schools	8,097,842	3.4475	3.4475	E 8,386,675	3.4688	3.4688	290,917	E
Lebanon R-III School District	Operating Funds-Schools	282,924,912	2.7500	2.7500	F 287,085,368	2.7500	2.7500	7,894,848	F
	Debt Service	282,924,912	0.4953	0.4700	287,085,368	0.5233	0.4700	1,349,301	
Laclede Co C-5 School District	Operating Funds-Schools	26,706,423	3.3000	3.3000	E 27,378,813	3.2719	3.2719	895,807	E

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Laclede</u></b>									
Laclede County	General Revenue	383,898,661	0.2995	0.1311	387,976,367	0.3012	0.1001	388,364	
	Senate Bill 40	383,898,661	0.0668	0.0664	387,976,367	0.0672	0.0672	260,720	
	Senate Bill 40-LEEP	383,898,661	0.0659	0.0655	387,976,367	0.0663	0.0655	254,125	
<b><u>Lafayette</u></b>									
Little Sni A Bar Watershed Sub Dist	General Revenue	6,722,549	0.0861	0.0861	6,779,950	0.0861	0.0861	5,838	
Tabo Creek Watershed Sub District	General Revenue	15,610,215	0.0775	0.0775	15,688,229	0.0775	0.0775	12,158	
Wellington Napoleon Sub District	General Revenue	4,431,212	0.0826	0.0826	4,452,702	0.0838	0.0838	3,731	
Alma Spec Road Dist Lafayette Co	Special Road and Bridge	12,371,429	0.2701	0.2701	12,359,422	0.2717	0.2717	33,581	2012
Corder Spec Rd Dist Lafayette Co	Special Road and Bridge	9,914,222	0.2725	0.2725	9,800,214	0.2757	0.2757	27,019	2012
Concordia Spec Rd Dist Lafayette Co	Special Road and Bridge	41,703,930	0.3300	0.3300	41,902,578	0.3300	0.3300	138,279	2012
Dover Spec Rd Dist Lafayette Co	Special Road and Bridge	8,949,878	0.3254	0.3254	**	**	**		2011
	Special Road and Bridge	**	**	**	9,238,170	0.3507	0.3507	32,398	A 2015
Higginsville Road Dist Lafayette Co	Special Road and Bridge	54,951,879	0.2400	0.2400	**	**	**		2011
	Special Road and Bridge	**	**	**	55,029,930	0.3630	0.3630	199,759	A 2015
Mayview Spec Rd Dist Lafayette Co	Special Road and Bridge	12,226,311	0.3498	0.3498	12,255,908	0.3498	0.3498	42,871	2013
Odessa Spec Rd Dist Lafayette Co	Special Road and Bridge	99,050,058	0.2553	0.2553	A 99,574,360	0.2553	0.2400	238,978	2014
Waverly Spec Rd Dist Lafayette Co	Special Road and Bridge	16,863,742	0.2800	0.2800	A 17,092,567	0.2800	0.2800	47,859	2014
Wellington Napoleon Rd Lafayette Co	Special Road and Bridge	24,993,888	0.3500	0.3500	A 25,134,057	0.3500	0.3500	87,969	2013
City of Alma	General Revenue	3,897,904	0.5234	0.5234	3,982,588	0.5234	0.5234	20,845	
	General Revenue-Temp	3,897,904	0.3000	0.3000	3,982,588	0.3000	0.3000	11,948	2013
Village of Aullville	General Revenue	599,626	0.4336	0.4335	573,944	0.4530	0.4530	2,600	
City of Bates City	General Revenue	4,286,096	0.2903	0.2903	4,342,818	0.2926	0.2926	12,707	
City of Concordia	General Revenue	26,124,781	0.5521	0.5521	26,124,212	0.5525	0.5525	144,336	
City of Corder	General Revenue	2,726,342	0.5910	0.5910	2,695,205	0.5982	0.5982	16,123	
	Parks & Recreation	2,726,342	0.1455	0.1455	2,695,205	0.1473	0.1473	3,970	
Village of Dover	General Revenue	627,362	0.2856	0.2856	706,056	0.2970	0.2970	2,097	
City of Higginsville	General Revenue	39,375,803	0.4477	0.4477	39,436,786	0.4534	0.4534	178,806	
	Parks & Recreation	39,375,803	0.3564	0.3564	39,436,786	0.3610	0.3610	142,367	
	Library	30,261,201	0.1900	0.1900	31,842,821	0.1877	0.1877	59,769	
City of Lexington	General Revenue	40,895,900	0.5486	0.5486	39,987,761	0.5620	0.5620	224,731	
	Parks & Recreation	40,895,900	0.2787	0.2787	39,987,761	0.2855	0.2855	114,165	
	Health	40,895,900	0.1487	0.1487	39,987,761	0.1523	0.1523	60,901	
City of Mayview	General Revenue	1,372,936	0.6475	0.6475	1,287,778	0.6903	0.6903	8,890	
City of Napoleon	General Revenue	2,071,961	0.8118	0.8118	2,137,851	0.8118	0.8118	17,355	
City of Odessa	General Revenue	48,186,293	0.5703	0.5703	48,571,813	0.5760	0.5760	279,774	
	Parks & Recreation	48,186,293	0.1506	0.1506	48,571,813	0.1521	0.1521	73,878	
City of Waverly	General Revenue	7,118,619	0.5167	0.5142	7,358,124	0.5371	0.5371	39,520	
	Streets	7,118,619	0.2086	0.2076	7,358,124	0.2168	0.2168	15,952	
City of Wellington	General Revenue	5,916,596	0.4999	0.4999	6,087,586	0.5092	0.5092	30,998	
City of Lake Lafayette	General Revenue	1,767,116	1.0000	1.0000	1,763,649	1.0000	1.0000	17,636	
	Streets	1,767,116	0.7388	0.0000	A 1,763,649	0.7388	0.0000	0	
Corder Fire Protection District	General Revenue	16,347,330	0.3049	0.3049	16,436,285	0.3060	0.3060	50,295	
Sni Valley Fire Protection District	General Revenue	165,498,994	0.5023	0.5023	168,267,344	0.5023	0.5023	845,207	
	Dispatch	165,498,994	0.0300	0.0300	168,267,344	0.0300	0.0300	50,480	
	Fire and Ambulance	165,498,994	0.1500	0.1500	168,267,344	0.1500	0.1500	252,401	
	Debt Service	165,498,994	0.1424	0.1424	168,267,344	0.1454	0.1454	244,661	
Concordia Fire Protection District	General Revenue	51,231,738	0.2745	0.2745	51,284,054	0.2748	0.2748	140,929	
Alma Fire Protection District	General Revenue	15,807,212	0.4235	0.4235	15,625,757	0.4297	0.4297	67,144	
Wellington-Napoleon Fire Prot Dist	General Revenue	26,887,985	0.2642	0.2642	27,162,237	0.2642	0.2642	71,763	
	Ambulance	26,887,985	0.3492	0.3492	27,162,237	0.3492	0.3492	94,851	

## APPENDIX VII

## 2012 PROPERTY TAX RATES

## LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Lafayette</u></b>										
Odessa Fire Protection District	General Revenue	94,927,037	0.4700	0.4700		95,181,890	0.4700	0.4700	447,355	
Wellington-Napoleon R-IX Reg Rec Ds	Parks & Recreation	24,961,534	0.1991	0.1991		24,725,203	0.2000	0.2000	49,450	
Lafayette County Health Department	General Revenue	384,388,110	0.0731	0.0731		385,096,438	0.0732	0.0732	281,891	
Concordia R-II School District	Operating Funds-Schools	45,124,804	3.9488	3.9488	E	45,076,590	3.9660	3.9605	1,785,258	E
	Debt Service	45,124,804	0.4093	0.4093		45,076,590	0.5470	0.4100	184,814	
Lafayette Co C-1 School District	Operating Funds-Schools	64,458,681	3.8862	3.8862	BE	64,091,914	3.8862	3.8862	2,490,740	E
	Debt Service	64,458,681	1.6114	1.0000		64,091,914	1.5826	1.0000	640,919	
Odessa R-VII School District	Operating Funds-Schools	121,508,025	3.8817	3.7113	E	121,313,472	3.8011	3.7889	4,596,446	E
	Debt Service	121,508,025	2.4320	1.1512		121,313,472	2.0509	1.1512	1,396,561	
Santa Fe R-X School District	Operating Funds-Schools	28,797,924	4.5420	4.5420	E	29,378,139	4.4010	4.3510	1,278,243	E
	Debt Service	28,797,924	0.9076	0.5498		29,378,139	0.8006	0.6000	176,269	
Wellington-Napoleon R-IX Sch Dist	Operating Funds-Schools	24,960,714	3.7890	3.7890	E	24,726,370	3.7039	3.7039	915,840	E
	Debt Service	24,960,714	0.7934	0.7500		24,726,370	1.1990	0.8351	206,490	
Lexington R-V School District	Operating Funds-Schools	53,598,214	3.5706	3.5706	E	52,740,089	4.4125	4.2701	2,252,055	BE
	Debt Service	53,598,214	1.8309	0.9300		52,740,089	1.8492	0.9300	490,483	
Lafayette County	General Revenue	384,388,110	0.2924	0.1900		385,096,438	0.2928	0.1900	731,683	
	Johnson Grass	384,388,110	0.0101	0.0101		385,096,438	0.0101	0.0101	38,895	
	Road & Bridge	384,388,110	0.2193	0.2193		385,096,438	0.2196	0.2196	845,672	
	Common Road District	469,880	0.2999	0.2999		438,550	0.3000	0.3000	1,316	2012
	Senate Bill 40	384,388,110	0.0641	0.0641		385,096,438	0.0642	0.0642	247,232	
	2-W Common Rd Dist	32,063,213	0.3300	0.3300		32,279,429	0.3300	0.3300	106,522	2012
	I-E Common Road Dist	14,073,643	0.3500	0.3500		**	**	**		2011
	I-E Common Road Dist	**	**	**		13,595,300	0.3740	0.3740	50,846	A 2015
<b><u>Lawrence</u></b>										
Mt Vernon Ambulance District	General Revenue	148,452,341	0.1407	0.1407		151,406,494	0.1424	0.1424	215,603	
Lawrence County Nursing Home Dist	General Revenue	414,971,492	0.1088	0.1088		418,253,009	0.1093	0.1093	457,151	
Aurora Spec Road Dist Lawrence Co	Special Road and Bridge	100,423,778	0.1694	0.1694		101,446,803	0.1700	0.1700	172,460	2012
Buck Prairie Sp Rd Dist Lawrence Co	Special Road and Bridge	35,639,663	0.3100	0.3100		36,080,952	0.3100	0.3100	111,851	2013
Freistatt Spec Rd Dist Lawrence Co	Special Road and Bridge	7,977,177	0.3538	0.3500	A	8,151,304	0.3538	0.3500	28,530	2014
Green Benefit Spec Rd Lawrence Co	Special Road and Bridge	7,083,048	0.2200	0.2200		7,014,262	0.2200	0.2200	15,431	2012
Midway Benefit Spec Rd Lawrence Co	Special Road and Bridge	2,145,561	0.2400	0.2400		2,209,017	0.2400	0.2400	5,302	2013
Miller Benefit Spec Rd Lawrence Co	Special Road and Bridge	19,808,803	0.1900	0.1900		20,057,951	0.1900	0.1900	38,110	2013
Mt Pleasant Benefit SRD Lawrence Co	Special Road and Bridge	4,205,949	0.2000	0.2000		4,189,959	0.2000	0.2000	8,380	2013
Mt Vernon Benefit Sp Rd Lawrence Co	Special Road and Bridge	95,080,600	0.1600	0.1600		97,095,386	0.1600	0.1600	155,353	2013
Pierce Benefit SRD Lawrence Co	Special Road and Bridge	23,876,326	0.1885	0.1885		24,601,825	0.1885	0.1885	46,374	2012
Red Oak Benefit Sp Rd Lawrence Co	Special Road and Bridge	4,750,218	0.2000	0.2000		4,700,582	0.2000	0.2000	9,401	2013
Verona Benefit SRD Lawrence Co	Special Road and Bridge	30,592,337	0.1891	0.1891		27,795,222	0.1900	0.1900	52,811	2013
Vineyard Benefit Sp Rd Lawrence Co	Special Road and Bridge	3,924,412	0.2200	0.2200		3,995,184	0.2200	0.2200	8,789	2012
City of Aurora	General Revenue	72,807,112	0.3687	0.3687		73,501,739	0.3721	0.3721	273,500	
	Parks & Recreation	72,807,112	0.1435	0.1435		73,501,739	0.1448	0.1448	106,431	
Village of Freistatt	General Revenue	1,114,349	0.2589	0.2589		1,148,590	0.2589	0.2589	2,974	
City of Marionville	General Revenue	15,607,785	0.6008	0.5978		15,801,121	0.6008	0.5978	94,459	
City of Miller	General Revenue	4,338,951	1.0000	1.0000		4,417,225	1.0000	1.0000	44,172	
City of Pierce City	General Revenue	9,150,632	0.4700	0.4700		9,381,842	0.4700	0.4700	44,095	
	Parks & Recreation	9,150,632	0.1200	0.1200		9,381,842	0.1200	0.1200	11,258	
	Fire	9,150,632	0.1200	0.1200		9,381,842	0.1200	0.1200	11,258	
City of Stotts City	General Revenue	913,325	0.5060	0.5060		936,784	0.5084	0.5084	4,763	
City of Verona	General Revenue	12,336,940	0.7581	0.7581		7,940,500	0.8337	0.7581	60,197	
Miller R-II School District	Operating Funds-Schools	42,858,718	3.4770	3.4770	E	43,227,188	3.5157	3.3300	1,439,465	E
	Operating Funds-Temp	42,858,718	0.4591	0.4591		43,227,188	0.4629	0.0000	0	2026

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Lawrence</u></b>										
Miller R-II School District	Debt Service	**	**	**		43,227,188	0.6655	0.6600	285,299	
Pierce City R-VI School District	Operating Funds-Schools	35,464,915	2.7500	2.7500	F	36,647,027	2.7500	2.7500	1,007,793	F
	Debt Service	35,464,915	1.3811	0.7900		36,647,027	1.2766	0.7900	289,512	
Marionville R-IX School District	Operating Funds-Schools	35,917,626	2.9925	2.7500	F	36,466,536	2.9971	2.7500	1,002,830	F
	Debt Service	35,917,626	1.1606	0.9800		36,466,536	1.0397	0.9800	357,372	
Mt. Vernon R-V School District	Operating Funds-Schools	103,891,532	2.7500	2.7500	E	104,908,219	2.7500	2.7500	2,884,976	E
	Debt Service	103,891,532	1.4111	0.5700		104,908,219	1.0718	0.5700	597,977	
Aurora R-VIII School District	Operating Funds-Schools	104,752,513	2.1688	2.1688	F	108,785,818	2.1419	2.1419	2,330,083	F
	Operating Funds-Temp	104,752,513	0.4011	0.4011		108,785,818	0.4011	0.4011	436,340	2024
	Debt Service	104,752,513	1.3575	1.1750		108,785,818	1.2135	1.0500	1,142,251	
Verona R-VII School District	Operating Funds-Schools	27,586,149	3.0890	3.0000	E	24,605,198	3.4524	3.0000	738,156	E
	Debt Service	27,586,149	1.3721	0.9500		24,605,198	1.4197	0.9500	233,749	
Lawrence County	General Revenue	414,971,492	0.2873	0.1439		418,253,009	0.2886	0.1318	551,257	
	Road & Bridge	414,971,492	0.0700	0.0700		418,253,009	0.0703	0.0703	294,032	
	Developmentally Disabled	414,971,492	0.0893	0.0893		418,253,009	0.0897	0.0893	373,500	
	Senior Services	414,971,492	0.0491	0.0491		418,253,009	0.0493	0.0491	205,362	
	Common I Road District	31,293,588	0.1982	0.1982		31,689,794	0.2000	0.2000	63,380	2013
	Common II Road District	10,978,206	0.2100	0.2100		11,419,459	0.2100	0.2100	23,981	2013
<b><u>Lewis</u></b>										
Lewis County Ambulance District	General Revenue	108,767,886	0.2430	0.2430		113,638,515	0.2430	0.1280	145,457	
Lewis County Nursing Home	General Revenue	108,767,886	0.1458	0.1458		113,638,515	0.1458	0.1458	165,685	
Buck & Doe Run Creeks Sub District	General Revenue	3,935,950	0.2391	0.2391		4,036,620	0.2391	0.2391	9,652	
Durgens Creek Watershed Sub Dist	General Revenue	2,711,480	0.3808	0.3808		2,748,420	0.3820	0.3820	10,499	
Troublesome Watershed Sub District	General Revenue	9,958,889	0.3752	0.3752		9,961,873	0.3770	0.3770	37,556	
Grassey Creek Watershed Sub Dist	General Revenue	6,380,080	0.4000	0.4000		6,544,020	0.4000	0.4000	26,176	
Canton Spec Rd Dist Lewis Co	Road & Bridge	28,153,620	0.2415	0.2415		28,943,741	0.2415	0.2415	69,899	
Dickerson Spec Road Dist Lewis Co	Road & Bridge	859,031	0.3249	0.3249		880,431	0.3263	0.3263	2,873	
La Grange Spec Rd Dist Lewis Co	Road & Bridge	17,963,702	0.3488	0.3200		17,684,280	0.3500	0.3200	56,590	
City of Canton	General Revenue	17,551,109	0.6838	0.6838		17,844,434	0.6855	0.6855	122,324	
	Parks & Recreation	17,551,109	0.1904	0.1904		17,844,434	0.1909	0.1909	34,065	
	Library	17,551,109	0.2380	0.2380		17,844,434	0.2386	0.2386	42,577	
	Levee	17,551,109	0.1904	0.1904		17,844,434	0.1909	0.1909	34,065	
City of Ewing	General Revenue	2,825,697	0.6403	0.6400		3,343,866	0.5958	0.5958	19,923	
City of La Belle	General Revenue	3,913,823	0.7621	0.7621		3,915,751	0.7674	0.7674	30,049	
	Streets	3,913,823	0.0969	0.0969		3,915,751	0.0976	0.0976	3,822	2012
	Streets-Temp	3,913,823	0.3394	0.3394		**	**	**		2011
	Streets-Temp	**	**	**		3,915,751	0.3630	0.3630	14,214	A 2015
City of La Grange	General Revenue	11,373,055	0.5417	0.4900		10,541,979	0.5500	0.4900	51,656	
	Streets	11,373,055	0.2985	0.2700		10,541,979	0.3000	0.2700	28,463	
	Cemetery	11,373,055	0.1437	0.1300		10,541,979	0.1500	0.1300	13,705	
City of Lewistown	General Revenue	3,868,466	0.6700	0.6700		3,970,450	0.6728	0.6728	26,713	
	Debt Service	3,868,466	0.2740	0.2740		3,970,450	0.2594	0.2594	10,299	
Village of Monticello	General Revenue	938,582	0.6145	0.6145		969,466	0.6168	0.6168	5,980	
Lewis County Library	General Revenue	91,050,857	0.0974	0.0974		95,687,233	0.0974	0.0974	93,199	
Canton R-V Fire Protection District	General Revenue	43,112,366	0.2412	0.2412		45,648,980	0.2412	0.2412	110,105	
	Debt Service	43,112,366	0.1066	0.1066		45,648,980	0.1006	0.1006	45,923	
Ewing-Maywood R-4 Fire Prot Dist	General Revenue	23,018,810	0.4352	0.4352		25,415,408	0.4352	0.4352	110,608	
Western Lewis County FPD	General Revenue	27,200,432	0.3967	0.3967		26,062,942	0.4266	0.4266	111,185	
	Debt Service	27,200,432	0.1311	0.1311		26,062,942	0.1348	0.1348	35,133	
Lewis County Health Department	General Revenue	108,767,886	0.0973	0.0973		113,638,515	0.2573	0.2573	292,392	B



APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Lewis</u></b>										
Canton R-V School District	Operating Funds-Schools	32,526,181	3.3139	3.3139	E	34,348,500	3.2907	3.2907	1,130,306	E
	Debt Service	32,526,181	0.6378	0.5500		34,348,500	0.6928	0.5500	188,917	
Lewis Co C-1 School District	Operating Funds-Schools	67,047,731	3.4683	3.4683	E	70,046,876	3.4605	3.4605	2,423,972	E
Lewis County	General Revenue	108,766,886	0.4055	0.2744		113,638,515	0.4055	0.2940	334,097	
	Road & Bridge	61,791,536	0.2719	0.2719		66,130,063	0.2719	0.2719	179,808	
	Common Road District	61,791,536	0.2013	0.2013		66,130,063	0.2013	0.2013	133,120	2012
<b><u>Lincoln</u></b>										
Lincoln County Ambulance	General Revenue	646,386,851	0.2858	0.1386		659,775,963	0.2858	0.1437	948,098	
Clarence Cannon Memorial Sub Dist	General Revenue	9,188,706	0.2008	0.2008		9,233,001	0.2018	0.2018	18,632	
City of Elsberry	General Revenue	14,457,078	0.5180	0.5180		15,108,009	0.5180	0.5180	78,259	
	Cemetery	14,457,078	0.1554	0.1554		15,108,009	0.1554	0.1554	23,478	
City of Foley	General Revenue	816,680	0.7284	0.7284		934,027	0.7012	0.7012	6,549	
City of Hawk Point	General Revenue	4,286,248	0.3807	0.3807		4,557,892	0.3711	0.3711	16,914	
City of Moscow Mills	General Revenue	24,316,287	0.2329	0.2329		23,159,128	0.2569	0.2569	59,496	
	GR-Waterworks	24,316,287	0.4561	0.4561		23,159,128	0.5029	0.5029	116,467	
City of Old Monroe	General Revenue	2,805,079	0.4730	0.4730		3,558,054	0.3985	0.3985	14,179	
Village of Silex	General Revenue	1,118,795	0.3472	0.3472		1,918,628	0.2898	0.2898	5,560	
	Debt Service	1,118,795	1.3158	0.2400		1,918,628	0.7673	0.7673	14,722	
City of Troy	General Revenue	161,812,277	0.3372	0.1872		165,806,205	0.3372	0.1872	310,389	
City of Winfield	General Revenue	11,640,503	0.3823	0.3823		12,365,299	0.3801	0.3801	47,001	
Village of Truxton	General Revenue	299,066	0.5000	0.5000		301,495	0.4998	0.4998	1,507	
Village of Chain of Rocks	General Revenue	811,974	0.4923	0.4923		838,604	0.5000	0.5000	4,193	
Village of Fountain 'N Lakes	General Revenue	421,333	0.5000	0.5000		427,816	0.5000	0.5000	2,139	
Winfield-Foley Fire Protection Dist	General Revenue	88,084,420	0.2553	0.2553		90,030,380	0.2555	0.2555	230,028	
Lincoln County Fire Protection Dist	General Revenue	387,721,823	0.5500	0.5500		389,611,592	0.5500	0.5500	2,142,864	
Elsberry Fire Protection District	General Revenue	47,047,282	0.3000	0.3000		48,068,478	0.3000	0.3000	144,205	
Hawk Point Fire Protection District	General Revenue	36,817,919	0.2778	0.2778		39,751,827	0.2704	0.2704	107,489	
Old Monroe Fire Protection District	General Revenue	28,238,540	0.2909	0.2909		31,837,418	0.2831	0.2831	90,132	
Lincoln County Health Department	General Revenue	646,386,851	0.2000	0.2000		659,775,963	0.2000	0.2000	1,319,552	
Silex R-I School District	Operating Funds-Schools	28,062,312	3.5359	3.4959	E	29,128,559	3.4660	3.4660	1,009,596	E
	Debt Service	28,062,312	1.1556	0.7100		29,128,559	0.8106	0.7399	215,522	
Elsberry R-II School District	Operating Funds-Schools	42,399,611	2.8697	2.8697	E	43,040,949	2.8685	2.8685	1,234,630	E
	Debt Service	42,399,611	1.4716	1.2500		43,040,949	1.2781	1.2500	538,012	
Troy R-III School District	Operating Funds-Schools	413,540,208	3.6284	3.5000	B	414,233,112	3.6284	3.5000	14,498,159	
	Debt Service	413,540,208	1.6794	1.1100		414,233,112	1.5138	1.1100	4,597,988	
Winfield R-IV School District	Operating Funds-Schools	89,259,873	3.3860	3.3860	E	93,129,210	3.3141	3.3141	3,086,395	E
	Debt Service	89,259,873	1.3835	0.9000		93,129,210	0.9605	0.9500	884,727	
Lincoln County	General Revenue	646,386,851	0.3469	0.1950		659,775,963	0.3469	0.2150	1,418,518	
	Road & Bridge	646,386,851	0.2653	0.2653		659,775,963	0.2653	0.2653	1,750,386	
	Hospital	646,386,851	0.1734	0.1734		659,775,963	0.1734	0.1734	1,144,052	
	Senate Bill 40	646,386,851	0.1000	0.1000		659,775,963	0.1000	0.1000	659,776	
	Debt Service	646,386,851	0.1281	0.1281		659,775,963	0.1271	0.1271	838,575	
<b><u>Linn</u></b>										
Linn County Ambulance District	General Revenue	139,904,490	0.2865	0.0955		140,401,844	0.2875	0.0894	125,519	
East Yellow Creek Watershed	General Revenue	9,675,517	0.3672	0.3672		9,865,580	0.3672	0.3672	36,226	
Marceline Spec Rd Dist Linn Co	General Revenue	22,451,762	0.1000	0.1000		22,196,925	0.1000	0.1000	22,197	
	Road & Bridge	22,451,762	0.3566	0.3566		22,196,925	0.3610	0.3610	80,131	
Purdin Special Road Dist Linn Co	General Revenue	1,767,793	0.0000	0.0000		1,688,873	0.0000	0.0000	0	
	Road & Bridge	1,767,793	0.5000	0.5000		1,688,873	0.5000	0.5000	8,444	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Linn</u></b>										
Purdin Special Road Dist Linn Co	Special Road and Bridge	1,767,793	0.3538	0.3538	A	1,688,873	0.3538	0.3538	5,975	2014
City of Brookfield	General Revenue	36,703,908	0.8782	0.8782	B	36,586,465	0.8782	0.8782	321,302	
	Parks & Recreation	36,703,908	0.2000	0.2000		36,586,465	0.2000	0.2000	73,173	
	Library	36,703,908	0.3683	0.3683		36,586,465	0.3712	0.3712	135,809	
	Cemetery	36,703,908	0.1000	0.1000		36,586,465	0.1000	0.1000	36,586	
City of Browning	General Revenue	855,153	0.9826	0.9826		825,104	1.0000	1.0000	8,251	
City of Bucklin	General Revenue	2,969,911	0.9923	0.9923		3,024,768	0.9923	0.9923	30,015	
	Streets	2,969,911	0.4961	0.4961		3,024,768	0.4961	0.4961	15,006	
	Special Road and Bridge	2,969,911	0.6005	0.6005	A	3,024,768	0.6005	0.6005	18,164	2014
City of Laclede	General Revenue	2,029,508	0.8898	0.8898		2,118,359	0.8908	0.8908	18,870	
	Cemetery	2,029,508	0.0995	0.0995		2,118,359	0.0996	0.0996	2,110	
City of Linneus	General Revenue	1,356,079	0.6000	0.6000		1,395,983	0.5999	0.5999	8,375	
	Streets	1,356,079	0.4000	0.4000		1,395,983	0.4000	0.4000	5,584	
City of Marceline	General Revenue	21,545,891	0.4819	0.4819		21,278,810	0.4883	0.4883	103,904	
	Library	21,545,891	0.2100	0.2100		21,278,810	0.2100	0.2100	44,686	
City of Meadville	General Revenue	2,722,886	0.3959	0.3959		2,823,709	0.3959	0.3959	11,179	
City of Purdin	General Revenue	820,257	1.0000	1.0000		580,599	1.0000	1.0000	5,806	
Baker Township of Linn Co	General Revenue	3,621,497	0.0940	0.0940		3,631,710	0.0943	0.0943	3,425	
	Road & Bridge	3,621,497	0.4698	0.4698		3,631,710	0.4711	0.4711	17,109	
	Special Road and Bridge	3,621,497	0.3500	0.3500	A	3,631,710	0.3500	0.3500	12,711	2014
North Benton Township of Linn Co	General Revenue	1,867,124	0.1000	0.1000		1,836,259	0.1000	0.1000	1,836	
	Road & Bridge	1,867,124	0.5000	0.5000		1,836,259	0.5000	0.5000	9,181	
	Special Road and Bridge	1,867,124	0.3501	0.3501	A	1,836,259	0.3501	0.3501	6,429	2014
Brookfield Township of Linn Co	General Revenue	51,377,175	0.1000	0.1000		49,066,414	0.1000	0.1000	49,066	
	Road & Bridge	51,377,175	0.3789	0.3789		49,066,414	0.3988	0.3988	195,677	
Bucklin Township of Linn Co	General Revenue	8,611,006	0.0972	0.0972		9,211,139	0.0972	0.0972	8,953	
	Road & Bridge	8,611,006	0.4670	0.4670		9,211,139	0.4670	0.4670	43,016	
	Special Road and Bridge	8,611,006	0.3500	0.3500	A	9,211,139	0.3500	0.3500	32,239	2014
Clay Township of Linn Co	General Revenue	4,178,714	0.0990	0.0990		4,510,694	0.0990	0.0990	4,466	
	Road & Bridge	4,178,714	0.4945	0.4945		4,510,694	0.4945	0.4945	22,305	
	Special Road and Bridge	4,178,714	0.3516	0.3516	A	4,510,694	0.3516	0.3516	15,860	2014
Enterprise Township of Linn Co	General Revenue	1,754,602	0.0972	0.0972		1,909,989	0.0972	0.0972	1,857	
	Road & Bridge	1,754,602	0.4862	0.4862		1,909,989	0.4862	0.4862	9,286	
	Special Road and Bridge	1,754,602	0.3500	0.3500	A	1,909,989	0.3500	0.3500	6,685	2014
Grantsville Township of Linn Co	General Revenue	3,164,182	0.1000	0.1000		3,332,053	0.1000	0.1000	3,332	
	Road & Bridge	3,164,182	0.5000	0.5000		3,332,053	0.5000	0.5000	16,660	
	Special Road and Bridge	3,164,182	0.3578	0.3578	A	3,332,053	0.3578	0.3578	11,922	2014
Jackson Township of Linn Co	General Revenue	2,990,244	0.1000	0.1000		3,059,942	0.1000	0.1000	3,060	
	Road & Bridge	2,990,244	0.5000	0.5000		3,059,942	0.5000	0.5000	15,300	
	Special Road and Bridge	2,990,244	0.3518	0.3518	A	3,059,942	0.3518	0.3518	10,765	2014
Jefferson Township of Linn Co	General Revenue	10,097,616	0.0968	0.0968		10,673,211	0.0968	0.0968	10,332	
	Road & Bridge	10,097,616	0.3775	0.3775		10,673,211	0.3775	0.3775	40,291	
	Special Road and Bridge	10,097,616	0.3500	0.3500	A	10,673,211	0.3500	0.3500	37,356	2014
Locust Creek Township of Linn Co	General Revenue	5,877,367	0.1000	0.1000		6,162,797	0.1000	0.1000	6,163	
	Road & Bridge	5,877,367	0.5000	0.5000		6,162,797	0.5000	0.5000	30,814	
	Special Road and Bridge	5,877,367	0.3516	0.3516	A	6,162,797	0.3516	0.3516	21,668	2014
Marceline Township of Linn Co	General Revenue	4,872,479	0.0997	0.0997		5,102,540	0.0997	0.0997	5,087	
	Road & Bridge	4,872,479	0.4984	0.4984		5,102,540	0.4984	0.4984	25,431	
	Special Road and Bridge	4,872,479	0.3500	0.3500	A	5,102,540	0.3500	0.3500	17,859	2014
North Salem Township of Linn Co	General Revenue	2,220,729	0.1000	0.1000		2,285,284	0.1000	0.1000	2,285	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Linn</u></b>										
North Salem Township of Linn Co	Road & Bridge	2,220,729	0.5000	0.5000		2,285,284	0.5000	0.5000	11,426	
	Special Road and Bridge	2,220,729	0.3545	0.3545	A	2,285,284	0.3545	0.3545	8,101	2014
Parson Creek Township of Linn Co	General Revenue	7,998,241	0.1000	0.1000		8,503,787	0.1000	0.1000	8,504	
	Road & Bridge	7,998,241	0.4792	0.4792		8,503,787	0.4792	0.4792	40,750	
	Special Road and Bridge	7,998,241	0.3565	0.3565	A	8,503,787	0.3565	0.3565	30,316	2014
Yellow Creek Township of Linn Co	General Revenue	7,083,959	0.0802	0.0802		7,230,227	0.0802	0.0802	5,799	
	Road & Bridge	7,083,959	0.3661	0.3661		7,230,227	0.3661	0.3661	26,470	
	Special Road and Bridge	7,083,959	0.3500	0.3500	A	7,230,227	0.3500	0.3500	25,306	2014
Laclede Community Fire Prot Dist	General Revenue	10,097,616	0.2473	0.2473		10,673,211	0.2473	0.2473	26,395	
Linneus Fire Protection District	General Revenue	8,782,306	0.3000	0.3000		8,984,459	0.3000	0.3000	26,953	
Linn County Health Department	General Revenue	139,934,490	0.2100	0.2100		140,401,844	0.2380	0.2380	334,156	
Linn Co R-I School District	Operating Funds-Schools	17,598,875	3.9084	3.9084	E	18,080,266	3.9054	3.9054	706,107	E
Bucklin R-II School District	Operating Funds-Schools	9,940,707	4.3460	4.3460	E	10,336,784	4.3496	4.3496	449,609	E
Meadville R-IV School District	Operating Funds-Schools	14,485,440	4.5484	3.9205		15,428,354	4.5385	3.8638	596,121	
	Debt Service	14,485,440	1.5165	1.0500		15,428,354	1.6094	1.0500	161,998	
Marceline R-V School District	Operating Funds-Schools	36,541,680	3.9968	3.9968	E	37,049,790	4.0013	4.0000	1,481,992	E
	Debt Service	36,541,680	0.9037	0.8000		37,049,790	0.9110	0.8000	296,398	
Brookfield R-III School District	Operating Funds-Schools	58,672,034	3.3780	3.3780	E	56,853,743	4.1251	4.0905	2,325,602	BE
	Operating Funds-Temp	**	**	**		56,853,743	0.4287	0.0000	0	A 2018
	Debt Service	58,672,034	0.8304	0.6600		56,853,743	0.7017	0.6600	375,235	
Linn County	General Revenue	139,894,490	0.2988	0.0725		140,401,844	0.2998	0.0725	101,791	
	Senate Bill 40	139,894,490	0.1976	0.1976		140,401,844	0.1983	0.1983	278,417	
	Senior Services	139,894,490	0.0497	0.0497		140,401,844	0.0499	0.0499	70,061	
<b><u>Livingston</u></b>										
Livingston County Ambulance Dist	General Revenue	163,716,387	0.1315	0.1100		166,328,057	0.1316	0.1200	199,594	
Livingston County Nursing Home Dist	General Revenue	163,716,387	0.1500	0.1500		166,328,057	0.1500	0.1500	249,492	
City of Chillicothe	General Revenue	92,246,251	0.6583	0.6583		91,167,014	0.6760	0.6760	616,289	
	Parks & Recreation	92,246,251	0.1850	0.1850		91,167,014	0.1900	0.1900	173,217	
	Temp Gen Indus Imp	92,246,251	0.0000	0.0000		91,167,014	0.0000	0.0000	0	
City of Chula	General Revenue	1,045,169	0.9753	0.9753		1,131,185	0.9753	0.9753	11,032	
Village of Ludlow	General Revenue	618,055	0.9344	0.9344		620,641	0.9705	0.9705	6,023	
Village of Mooresville	General Revenue	638,960	0.4827	0.4827		610,117	0.5055	0.5055	3,084	
City of Wheeling	General Revenue	1,063,087	0.6685	0.6685		1,118,337	0.6773	0.6773	7,574	
Livingston County Memorial Library	General Revenue	163,716,387	0.2700	0.2700		166,328,057	0.2700	0.2700	449,086	
	Debt Service	163,716,387	0.1751	0.1751		166,328,057	0.1502	0.1502	249,825	
Blue Mound Township Livingston Co	General Revenue	5,648,885	0.1000	0.1000		5,651,401	0.1000	0.1000	5,651	
	Road & Bridge	5,648,885	0.5000	0.5000		5,651,401	0.5000	0.5000	28,257	
	Special Road and Bridge	5,648,885	0.3482	0.3482	A	5,651,401	0.3482	0.3482	19,678	2014
Chillicothe Township, Livingston Co	General Revenue	106,907,555	0.1000	0.1000		107,724,556	0.1000	0.1000	107,725	
	Road & Bridge	106,907,555	0.2796	0.2796		107,724,556	0.2802	0.2802	301,844	
Cream Ridge Township, Livingston Co	General Revenue	6,076,168	0.0980	0.0980		6,332,574	0.0980	0.0980	6,206	
	Road & Bridge	6,076,168	0.4167	0.4167		6,332,574	0.4167	0.4167	26,388	
	Special Road and Bridge	6,076,168	0.2422	0.2422		6,332,574	0.2422	0.2422	15,337	2013
Grand River Township, Livingston Co	General Revenue	3,813,252	0.0954	0.0954		4,061,871	0.0954	0.0954	3,875	
	Road & Bridge	3,813,252	0.5000	0.5000		4,061,871	0.5000	0.5000	20,309	
	Special Road and Bridge	3,813,252	0.3470	0.3470		4,061,871	0.3470	0.3470	14,095	2012
Green Township of Livingston Co	General Revenue	3,996,141	0.0957	0.0957		4,076,397	0.0962	0.0962	3,921	
	Road & Bridge	3,996,141	0.4784	0.4784		4,076,397	0.4808	0.4808	19,599	
Jackson Township of Livingston Co	General Revenue	7,327,516	0.0983	0.0983		7,756,773	0.0983	0.0983	7,625	
	Road & Bridge	7,327,516	0.2964	0.2964		7,756,773	0.2964	0.2964	22,991	

# APPENDIX VII

## 2012 PROPERTY TAX RATES

### LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Livingston</u></b>										
Jackson Township of Livingston Co	Special Road and Bridge	7,327,516	0.3400	0.3400	A	7,756,773	0.3400	0.3400	26,373	2014
Medicine Township of Livingston Co	General Revenue	2,033,632	0.1000	0.1000		2,148,935	0.1000	0.1000	2,149	
	Road & Bridge	2,033,632	0.4252	0.4252		2,148,935	0.4252	0.4252	9,137	
	Special Road and Bridge	2,033,632	0.3045	0.3045	A	2,148,935	0.3045	0.3045	6,544	2014
Monroe Township of Livingston Co	General Revenue	4,148,020	0.0976	0.0976		4,190,757	0.0976	0.0976	4,090	
	Road & Bridge	4,148,020	0.4557	0.4557		4,190,757	0.4557	0.4557	19,097	
	Special Road and Bridge	4,148,020	0.3436	0.3436		4,190,757	0.3436	0.3436	14,399	2012
Mooresville Township Livingston Co	General Revenue	3,644,028	0.0929	0.0929		3,570,576	0.0989	0.0989	3,531	
	Road & Bridge	3,644,028	0.4646	0.4646		3,570,576	0.4948	0.4948	17,667	
	Special Road and Bridge	3,644,028	0.3252	0.3252		3,570,576	0.3464	0.3464	12,368	2012
Rich Hill Township of Livingston Co	General Revenue	7,550,973	0.1000	0.1000		7,910,830	0.1000	0.1000	7,911	
	Road & Bridge	7,550,973	0.4564	0.4564		7,910,830	0.4564	0.4564	36,105	
	Special Road and Bridge	7,550,973	0.3367	0.3367	A	7,910,830	0.3367	0.3367	26,636	2014
Sampsel Township of Livingston Co	General Revenue	3,944,793	0.1000	0.1000		4,047,795	0.1000	0.1000	4,048	
	Road & Bridge	3,944,793	0.4708	0.4708		4,047,795	0.4708	0.4708	19,057	
	Special Road and Bridge	3,944,793	0.2500	0.2500		4,047,795	0.2500	0.2500	10,119	2013
Wheeling Township of Livingston Co	General Revenue	3,721,214	0.0967	0.0967		3,919,113	0.0967	0.0967	3,790	
	Road & Bridge	3,721,214	0.4838	0.4838		3,919,113	0.4838	0.4838	18,961	
	Special Road and Bridge	3,721,214	0.3386	0.3386		3,919,113	0.3386	0.3386	13,270	2012
Fairview Township of Livingston Co	General Revenue	4,815,639	0.1000	0.1000		4,936,480	0.1000	0.1000	4,936	
	Road & Bridge	4,815,639	0.4591	0.4591		4,936,480	0.4603	0.4603	22,723	
	Special Road and Bridge	4,815,639	0.3500	0.3500		4,936,480	0.3500	0.3500	17,278	2012
Green Township Fire District	General Revenue	3,996,141	0.5263	0.5263		4,076,397	0.5289	0.5289	21,560	
Mooreville Township Fire Prot Dist	General Revenue	3,644,028	0.2788	0.2788		3,570,573	0.2970	0.2970	10,605	
Livingston County Health Center	General Revenue	163,716,387	0.2500	0.2500		166,328,057	0.2500	0.2500	415,820	
Southwest Livingston Co R-I Sch Dis	Operating Funds-Schools	10,866,129	4.4700	4.4700	E	10,994,143	4.4700	4.4700	491,438	E
Livingston Co R-III School Dist	Operating Funds-Schools	6,208,301	5.2050	4.6571		6,485,192	5.1951	4.5929	297,858	
Chillicothe R-II School District	Operating Funds-Schools	132,091,560	3.6300	3.6300	E	134,074,808	3.6300	3.6300	4,866,916	E
	Capital Projects	132,091,560	0.1200	0.1200		134,074,808	0.1200	0.1200	160,890	2023
	Debt Service	132,091,560	1.0928	0.5400		134,074,808	0.5764	0.5400	724,004	
Livingston County	General Revenue	163,716,387	0.0000	0.0000		166,328,057	0.3342	0.0300	49,898	
	Developmentally Disabled	163,716,387	0.1000	0.1000		166,328,057	0.1000	0.1000	166,328	
<b><u>McDonald</u></b>										
City of Anderson	General Revenue	14,825,686	0.2243	0.2243		15,098,582	0.2247	0.2247	33,927	
	General Revenue-Temp	14,825,686	0.3443	0.3443		15,098,582	0.3449	0.3449	52,075	2012
	Debt Service	14,825,686	0.1300	0.0000		**	**	**		
City of Goodman	General Revenue	8,074,130	0.6332	0.6332		8,204,716	0.6332	0.6332	51,952	
City of Lanagan	General Revenue	1,318,935	0.6936	0.6698		1,326,126	0.7008	0.7008	9,293	
City of Pineville	General Revenue	6,236,476	0.4825	0.4825		6,344,350	0.4840	0.4840	30,707	
City of Southwest City	General Revenue	14,731,163	0.6500	0.6500		14,914,965	0.6500	0.6500	96,947	
	Debt Service	14,731,163	0.1823	0.1823		14,914,965	0.1699	0.1699	25,341	
McDonald County Library	General Revenue	232,618,972	0.1000	0.1000		230,337,601	0.1000	0.1000	230,338	
Goodman Area Fire Protection Dist	General Revenue	26,166,151	0.3000	0.3000		27,284,757	0.3000	0.3000	81,854	
McDonald Co R-I School District	Operating Funds-Schools	201,892,847	2.8500	2.7500	F	198,681,943	2.8500	2.7500	5,463,753	F
	Debt Service	201,892,847	0.8206	0.6700		198,681,943	0.8693	0.6700	1,331,169	
McDonald County	Road & Bridge	232,618,972	0.0000	0.0000		230,337,601	0.0000	0.0000	0	
<b><u>Macon</u></b>										
Macon County Ambulance District	General Revenue	185,338,681	0.1450	0.1450		189,294,684	0.1450	0.1450	274,477	
Samaritan Memorial Hospital	General Revenue	185,338,681	0.1934	0.1934		189,294,684	0.1934	0.1934	366,096	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Macon</u></b>									
La Plata Nursing Home District	General Revenue	40,559,651	0.1432	0.1432	41,725,658	0.1432	0.1432	59,751	
Macon County Nursing Home District	Maintenance	149,046,808	0.1452	0.1452	151,822,923	0.1452	0.1452	220,447	
Hudson Spec Rd Dist Macon Co	Road & Bridge	77,333,906	0.2830	0.2830	77,854,355	0.2830	0.2800	217,992	
	Special Road and Bridge	77,333,906	0.2000	0.2000	77,854,355	0.2000	0.2000	155,709	2012
La Plata Spec Rd Dist Macon Co	Road & Bridge	13,983,059	0.3116	0.3116	14,236,227	0.3116	0.3116	44,360	
	Special Road and Bridge	13,983,059	0.3500	0.3500	**	**	**		2011
	Special Road and Bridge	**	**	**	14,236,227	0.3590	0.3590	51,108	A 2015
City of Atlanta	General Revenue	1,722,658	1.0000	1.0000	1,690,461	1.0000	1.0000	16,905	
City of Bevier	General Revenue	3,378,579	0.7804	0.7804	3,395,574	0.7804	0.7804	26,499	
	Lights	3,378,579	0.2772	0.2772	3,395,574	0.2772	0.2772	9,413	
City of Callao	General Revenue	1,155,308	1.0000	1.0000	1,148,404	1.0000	1.0000	11,484	
	Debt Service	1,155,308	1.2037	1.2037	1,148,404	0.3442	0.3442	3,953	
City of Elmer	General Revenue	469,980	0.9700	0.9700	510,420	0.9700	0.9700	4,951	
City of Ethel	General Revenue	360,984	0.8229	0.8229	351,438	0.8454	0.8454	2,971	
City of La Plata	General Revenue	9,474,510	0.8084	0.8084	9,552,965	0.8084	0.8084	77,226	
	Parks & Recreation	9,474,510	0.1851	0.1851	9,552,965	0.1851	0.1851	17,683	
	Library	9,474,510	0.1851	0.1851	9,552,965	0.1851	0.1851	17,683	
City of Macon	General Revenue	58,923,657	0.5952	0.5952	59,468,215	0.5952	0.5952	353,955	
	Library	58,923,657	0.2381	0.2381	59,468,215	0.2381	0.2381	141,594	
City of New Cambria	General Revenue	1,063,115	0.8864	0.8864	1,087,210	0.8864	0.8864	9,637	
Village of South Gifford	General Revenue	113,507	0.5000	0.5000	101,159	0.5000	0.5000	506	
La Plata Community Fire Prot Dist	General Revenue	29,432,638	0.4362	0.4362	30,301,400	0.4362	0.4362	132,175	
Bevier Fire Protection District	General Revenue	19,241,690	0.2986	0.2986	19,732,168	0.2986	0.2986	58,920	
Macon County Health Department	General Revenue	185,338,681	0.1450	0.1450	189,294,684	0.1450	0.1450	274,477	
Atlanta C-3 School District	Operating Funds-Schools	13,201,809	3.6004	3.6004	E 13,383,710	3.9595	3.6463	488,010	E
Bevier C-4 School District	Operating Funds-Schools	11,478,173	3.8298	3.8298	E 11,453,936	3.8308	3.8308	438,777	E
La Plata R-II School District	Operating Funds-Schools	23,323,997	3.3707	3.3707	E 23,763,529	3.3691	3.3691	800,617	E
	Debt Service	23,323,997	1.4616	1.3000	23,763,529	1.3215	1.3000	308,926	
Macon Co R-I School District	Operating Funds-Schools	94,119,452	3.2866	3.2866	E 95,675,545	3.2496	3.2496	3,109,073	E
Callao C-8 School District	Operating Funds-Schools	5,399,073	5.2688	4.5742	5,535,018	5.1872	4.3839	242,650	
Macon Co R-IV School District	Operating Funds-Schools	10,668,120	4.5041	4.5000	E 10,917,834	4.8500	4.5000	491,303	E
Macon County	General Revenue	185,338,681	0.4185	0.2500	189,294,684	0.4185	0.2320	439,164	
	Common Road District	94,018,480	0.3169	0.3169	97,204,102	0.3169	0.3169	308,040	
	Special Road and Bridge	94,018,480	0.3500	0.3500	A 97,204,102	0.3500	0.3500	340,214	2014
	Developmentally Disabled	185,338,681	0.0967	0.0967	189,294,684	0.0967	0.0967	183,048	
<b><u>Madison</u></b>									
Madison County Ambulance District	General Revenue	110,672,051	0.3000	0.3000	104,985,148	0.3000	0.3000	314,955	
Village of Cobalt City	General Revenue	926,681	0.1989	0.1989	939,669	0.2066	0.2066	1,941	
City of Fredericktown	General Revenue	33,484,554	0.6968	0.6968	33,645,091	0.7137	0.7137	240,125	
	Parks & Recreation	33,484,554	0.1209	0.1209	33,645,091	0.1238	0.1238	41,653	
Village of Junction City	General Revenue	1,987,460	0.2422	0.2374	2,015,114	0.2440	0.2440	4,917	
City of Marquand	General Revenue	1,144,560	0.7756	0.7756	914,610	1.0000	1.0000	9,146	
Madison County Health Department	General Revenue	110,672,051	0.0987	0.0987	104,985,148	0.1000	0.1000	104,985	
Marquand-Zion R-VI School District	Operating Funds-Schools	10,276,730	3.4336	3.4336	E 10,510,440	3.5074	3.5074	368,643	E
	Debt Service	10,276,730	0.5599	0.5000	10,510,440	1.1760	0.5000	52,552	
Fredericktown R-I School District	Operating Funds-Schools	93,132,647	3.1957	3.1957	E 94,235,985	3.2000	3.2000	3,015,552	E
	Operating Funds-Temp	**	**	**	94,235,985	0.7000	0.7000	659,652	2023
	Operating-Temporary	93,132,647	0.6982	0.6982	**	**	**		2023
Madison County	General Revenue	110,672,051	0.3989	0.1969	104,985,148	0.4280	0.1969	206,716	
	Library	110,672,051	0.0987	0.0987	104,985,148	0.1000	0.1000	104,985	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Madison</u></b>									
Madison County	Road & Bridge	110,672,051	0.2863	0.2863	104,985,148	0.3072	0.2863	300,572	
	Hospital	110,672,051	0.1943	0.1943	**	**	**		
	Senate Bill 40	110,672,051	0.1943	0.1943	104,985,148	0.2000	0.1943	203,986	
<b><u>Maries</u></b>									
Maries-Osage Ambulance District	General Revenue	80,472,455	0.1870	0.1870	81,298,503	0.1876	0.1876	152,516	
Ozark Central Ambulance District	General Revenue	72,354,215	0.2728	0.2728	73,151,583	0.2728	0.2728	199,558	
Belle Special Road Dist No. 6	Road & Bridge	11,431,870	0.2355	0.2355	11,442,456	0.2356	0.2356	26,958	
Spec Rd Dist No 8, Maries County	Road & Bridge	8,211,756	0.2237	0.2237	8,266,159	0.2267	0.2267	18,739	
City of Vienna	General Revenue	7,974,717	0.6038	0.6038	8,198,429	0.6038	0.6038	49,502	
City of Belle	General Revenue	11,451,638	0.7098	0.7098	11,468,747	0.7098	0.7098	81,405	
	Parks & Recreation	11,451,638	0.1543	0.1543	11,468,747	0.1543	0.1543	17,696	
Maries County Library	General Revenue	111,794,347	0.1612	0.1612	114,479,224	0.1612	0.1612	184,541	
Maries Co R-I School District	Operating Funds-Schools	45,188,590	3.3298	3.3298	E 46,260,010	3.3366	3.3366	1,543,511	E
	Debt Service	45,188,590	0.5422	0.4000	46,260,010	0.5110	0.4000	185,040	
Maries Co R-II School District	Operating Funds-Schools	57,604,936	3.3167	3.3167	E 58,595,523	3.3167	3.3167	1,943,438	E
Maries County	General Revenue	111,794,347	0.4736	0.3628	114,479,224	0.4736	0.3697	423,230	
	Road #1	48,319,484	0.2753	0.2753	49,332,038	0.2769	0.2769	136,600	
	Road #2	45,773,387	0.2406	0.2406	47,348,982	0.2406	0.2406	113,922	
<b><u>Marion</u></b>									
Marion County Ambulance District	General Revenue	378,981,413	0.2277	0.0000	386,125,092	0.2277	0.0000	0	
	Pension	378,981,413	0.0474	0.0474	386,125,092	0.0474	0.0474	183,023	
Marion Co Nursing Home District	General Revenue	367,133,184	0.1417	0.1417	374,560,176	0.1417	0.1417	530,752	
City of Hannibal	General Revenue	211,918,892	0.7329	0.7329	213,449,589	0.7332	0.7332	1,565,012	
	Library	211,918,892	0.2794	0.2794	213,449,589	0.2795	0.2795	596,592	
	Police & Fire	211,918,892	0.1287	0.1287	213,449,589	0.1287	0.1287	274,710	
City of Palmyra	General Revenue	34,735,710	0.6465	0.6465	36,579,056	0.6465	0.6465	236,484	
Marion County Library Subdist #1	General Revenue	**	**	**	117,698,663	0.1534	0.1500	176,548	A
Marion County Health Department	General Revenue	367,133,184	0.1417	0.1405	374,560,176	0.1417	0.1417	530,752	
Marion Co R-II School District	Operating Funds-Schools	12,926,584	4.1462	4.1130	E 14,142,520	4.1098	3.9830	563,297	E
	Debt Service	12,926,584	0.3370	0.3370	14,142,520	0.3984	0.3370	47,660	
Palmyra R-I School District	Operating Funds-Schools	115,172,081	3.5788	3.4300	E 117,745,453	3.5713	3.3600	3,956,247	E
	Debt Service	115,172,081	0.8246	0.6800	117,745,453	0.7046	0.6800	800,669	
Hannibal 60 School District	Operating Funds-Schools	284,594,375	3.4833	2.8199	287,587,863	3.4830	2.8199	8,109,690	
	Debt Service	284,594,375	1.1932	0.6000	287,587,863	1.2368	0.6000	1,725,527	
Marion County	General Revenue	367,133,184	0.1316	0.0659	374,560,176	0.4278	0.1250	468,200	
	Road & Bridge	367,133,184	0.3205	0.3205	374,560,176	0.3208	0.3208	1,201,589	
	Senate Bill 40	367,133,184	0.1322	0.1322	374,560,176	0.1322	0.1322	495,169	
<b><u>Mercer</u></b>									
Mercer County Ambulance District	General Revenue	59,209,366	0.3300	0.3300	61,490,991	0.3300	0.3300	202,920	
City of Mercer	General Revenue	1,852,842	0.7850	0.7850	1,969,147	0.7850	0.7850	15,458	
	Streets	1,852,842	0.4374	0.4374	1,969,147	0.4374	0.4374	8,613	
City of Princeton	General Revenue	8,281,409	0.9159	0.9159	8,406,518	0.9159	0.9159	76,995	
	Band	8,281,409	0.1000	0.1000	8,406,518	0.1000	0.1000	8,407	
Village of South Lineville	General Revenue	368,872	0.4044	0.4044	436,940	0.4044	0.4044	1,767	
Mercer County Library	General Revenue	59,209,366	0.2000	0.2000	61,490,991	0.2000	0.2000	122,982	
Harrison Township of Mercer Co	General Revenue	2,951,706	0.0998	0.0998	3,096,393	0.0998	0.0998	3,090	
	Road & Bridge	2,951,706	0.4988	0.4988	3,096,393	0.4988	0.4988	15,445	
	Special Road and Bridge	2,951,706	0.3500	0.3500	A 3,096,393	0.3500	0.3500	10,837	2014

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<b><u>Mercer</u></b>										
Lindley Township of Mercer Co	General Revenue	2,417,409	0.1000	0.1000		2,484,839	0.1000	0.1000	2,485	2014
	Road & Bridge	2,417,409	0.5000	0.5000		2,484,839	0.5000	0.5000	12,424	
	Special Road and Bridge	2,417,409	0.3557	0.3557	A	2,484,839	0.3557	0.3557	8,839	
Madison Township of Mercer Co	General Revenue	2,714,763	0.0979	0.0979		2,827,475	0.0979	0.0979	2,768	2014
	Road & Bridge	2,714,763	0.4894	0.4894		2,827,475	0.4894	0.4894	13,838	
	Special Road and Bridge	2,714,763	0.3500	0.3500	A	2,827,475	0.3500	0.3500	9,896	
Marion Township of Mercer Co	General Revenue	9,353,427	0.0981	0.0981		9,850,706	0.0981	0.0981	9,664	2014
	Road & Bridge	9,353,427	0.4224	0.4224		9,850,706	0.4224	0.4224	41,609	
	Special Road and Bridge	9,353,427	0.3500	0.3500	A	9,850,706	0.3500	0.3500	34,477	
Medicine Township of Mercer Co	General Revenue	2,901,776	0.1000	0.1000		3,032,395	0.1000	0.1000	3,032	2014
	Road & Bridge	2,901,776	0.5000	0.5000		3,032,395	0.5000	0.5000	15,162	
	Special Road and Bridge	2,901,776	0.3528	0.3528	A	3,032,395	0.3528	0.3528	10,698	
Morgan Township of Mercer Co	General Revenue	19,190,860	0.1000	0.1000		20,927,138	0.1000	0.1000	20,927	2014
	Road & Bridge	19,190,860	0.3500	0.3500		20,927,138	0.3500	0.3500	73,245	
Ravanna Township of Mercer Co	General Revenue	8,058,984	0.1000	0.1000		7,938,494	0.1000	0.1000	7,938	2014
	Road & Bridge	8,058,984	0.5000	0.5000		7,938,494	0.5000	0.5000	39,692	
	Special Road and Bridge	8,058,984	0.3555	0.3555	A	7,938,494	0.3555	0.3555	28,221	
Somerset Township of Mercer Co	General Revenue	5,248,122	0.1000	0.1000		4,620,356	0.1000	0.1000	4,620	2014
	Road & Bridge	5,248,122	0.5000	0.5000		4,620,356	0.5000	0.5000	23,102	
	Special Road and Bridge	5,248,122	0.3553	0.3553	A	4,620,356	0.3553	0.3553	16,416	
Washington Township of Mercer Co	General Revenue	6,372,319	0.0939	0.0939		6,713,194	0.0939	0.0939	6,304	2014
	Road & Bridge	6,372,319	0.4693	0.4693		6,713,194	0.4693	0.4693	31,505	
	Special Road and Bridge	6,372,319	0.3500	0.3500	A	6,713,194	0.3500	0.3500	23,496	
Mercer County Fire Protection Dist	General Revenue	34,192,276	0.3000	0.3000		36,348,667	0.3000	0.3000	109,046	
Mercer Fire Protection District	General Revenue	16,182,456	0.2992	0.2992		16,137,062	0.3000	0.3000	48,411	
Mercer County Health Department	General Revenue	59,209,366	0.3000	0.3000		61,490,991	0.3000	0.3000	184,473	
North Mercer Co R-III School Dist	Operating Funds-Schools	13,550,057	5.2203	4.7108		13,399,284	5.2276	4.7879	641,544	
	Debt Service	13,550,057	0.5989	0.5300		13,399,284	0.0792	0.0792	10,612	
Princeton R-V School District	Operating Funds-Schools	33,567,847	4.7500	4.0094		35,657,863	4.7500	4.7500	1,693,748	
	Debt Service	33,567,847	1.2875	1.2500		35,657,863	0.8769	0.8769	312,684	
Mercer County	General Revenue	59,209,366	0.4000	0.2782		61,490,991	0.4000	0.2644	162,582	
	Road & Bridge	59,209,366	0.1500	0.0000		61,490,991	0.1500	0.0000	0	
	Senior Services	59,209,366	0.0500	0.0500		61,490,991	0.0500	0.0500	30,745	
<b><u>Miller</u></b>										
Miller County Ambulance District	General Revenue	244,032,174	0.0000	0.0000		246,418,728	0.0000	0.0000	0	
Miller County Nursing Home District	General Revenue	369,745,690	0.1141	0.1141		373,585,070	0.1144	0.1144	427,381	
	Debt Service	369,745,690	0.0777	0.0600		373,585,070	0.0909	0.0600	224,151	
Bagnell Spec Rd Dist Miller Co	Road & Bridge	107,959,270	0.1708	0.1708		108,887,953	0.1717	0.1717	186,961	
Kaiser Special Road Dist Miller Co	Road & Bridge	69,489,420	0.1772	0.1772		58,635,065	0.2141	0.2141	125,538	
City of Bagnell	General Revenue	560,145	0.4525	0.4525		550,500	0.4935	0.4935	2,717	
Village of Brumley	General Revenue	419,519	0.4679	0.4679		421,509	0.4678	0.4678	1,972	
City of Iberia	General Revenue	4,520,065	0.5325	0.5050		4,686,912	0.5325	0.5325	24,958	
Village of Olean	General Revenue	574,610	0.3153	0.3153		591,356	0.3154	0.3154	1,865	
Village of St. Elizabeth	General Revenue	3,835,472	0.2230	0.2230		4,073,682	0.2230	0.2230	9,084	
Village of Tuscumbia	General Revenue	1,184,484	0.3661	0.3661		1,211,970	0.3675	0.3675	4,454	
City of Lake Ozark	General Revenue	83,520,047	0.2269	0.2269		84,967,841	0.2283	0.2283	193,982	
Miller County Library	General Revenue	369,745,690	0.1255	0.1255		373,585,070	0.1259	0.1259	470,344	
Lake Ozark Fire Protection District	General Revenue	429,620,764	0.5578	0.5578		431,184,552	0.5668	0.5668	2,443,954	
	Ambulance	429,620,764	0.2698	0.2698		431,184,552	0.2741	0.2741	1,181,877	
	Debt Service	**	**	**		431,184,552	0.1116	0.0800	344,948	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<b><u>Miller</u></b>										
Brumley Fire Protection District	General Revenue	20,084,553	0.3000	0.3000		19,672,191	0.3000	0.3000	59,017	
Tuscumbia Fire Protection District	General Revenue	9,763,697	0.3000	0.3000		9,809,372	0.3000	0.3000	29,428	
Moreau Fire Protection Dist #2	General Revenue	106,095,267	0.2630	0.2630		106,878,577	0.2646	0.2646	282,801	
St. Elizabeth Fire Protection Dist	General Revenue	12,097,657	0.2844	0.2844		12,634,024	0.2844	0.2844	35,931	
Iberia Fire Protection District	General Revenue	28,147,492	0.3000	0.3000		28,909,697	0.3000	0.3000	86,729	
Miller County Health Center	General Revenue	369,745,690	0.1432	0.1375		373,585,070	0.1436	0.1375	513,679	
Eldon R-I School District	Operating Funds-Schools	170,295,859	3.0625	3.0500	E	171,130,241	3.0448	3.0303	5,185,760	E
	Debt Service	170,295,859	0.8216	0.5100		171,130,241	0.7423	0.5100	872,764	
Miller Co R-III School District	Operating Funds-Schools	10,254,949	3.9693	3.7500	E	10,548,199	3.8780	3.7500	395,557	E
St. Elizabeth R-IV School District	Operating Funds-Schools	14,173,703	3.5710	3.4865	E	14,931,749	3.5086	3.5086	523,895	E
School of the Osage R-II Sch Dist	Operating Funds-Schools	530,475,633	2.5106	2.4000		531,506,408	2.5471	2.4000	12,756,154	
	Debt Service	530,475,633	0.3515	0.3200		531,506,408	0.3217	0.3200	1,700,821	
Iberia R-V School District	Operating Funds-Schools	30,563,816	3.6530	3.6530	E	31,617,137	3.6509	3.6509	1,154,310	E
Miller County	General Revenue	369,745,690	0.2595	0.0512		373,585,070	0.2603	0.0845	315,679	
	Road & Bridge	191,940,829	0.2556	0.2556		194,591,524	0.2557	0.2557	497,571	
	Developmentally Disabled	369,745,690	0.0832	0.0832		373,585,070	0.0834	0.0834	311,570	
	Senior Services	369,745,690	0.0483	0.0483		373,585,070	0.0484	0.0484	180,815	
<b><u>Mississippi</u></b>										
Mississippi County Ambulance Dist	General Revenue	143,325,838	0.2992	0.2992		148,928,836	0.2992	0.2992	445,595	
City of Anniston	General Revenue	1,246,208	0.5372	0.5372		1,396,244	0.5372	0.5372	7,501	
City of Bertrand	General Revenue	4,927,245	0.5223	0.5223		4,990,139	0.5223	0.5223	26,063	
City of Charleston	General Revenue	30,041,191	0.7000	0.7000		30,892,530	0.7000	0.7000	216,248	
	Parks & Recreation	30,041,191	0.1800	0.1800		30,892,530	0.1800	0.1800	55,607	
City of East Prairie	General Revenue	17,580,419	0.7411	0.7411		18,105,469	0.7411	0.7411	134,180	
Village of Wilson City	General Revenue	292,677	0.4210	0.4210		276,919	0.4449	0.4449	1,232	
City of Wyatt	General Revenue	1,608,502	0.7930	0.7930		1,609,732	0.7939	0.7939	12,780	
Mississippi County Library	General Revenue	143,325,838	0.2048	0.2048		148,928,836	0.2048	0.2048	305,006	
Mississippi (Scott) Fire Prot Dist	General Revenue	67,100,193	0.1300	0.1200		70,487,311	0.1300	0.1200	84,585	
Mississippi County Senate Bill 40	General Revenue	143,325,838	0.1229	0.1229		148,928,836	0.1229	0.1229	183,034	
Mississippi County Health Dept	General Revenue	143,325,838	0.0998	0.0998		148,928,836	0.0998	0.0998	148,631	
East Prairie R-II School District	Operating Funds-Schools	58,251,180	2.8970	2.7500	F	60,815,731	2.8923	2.7500	1,672,433	F
	Debt Service	58,251,180	0.7249	0.3500		60,815,731	0.7317	0.3500	212,855	
Charleston R-I School District	Operating Funds-Schools	73,983,947	2.7500	2.7500	E	77,289,329	2.8278	2.8257	2,183,965	E
Mississippi County	General Revenue	143,325,838	0.4710	0.3146		148,928,836	0.4710	0.3200	476,572	
	Johnson Grass	143,325,838	0.0498	0.0498		148,928,836	0.0498	0.0498	74,167	
	Road & Bridge	143,325,838	0.3491	0.3491		148,928,836	0.3491	0.3491	519,911	
<b><u>Moniteau</u></b>										
Mid Mo Ambulance District	General Revenue	488,367,633	0.0000	0.0000		490,696,618	0.0000	0.0000	0	
City of California	General Revenue	45,181,774	0.3982	0.3982		47,008,899	0.3982	0.3982	187,189	
	Parks & Recreation	45,181,774	0.1572	0.1572		47,008,899	0.1572	0.1572	73,898	
City of Clarksburg	General Revenue	1,674,304	0.9600	0.9600		1,669,903	0.9625	0.9625	16,073	
City of Jamestown	General Revenue	3,145,237	0.8387	0.8387		3,125,771	0.8501	0.8501	26,572	
City of Lupus	General Revenue	295,819	0.7507	0.7507		296,598	0.7508	0.7508	2,227	
City of Tipton	General Revenue	23,206,928	0.7162	0.7162		24,106,735	0.7189	0.7189	173,303	
	Debt Service	23,206,928	0.1367	0.1367		24,106,735	0.0993	0.0993	23,938	
Moniteau Co Library Subdistrict Two	General Revenue	47,835,047	0.1198	0.1198		48,795,355	0.1200	0.1200	58,554	
Moniteau Co Lib Subdist-California	General Revenue	45,181,774	0.1000	0.1000		47,008,899	0.1000	0.1000	47,009	
California Rural Fire Prot Dist	General Revenue	46,725,331	0.1953	0.1953		46,872,697	0.1961	0.1961	91,917	
Fortuna Fire Protection District	General Revenue	33,539,898	0.2863	0.2863		33,748,919	0.2888	0.2888	97,467	



APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Moniteau</u></b>										
Tipton Rural Fire Protection Dist	Fire	13,519,355	0.2424	0.2424		13,712,327	0.2424	0.2424	33,239	
Jamestown Rural Fire Prot Dist	General Revenue	18,497,874	0.2748	0.2748		18,772,600	0.2759	0.2759	51,794	
	Debt Service	18,497,874	0.2816	0.1900		18,772,600	0.2534	0.1900	35,668	
Moniteau County Health Center	General Revenue	176,706,352	0.1500	0.1500		179,991,713	0.1502	0.1500	269,988	
Moniteau Co R-I School District	Operating Funds-Schools	79,025,233	3.0203	3.0203	E	80,581,646	2.9885	2.9885	2,408,182	E
	Debt Service	79,025,233	0.9727	0.9438		80,581,646	1.0479	0.9756	786,155	
High Point R-III School District	Operating Funds-Schools	9,209,997	4.1232	4.1232	BE	9,313,227	4.1529	4.1529	386,769	E
	Operating Funds-Temp	**	**	**		9,313,227	0.3000	0.3000	27,940	2021
	Operating-Temp	9,209,997	0.3000	0.3000	A	**	**	**		2021
Moniteau Co R-V School District	Operating Funds-Schools	8,380,041	3.5394	3.5394	E	8,491,028	3.5420	3.5420	300,752	E
Tipton R-VI School District	Operating Funds-Schools	42,327,963	2.9471	2.9471	E	43,482,644	2.9013	2.9013	1,261,562	E
	Debt Service	42,327,963	1.2197	1.0524		43,482,644	1.0985	1.0982	477,526	
Moniteau Co C-1 School District	Operating Funds-Schools	14,998,414	3.7713	3.7713	E	15,150,372	3.8172	3.8172	578,320	E
Clarksburg C-2 School District	Operating Funds-Schools	6,240,976	3.6678	3.6678	E	6,342,310	3.5687	3.5687	226,338	E
	Debt Service	6,240,976	0.6539	0.6539		6,342,310	1.0670	0.7200	45,665	
Moniteau County	General Revenue	176,706,352	0.3359	0.1881		179,991,713	0.3363	0.1852	333,345	
	Common Road District	176,706,352	0.2470	0.2470		179,991,713	0.2473	0.2473	445,120	
	Developmentally Disabled	176,706,352	0.1182	0.1182		179,991,713	0.1184	0.1184	213,110	
<b><u>Monroe</u></b>										
Monroe County Ambulance District	General Revenue	74,019,972	0.4200	0.4200		76,452,222	0.4200	0.4200	321,099	
Monroe City Ambulance District	General Revenue	85,649,083	0.2700	0.1646		88,549,877	0.2700	0.1682	148,941	
Monroe County Nursing Home District	General Revenue	88,601,544	0.1500	0.1500		91,512,625	0.1500	0.1500	137,269	
Madison Special Road Dist Monroe Co	Special Road and Bridge	9,229,177	0.3500	0.3500		9,528,777	0.3500	0.3500	33,351	2013
Monroe City Spec Rd Dist Monroe Co	Special Road and Bridge	24,577,457	0.3597	0.3500	A	25,159,514	0.3597	0.3500	88,058	2014
Village of Holliday	General Revenue	886,937	0.3719	0.3719		922,623	0.3720	0.3720	3,432	
City of Madison	General Revenue	3,335,987	0.6870	0.6870		3,481,553	0.6870	0.6870	23,918	
City of Paris	General Revenue	8,758,905	0.3397	0.3397		8,909,952	0.3397	0.3397	30,267	
	Streets	8,758,905	0.1200	0.1200		8,909,952	0.1200	0.1200	10,692	
	Cemetery	8,758,905	0.2655	0.2655		8,909,952	0.2655	0.2655	23,656	
Village of Stoutsville	General Revenue	488,866	0.1827	0.1827		488,970	0.1827	0.1827	893	
City of Monroe City	General Revenue	25,514,288	0.7324	0.7324		25,615,997	0.7407	0.7407	189,738	
	Library	25,514,288	0.2000	0.2000		25,615,997	0.2000	0.2000	51,232	
Monroe County Library	General Revenue	93,746,782	0.1641	0.1641		98,103,807	0.1641	0.1641	160,988	
Paris Rural Fire Protection Dist	General Revenue	33,750,363	0.2500	0.2500		34,764,436	0.2500	0.2500	86,911	
Madison-West Monroe Fire Prot Dist	General Revenue	25,554,386	0.2968	0.2968		26,484,708	0.2968	0.2968	78,607	
Monroe County Health Department	General Revenue	110,569,251	0.1000	0.1000		113,864,928	0.1000	0.1000	113,865	
Middle Grove C-1 School District	Operating Funds-Schools	3,830,909	5.5788	5.5788	E	4,004,852	5.5779	5.5779	223,387	E
Monroe City R-I School District	Operating Funds-Schools	70,100,490	4.0964	4.0964	E	72,190,639	4.0964	4.0964	2,957,217	E
	Debt Service	70,100,490	0.1784	0.1500		72,190,639	0.1593	0.1500	108,286	
Holliday C-2 School District	Operating Funds-Schools	6,723,511	3.6056	3.6056	E	6,933,394	3.6475	3.6475	252,896	E
Madison C-3 School District	Operating Funds-Schools	12,319,295	3.7500	3.7500	E	12,834,216	3.7500	3.7500	481,283	E
Paris R-II School District	Operating Funds-Schools	37,612,480	3.4004	3.4000	E	38,929,917	3.4157	3.4000	1,323,617	E
	Debt Service	37,612,480	0.6207	0.4900		38,929,917	0.5553	0.4900	190,757	
Monroe County	General Revenue	110,569,251	0.4033	0.2700		113,864,928	0.4033	0.2850	324,515	
	Road & Bridge	110,569,251	0.2942	0.2942		113,864,928	0.2942	0.2942	334,991	
	Senate Bill 40	110,569,251	0.1000	0.1000		113,864,928	0.1000	0.1000	113,865	
<b><u>Montgomery</u></b>										
Montgomery County Ambulance Dist	General Revenue	178,523,026	0.2448	0.2448		180,405,521	0.2448	0.2448	441,633	
Rhineland Bottom SRD Montgomery C	Special Road and Bridge	8,115,839	0.2500	0.2500	A	8,236,508	0.2500	0.2500	20,591	2014

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<b>Montgomery</b>										
Wellsville Road Dist Montgomery Co	Special Road and Bridge	21,148,190	0.2000	0.2000		23,146,105	0.1911	0.1911	44,232	2013
City of Bellflower	General Revenue	2,201,224	0.8388	0.8388		2,223,701	0.8628	0.8628	19,186	
City of High Hill	General Revenue	3,169,669	0.3776	0.3700		3,079,407	0.3892	0.3700	11,394	
City of Jonesburg	General Revenue	10,575,189	0.5119	0.5119		10,762,687	0.5122	0.5122	55,126	
City of McKittrick	General Revenue	470,474	0.6656	0.6656		477,353	0.6676	0.6676	3,187	
City of Middletown	General Revenue	1,487,579	0.8024	0.7867		1,538,220	0.8024	0.7867	12,101	
City of Montgomery	General Revenue	40,571,816	0.5110	0.5110		40,998,199	0.5110	0.5110	209,501	
	Library	40,571,816	0.3884	0.3884		40,998,199	0.3884	0.3884	159,237	
City of New Florence	General Revenue	6,996,346	0.7599	0.7599		7,295,428	0.7656	0.7656	55,854	
Village of Rhineland	General Revenue	2,533,928	0.7692	0.7584		2,558,725	0.7900	0.7900	20,214	
City of Wellsville	General Revenue	8,516,977	0.7485	0.7485		8,621,800	0.7511	0.7511	64,758	
	Library	8,516,977	0.2051	0.2051		8,621,800	0.2058	0.2058	17,744	
Bellflower Volunteer Fire Prot Dist	General Revenue	16,941,667	0.2441	0.2441		18,138,408	0.2399	0.2399	43,514	
Big Spring Fire Protection District	General Revenue	13,732,825	0.2900	0.2900		14,172,020	0.2931	0.2931	41,538	
Jonesburg-High Hill Fire Prot Dist	General Revenue	46,456,476	0.2500	0.2500		47,131,838	0.2513	0.2500	117,830	
New Florence Fire Protection Dist	General Revenue	21,749,565	0.2958	0.2958		21,737,055	0.3000	0.3000	65,211	
Montgomery Volunteer Fire Prot Dist	General Revenue	70,323,731	0.2594	0.2594		71,585,148	0.2599	0.2599	186,050	
Wellsville Fire Protection District	General Revenue	23,093,972	0.2596	0.2596		24,811,817	0.2527	0.2527	62,699	
Montgomery County Health Department	General Revenue	204,106,315	0.1230	0.1000		206,605,480	0.1434	0.1434	296,272	
Wellsville-Middletown R-I Sch Dist	Operating Funds-Schools	32,250,145	3.4582	3.4582	E	28,115,109	3.4586	3.4586	972,389	E
	Debt Service	32,250,145	0.5233	0.4800		28,115,109	0.5828	0.4800	134,953	
Montgomery Co R-II School District	Operating Funds-Schools	119,045,126	3.4495	3.4495	E	121,027,754	3.3717	3.3717	4,080,693	E
Montgomery County	General Revenue	204,106,315	0.3780	0.2755		206,605,480	0.3780	0.2802	578,909	
	Johnson Grass	204,106,315	0.0000	0.0000		206,605,480	0.0000	0.0000	0	
	Road & Bridge	204,106,315	0.2787	0.2787		206,605,480	0.2787	0.2787	575,809	
	Special Road and Bridge	174,842,324	0.3000	0.3000	A	175,222,848	0.3000	0.3000	525,669	2014
	Senate Bill 40	204,106,315	0.0954	0.0954		206,635,480	0.0954	0.0954	197,130	
<b>Morgan</b>										
Golden Age Nursing Home Health #1	General Revenue	93,883,916	0.1820	0.1820		93,782,102	0.1835	0.1835	172,090	
Good Shepherd Nursing Home District	General Revenue	685,066,169	0.1376	0.1376		687,974,605	0.1385	0.1385	952,845	
Barnett Spec Road Dist #3 Morgan Co	Road & Bridge	10,648,723	0.2949	0.2949		10,492,782	0.3053	0.3053	32,034	
Gravois Spec Rd Dist #8 Morgan Co	Road & Bridge	181,375,820	0.1228	0.1228		180,160,875	0.1247	0.1247	224,661	
	Special Road and Bridge	181,375,820	0.1029	0.1029	A	180,160,875	0.1029	0.1029	185,386	2014
City of Barnett	General Revenue	1,147,727	0.6230	0.6230		1,091,826	0.6562	0.6562	7,165	
	Water	1,147,727	0.4015	0.4015		1,091,826	0.4229	0.3438	3,754	
City of Stover	General Revenue	7,640,816	0.5301	0.5301		7,515,736	0.5408	0.5408	40,645	
City of Syracuse	General Revenue	1,958,896	0.7099	0.7099		1,954,581	0.7132	0.7132	13,940	
City of Versailles	General Revenue	25,803,446	0.6671	0.6671		25,474,798	0.6781	0.6781	172,745	
Morgan County Library District	General Revenue	467,266,742	0.0717	0.0717		465,391,374	0.0726	0.0726	337,874	
Rocky Mount Fire Protection Dist	General Revenue	110,584,713	0.3692	0.3692		110,123,032	0.3726	0.3726	410,318	
Versailles Fire Protection Dist #4	General Revenue	38,020,852	0.4585	0.4585		38,078,032	0.4649	0.4649	177,025	
Gravois Fire Protection District	General Revenue	222,413,531	0.3814	0.3814		222,235,116	0.3848	0.3848	855,161	
	Debt Service	222,413,531	0.2263	0.2263		222,235,116	0.2544	0.2544	565,366	
Stover Rural Fire Protection Dist 6	General Revenue	35,035,331	0.2539	0.2539		34,941,706	0.2569	0.2569	89,765	
Morgan County Health Center	General Revenue	467,266,742	0.0717	0.0717		465,391,374	0.0726	0.0726	337,874	
Morgan Co R-I School District	Operating Funds-Schools	78,707,608	2.7500	2.7500	E	78,713,505	2.7500	2.7500	2,164,621	E
	Debt Service	78,707,608	0.0000	0.0000		**	**	**		
Morgan Co R-II School District	Operating Funds-Schools	242,591,617	2.7500	2.7500	E	241,808,471	2.7500	2.7500	6,649,733	E
Morgan County	General Revenue	467,266,742	0.0727	0.0727		465,391,374	0.0736	0.0736	342,528	
	Johnson Grass	467,266,742	0.0000	0.0000		465,391,374	0.0000	0.0000	0	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Morgan</u></b>									
Morgan County	Road & Bridge	275,119,863	0.1592	0.1592	274,642,048	0.1607	0.1607	441,350	
	Senate Bill 40	467,266,742	0.0398	0.0398	465,391,374	0.0403	0.0403	187,553	
	Senior Services	467,266,742	0.0398	0.0398	465,391,374	0.0403	0.0403	187,553	
<b><u>New Madrid</u></b>									
New Madrid County Ambulance Dist.	General Revenue	418,460,598	0.0466	0.0000	424,953,724	0.0467	0.0000	0	
City of Canalou	General Revenue	1,085,844	0.7465	0.7465	1,146,531	0.7523	0.7465	8,559	
Village of Catron	General Revenue	907,303	0.4851	0.4851	949,414	0.4851	0.4851	4,606	
	Additional Gen. Rev.	907,303	0.2426	0.2426	949,414	0.2426	0.2426	2,303	
City of Gideon	General Revenue	5,614,438	0.6055	0.6055	5,676,108	0.6082	0.6082	34,522	
	Parks & Recreation	5,614,438	0.1540	0.1540	5,676,108	0.1547	0.1547	8,781	
City of Howardville	General Revenue	1,224,709	1.0000	1.0000	1,222,224	1.0000	1.0000	12,222	
City of Lilbourn	General Revenue	8,124,224	0.6086	0.6086	8,329,125	0.6086	0.6086	50,691	
	Parks & Recreation	8,124,224	0.1689	0.1689	8,329,125	0.1689	0.1689	14,068	
	Library	8,124,224	0.1689	0.1689	8,329,125	0.1689	0.1689	14,068	
	Health	8,124,224	0.1689	0.1689	8,329,125	0.1689	0.1689	14,068	
	Debt Service	8,124,224	0.7832	0.4338	8,329,125	0.5868	0.4338	36,132	
City of Marston	General Revenue	4,622,963	0.5733	0.5733	4,738,139	0.5734	0.5734	27,168	
City of Matthews	General Revenue	8,537,386	0.5321	0.5321	9,020,822	0.5321	0.5321	48,000	
City of Morehouse	General Revenue	5,379,990	0.6527	0.6527	5,176,377	0.6959	0.6959	36,022	
City of New Madrid	General Revenue	26,081,438	0.6029	0.6029	26,679,732	0.6045	0.6045	161,279	
	Additional Gen. Rev.	26,081,438	0.2182	0.2182	26,679,732	0.2188	0.0000	0	
Village of North Lilbourn	General Revenue	118,559	0.5000	0.5000	115,053	0.5000	0.5000	575	
City of Parma	General Revenue	4,338,243	0.6445	0.6445	4,393,368	0.6445	0.6445	28,315	
City of Portageville	General Revenue	30,929,198	0.5923	0.5923	32,006,885	0.5923	0.5923	189,577	
	Parks & Recreation	30,929,198	0.1342	0.1342	32,006,885	0.1342	0.1342	42,953	
	Health	30,929,198	0.1565	0.1565	32,006,885	0.1565	0.1565	50,091	
City of Risco	General Revenue	2,166,597	0.7281	0.7281	2,214,877	0.7299	0.7299	16,166	
Village of Tallapoosa	General Revenue	467,162	0.9153	0.9153	492,657	0.9152	0.9152	4,509	
New Madrid County Library	General Revenue	393,505,376	0.1134	0.1134	400,011,775	0.1135	0.1134	453,613	
New Madrid County Health Department	General Revenue	418,460,598	0.0905	0.0900	424,953,724	0.0906	0.0900	382,458	
Risco R-II School District	Operating Funds-Schools	9,718,173	4.7353	4.7353	E 9,896,874	4.7058	4.7058	465,727	E
Portageville School District	Operating Funds-Schools	45,727,379	2.9373	2.8500	E 47,569,875	3.0115	2.8500	1,355,741	E
	Debt Service	45,727,379	0.6500	0.6500	47,569,875	0.6500	0.6500	309,204	
Gideon 37 School District	Operating Funds-Schools	13,505,826	3.4912	3.4912	E 13,612,671	3.5744	3.5744	486,571	E
New Madrid Co R-I School District	Operating Funds-Schools	287,870,506	3.2943	3.2500	BE 291,692,062	3.4516	3.3500	9,771,684	BE
	Debt Service	287,870,506	0.4327	0.2400	291,692,062	0.4306	0.2400	700,061	
New Madrid County	General Revenue	418,460,598	0.3303	0.1566	424,953,724	0.3307	0.1538	653,579	
	Johnson Grass	418,460,598	0.0101	0.0100	424,953,724	0.0101	0.0100	42,495	
	Road & Bridge	418,460,598	0.2507	0.2507	424,953,724	0.2510	0.2510	1,066,634	
	Senate Bill 40	418,460,598	0.0200	0.0200	424,953,724	0.0200	0.0200	84,991	
<b><u>Newton</u></b>									
Newton County Ambulance District	General Revenue	598,987,691	0.1915	0.1915	615,394,311	0.1930	0.1930	1,187,711	
Lost Creek Watershed Sub District	General Revenue	30,284,960	0.1500	0.1500	30,955,500	0.1500	0.1500	46,433	
Diamond Special Road Dist Newton Co	Road & Bridge	31,378,125	0.3204	0.3204	31,553,249	0.3263	0.3263	102,958	
	Special Road and Bridge	31,378,125	0.1657	0.1657	**	**	**		2011
	Special Road and Bridge	**	**	**	31,553,249	0.1783	0.1783	56,259	A 2015
Fairview Special Rd Dist Newton Co	Road & Bridge	9,781,159	0.2140	0.2140	10,245,791	0.2162	0.2162	22,151	
	Special Road and Bridge	9,781,159	0.1515	0.1515	**	**	**		2011
	Special Road and Bridge	**	**	**	10,245,791	0.1603	0.1603	16,424	A 2015

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Newton</u></b>									
Midway Special Rd Dist Newton Co	Road & Bridge	11,024,510	0.2146	0.2146	10,926,823	0.2207	0.2207	24,115	
	Special Road and Bridge	11,024,510	0.1647	0.1647	**	**	**		2011
	Special Road and Bridge	**	**	**	10,926,823	0.1745	0.1745	19,067	A 2015
Neosho Special Rd Dist Newton Co	Road & Bridge	175,805,783	0.1939	0.1939	181,087,197	0.1959	0.1959	354,750	
	Special Road and Bridge	175,805,783	0.1489	0.1489	**	**	**		2011
	Special Road and Bridge	**	**	**	181,087,197	0.1561	0.1561	282,677	A 2015
Seneca Special Rd Dist Newton Co	Road & Bridge	61,192,017	0.1994	0.1994	61,249,531	0.2018	0.2018	123,602	
	Special Road and Bridge	61,192,017	0.1475	0.1475	**	**	**		2011
	Special Road and Bridge	**	**	**	61,249,531	0.1561	0.1561	95,611	A 2015
Stella Special Road Dist Newton Co	Road & Bridge	6,750,394	0.2697	0.2697	6,795,085	0.2737	0.2737	18,598	
	Special Road and Bridge	6,750,394	0.1302	0.1302	**	**	**		2011
	Special Road and Bridge	**	**	**	6,795,085	0.1413	0.1413	9,601	A 2015
City of Diamond	General Revenue	5,163,047	0.3107	0.3107	5,105,968	0.3179	0.3179	16,232	
City of Fairview	General Revenue	2,033,952	0.3691	0.3691	2,049,923	0.3816	0.3816	7,823	
	Streets	2,033,952	0.3230	0.3230	2,049,923	0.3340	0.3340	6,847	
City of Granby	General Revenue	9,406,867	0.3495	0.3495	9,447,400	0.3545	0.3545	33,491	
	Cemetery	9,406,867	0.0773	0.0773	**	**	**		2011
	Cemetery	**	**	**	9,447,400	0.0836	0.0836	7,898	A 2015
Village of Leawood	General Revenue	7,790,884	0.2219	0.2219	7,725,544	0.2241	0.2241	17,313	
City of Neosho	General Revenue	99,119,128	0.4225	0.4225	99,517,636	0.4256	0.4256	423,547	
	Parks & Recreation	99,119,128	0.0000	0.0000	99,517,636	0.0000	0.0000	0	
Village of Newtonia	General Revenue	1,078,364	0.2106	0.2106	1,072,654	0.2164	0.2164	2,321	
Village of Ritchey	General Revenue	443,691	0.4874	0.4874	441,876	0.4934	0.4934	2,180	
Village of Saginaw	General Revenue	3,943,889	0.2534	0.2534	3,999,240	0.2598	0.2598	10,390	
City of Seneca	General Revenue	18,344,167	0.4273	0.4273	17,557,742	0.4506	0.4506	79,115	
	Parks & Recreation	18,344,167	0.0485	0.0485	17,557,742	0.0500	0.0500	8,779	
Village of Shoal Creek Drive	General Revenue	2,783,842	0.2048	0.2048	2,740,878	0.2084	0.2084	5,712	
Village of Silver Creek	General Revenue	8,179,039	0.1601	0.1601	8,350,639	0.1604	0.1604	13,394	
	Debt Service	8,179,039	1.9663	0.0000	**	**	**		
Village of Stella	General Revenue	1,221,640	0.7134	0.7134	1,178,344	0.7502	0.7502	8,840	
Village of Wentworth	General Revenue	890,444	0.2810	0.2810	914,684	0.2843	0.2843	2,600	
Village of Shoal Creek Estates	General Revenue	1,107,695	0.4761	0.4761	1,080,217	0.4882	0.4882	5,274	
Town of Loma Linda	General Revenue	13,089,520	0.4732	0.4732	13,200,490	0.4761	0.4761	62,848	
	Sewer	13,089,520	0.0000	0.0000	13,200,490	0.0000	0.0000	0	
	General Revenue-Temp	13,089,520	0.2919	0.2919	**	**	**		2011
	Public Health and Sewer	13,089,520	0.1893	0.1893	13,200,490	0.1905	0.1905	25,147	
	General Revenue-Temp	**	**	**	13,200,490	0.3109	0.3109	41,040	A 2015
Neosho Newton County Library	General Revenue	618,259,864	0.0992	0.0992	635,610,323	0.0999	0.0999	634,975	
Neosho Area Fire Protection Dist	General Revenue	86,226,145	0.3870	0.3870	86,044,055	0.3932	0.3932	338,325	
Redings Mill Area Fire Prot Dist	General Revenue	155,386,228	0.7008	0.7008	157,332,996	0.7095	0.7095	1,116,278	
	Debt Service	155,386,228	0.0818	0.0818	**	**	**		
Diamond Area Fire Protection Dist	General Revenue	37,390,087	0.2598	0.2598	37,240,422	0.2683	0.2683	99,916	
Seneca Area Fire Protection Dist	General Revenue	37,980,358	0.2807	0.2807	38,543,251	0.2849	0.2849	109,810	
East Newton Fire Protection Dist	General Revenue	23,274,339	0.2661	0.2661	22,906,098	0.2737	0.2737	62,694	
Neosho Developers CID	General Revenue	48,070	1.0000	1.0000	48,070	1.0000	1.0000	481	2057
Newton County Health Department	General Revenue	709,576,667	0.0498	0.0498	727,665,480	0.0500	0.0500	363,833	
Crowder College	General Revenue	730,455,479	0.3998	0.3998	739,431,735	0.4300	0.4297	3,177,338	
East Newton Co R-VI School District	Operating Funds-Schools	63,269,173	2.7500	2.7500	E 65,755,510	2.7500	2.7500	1,808,277	E
	Debt Service	63,269,173	0.4961	0.4961	65,755,510	0.4200	0.4200	276,173	
Diamond R-IV School District	Operating Funds-Schools	57,445,720	2.7500	2.7500	E 60,206,875	2.7500	2.7500	1,655,689	E

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Newton</u></b>										
Diamond R-IV School District	Debt Service	57,445,720	0.9907	0.9900		60,206,875	1.0217	0.9900	596,048	
Westview C-6 School District	Operating Funds-Schools	7,666,370	2.7500	2.7500	F	7,950,290	2.7500	2.7500	218,633	F
Seneca R-VII School District	Operating Funds-Schools	81,127,284	2.7500	2.7500	F	83,940,105	2.7500	2.7500	2,308,353	F
	Debt Service	81,127,284	1.2098	0.8500		83,940,105	1.1952	0.8500	713,491	
Neosho R-V School District	Operating Funds-Schools	254,969,991	2.9482	2.7500	F	265,866,395	2.9386	2.7500	7,311,326	F
	Debt Service	254,969,991	0.4088	0.3600		265,866,395	0.4241	0.3600	957,119	
Newton County	Common Road District	107,379,742	0.2307	0.2307		109,869,194	0.2318	0.2318	254,677	
	Mental Health	709,576,667	0.0815	0.0815		727,665,480	0.0825	0.0825	600,324	
	County Fair	709,576,667	0.0100	0.0100		727,665,480	0.0100	0.0100	72,767	
<b><u>Nodaway</u></b>										
Hoover Frankum Watershed Sub Dist	General Revenue	1,186,682	0.3800	0.3800		1,186,682	0.3800	0.3800	4,509	
Mozingo Creek Watershed Sub Dist	General Revenue	12,003,061	0.0000	0.0000		12,003,061	0.0000	0.0000	0	
102 River Tributaries Sub District	General Revenue	8,521,103	0.1000	0.1000		8,521,103	0.1000	0.1000	8,521	
City of Arkoe	General Revenue	317,433	0.8673	0.8673		324,505	0.8673	0.8673	2,814	
City of Barnard	General Revenue	909,691	0.8271	0.8271		952,553	0.8271	0.8271	7,879	
	Streets	909,691	1.2903	1.2903	A	952,553	1.2903	1.2903	12,291	2012
City of Burlington Junction	General Revenue	3,516,441	0.8911	0.8911		3,651,294	0.8851	0.8851	32,318	
	General Revenue-Temp	3,516,441	0.3061	0.3000	A	3,651,294	0.3040	0.3000	10,954	2014
City of Clearmont	General Revenue	1,053,675	0.6880	0.6880		1,101,382	0.6880	0.6880	7,578	
Village of Clyde	General Revenue	620,416	0.4724	0.4724		642,521	0.4725	0.4725	3,036	
City of Conception Junction	General Revenue	1,001,536	0.9964	0.9964		1,121,879	0.9654	0.9654	10,831	
City of Elmo	General Revenue	649,330	0.0000	0.0000		631,865	0.9383	0.9383	5,929	
	General Revenue-Temp	649,330	0.9126	0.9126		**	**	**		2011
	Streets-Temp	649,330	0.4108	0.4108		**	**	**		2011
City of Graham	General Revenue	833,019	0.9606	0.9606		911,288	0.9606	0.9606	8,754	
	Streets	833,019	1.1400	0.0000		911,288	1.1400	0.0000	0	
	Street Improvement	833,019	1.1711	1.1400	A	911,288	1.1711	1.1400	10,389	2013
Village of Guilford	General Revenue	365,369	1.0000	1.0000		416,394	1.0000	1.0000	4,164	
	Streets	365,369	0.5000	0.5000		416,394	0.5000	0.5000	2,082	2014
City of Hopkins	General Revenue	3,412,637	0.3571	0.3571		3,387,099	0.3604	0.3367	11,404	
	Lights	3,412,637	0.1879	0.1879		3,387,099	0.1896	0.1896	6,422	
	Streets	3,412,637	0.1879	0.1879		3,387,099	0.1896	0.1896	6,422	
	General Revenue-Temp	3,412,637	0.1826	0.1826		**	**	**		2011
	Street Improvements	3,412,637	0.7500	0.7500		3,387,099	0.7500	0.7500	25,403	2013
	General Revenue-Temp	**	**	**		3,387,099	0.2079	0.2079	7,042	A 2015
City of Maryville	General Revenue	123,677,284	0.3383	0.3383		127,674,372	0.3383	0.3383	431,922	
	Parks & Recreation	123,677,284	0.3000	0.3000		127,674,372	0.3000	0.3000	383,023	
	Library	123,677,284	0.1529	0.1529		127,674,372	0.1529	0.1529	195,214	
	Debt Service	123,677,284	0.1366	0.1294		127,674,372	0.1344	0.1294	165,211	
City of Parnell	General Revenue	493,144	0.9913	0.9913		550,462	0.9914	0.9914	5,457	
	Parks & Recreation	493,144	0.2705	0.2705		550,462	0.2705	0.2705	1,489	2012
	General Revenue-Temp	493,144	0.3610	0.3610		550,462	0.3610	0.3610	1,987	2012
Village of Pickering	General Revenue	676,686	0.8674	0.8300		734,253	0.8675	0.8300	6,094	
	Streets	676,686	1.0000	1.0000		734,253	1.0000	1.0000	7,343	2012
Village of Quitman	General Revenue	124,719	1.0000	1.0000		*	*	*		
City of Ravenwood	General Revenue	2,602,144	0.7289	0.7289		2,672,272	0.7293	0.7293	19,489	
	Streets-Temp	2,602,144	0.9456	0.9456		**	**	**		2011
	Streets	**	**	**		2,672,272	1.2882	1.2882	34,424	A 2014
City of Skidmore	General Revenue	1,474,618	0.9600	0.9600		1,498,659	0.9600	0.9600	14,387	
	Streets	1,474,618	0.9600	0.9600		1,498,659	0.9600	0.9600	14,387	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Nodaway</u></b>									
Atchison Township of Nodaway Co	General Revenue	5,929,895	0.0483	0.0483	6,069,288	0.0483	0.0483	2,931	2012
	Road & Bridge	5,929,895	0.4826	0.4826	6,069,288	0.4826	0.4826	29,290	
	Special Road and Bridge	5,929,895	0.3378	0.3378	6,069,288	0.3378	0.3378	20,502	
Grant Township of Nodaway County	General Revenue	6,697,024	0.0481	0.0481	7,154,236	0.0481	0.0481	3,441	2012
	Road & Bridge	6,697,024	0.4806	0.4806	7,154,236	0.4806	0.4806	34,383	
	Special Road and Bridge	6,697,024	0.3364	0.3364	7,154,236	0.3364	0.3364	24,067	
	Debt Service	6,697,024	0.5256	0.5256	7,154,236	0.2941	0.2941	21,041	
Green Township of Nodaway Co	General Revenue	5,100,150	0.0491	0.0491	5,454,483	0.0491	0.0491	2,678	2012
	Road & Bridge	5,100,150	0.4913	0.4913	5,454,483	0.4913	0.4913	26,798	
	Special Road and Bridge	5,100,150	0.3439	0.3439	5,454,483	0.3439	0.3439	18,758	
	Debt Service	5,100,150	0.6082	0.6082	5,454,483	1.3695	1.3695	74,699	
Hopkins Township of Nodaway Co	General Revenue	7,466,931	0.0474	0.0474	7,503,644	0.0474	0.0474	3,557	2012
	Road & Bridge	7,466,931	0.4740	0.4740	7,503,644	0.4740	0.4740	35,567	
	Special Road and Bridge	7,466,931	0.3325	0.3325	7,503,644	0.3325	0.3325	24,950	
Hughes Township of Nodaway Co	General Revenue	8,595,274	0.0500	0.0500	9,168,801	0.0500	0.0500	4,584	2012
	Road & Bridge	8,595,274	0.5000	0.5000	9,168,801	0.5000	0.5000	45,844	
	Special Road and Bridge	8,595,274	0.3396	0.3396	9,168,801	0.3396	0.3396	31,137	
	Debt Service	8,595,274	0.4084	0.4084	9,168,801	0.6337	0.6337	58,103	
Independence Township, Nodaway Co	General Revenue	4,440,675	0.0466	0.0466	4,590,108	0.0466	0.0466	2,139	2012
	Road & Bridge	4,440,675	0.4670	0.4670	4,590,108	0.4670	0.4670	21,436	
	Special Road and Bridge	4,440,675	0.3500	0.3500	4,590,108	0.3500	0.3500	16,065	
	Debt Service	4,440,675	0.6934	0.6934	4,590,108	0.8282	0.8282	38,015	
Jackson Township of Nodaway Co	General Revenue	11,638,372	0.0494	0.0494	12,620,489	0.0494	0.0494	6,235	2014
	Road & Bridge	11,638,372	0.4942	0.4942	12,620,489	0.4942	0.4942	62,370	
	Special Road and Bridge	11,638,372	0.3500	0.3500	A 12,620,489	0.3500	0.3500	44,172	
	Debt Service	11,638,372	0.4705	0.4705	12,620,489	0.5724	0.5724	72,240	
Jefferson Township of Nodaway Co	General Revenue	9,820,587	0.0485	0.0485	10,122,267	0.0485	0.0485	4,909	2012
	Road & Bridge	9,820,587	0.4847	0.4847	10,122,267	0.4847	0.4847	49,063	
	Special Road and Bridge	9,820,587	0.3398	0.3398	10,122,267	0.3398	0.3398	34,395	
Lincoln Township of Nodaway Co	General Revenue	5,916,152	0.0489	0.0489	6,138,760	0.0489	0.0489	3,002	2014
	Road & Bridge	5,916,152	0.4887	0.4887	6,138,760	0.4887	0.4887	30,000	
	Special Road and Bridge	5,916,152	0.3531	0.3531	A 6,138,760	0.3531	0.3531	21,676	
Monroe Township of Nodaway Co	General Revenue	4,933,715	0.0489	0.0489	5,080,382	0.0489	0.0489	2,484	2012
	Road & Bridge	4,933,715	0.4776	0.4776	5,080,382	0.4776	0.4776	24,264	
	Special Road and Bridge	4,933,715	0.3371	0.3371	5,080,382	0.3371	0.3371	17,126	
	Debt Service	4,933,715	0.8432	0.8432	5,080,382	0.6662	0.6662	33,846	
Nodaway Township of Nodaway Co	General Revenue	9,322,028	0.0470	0.0470	9,856,842	0.0459	0.0459	4,524	2014
	Road & Bridge	9,322,028	0.4700	0.4700	9,856,842	0.4595	0.4595	45,292	
	Special Road and Bridge	9,322,028	0.3517	0.3517	A 9,856,842	0.3438	0.3438	33,888	
	Debt Service	9,322,028	0.7037	0.7037	9,856,842	0.8979	0.8979	88,505	
Polk Township of Nodaway Co	General Revenue	194,121,720	0.0500	0.0500	197,712,084	0.0500	0.0500	98,856	2012
	Road & Bridge	194,121,720	0.2853	0.2853	197,712,084	0.2853	0.2853	564,073	
	Special Road and Bridge	194,121,720	0.1494	0.1494	197,712,084	0.1494	0.1494	295,382	
Union Township of Nodaway Co	General Revenue	5,815,134	0.0493	0.0493	6,092,706	0.0493	0.0493	3,004	2014
	Road & Bridge	5,815,134	0.4926	0.4926	6,092,706	0.4926	0.4926	30,013	
	Special Road and Bridge	5,815,134	0.3519	0.3519	A 6,092,706	0.3519	0.3519	21,440	
	Debt Service	5,815,134	0.5537	0.5537	6,092,706	0.4116	0.4116	25,078	
Washington Township of Nodaway Co	General Revenue	9,311,283	0.0475	0.0475	9,406,358	0.0475	0.0475	4,468	2012
	Road & Bridge	9,311,283	0.4752	0.4752	9,406,358	0.4752	0.4752	44,699	
	Special Road and Bridge	9,311,283	0.3355	0.3355	9,406,358	0.3355	0.3355	31,558	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Nodaway</u></b>										
White Cloud Township of Nodaway Co	General Revenue	7,942,982	0.0467	0.0467		8,322,366	0.0467	0.0467	3,887	
	Road & Bridge	7,942,982	0.4583	0.4583		8,322,366	0.4583	0.4583	38,141	
	Special Road and Bridge	7,942,982	0.3614	0.3614	A	8,322,366	0.3614	0.3614	30,077	2014
	Debt Service	7,942,982	0.5703	0.5703		8,322,366	0.7655	0.7655	63,708	
Barnard Fire Protection District	General Revenue	14,431,473	0.1930	0.1930		14,971,660	0.1930	0.1930	28,895	
Graham Fire Protection District	General Revenue	8,942,616	0.2025	0.2000	B	9,544,775	0.2025	0.2000	19,090	
14979 Katy Road	General Revenue	10,116,183	0.2205	0.2205		10,193,008	0.2205	0.2205	22,476	
Polk Fire Protection District	General Revenue	72,536,746	0.1547	0.1500	B	72,697,718	0.1547	0.1547	112,463	
Clearmont Fire Protection District	General Revenue	5,622,306	0.2848	0.2848		5,695,725	0.2850	0.2850	16,233	
Skidmore Fire Protection District	General Revenue	8,379,131	0.2956	0.2956		8,744,089	0.2956	0.2956	25,848	
West Nodaway Fire Protection Dist	General Revenue	13,813,338	0.2675	0.2675		14,702,191	0.2605	0.2605	38,299	
Jackson Township Fire Prot Dist	General Revenue	11,639,601	0.0000	0.0000		12,621,829	0.0000	0.0000	0	
	Fire	11,639,601	0.2966	0.2966		12,621,829	0.2966	0.2966	37,436	
Union Township Fire Protection Dist	General Revenue	4,500,182	0.2981	0.2981		4,731,913	0.2981	0.2981	14,106	
Elmo Fire Protection District	General Revenue	4,134,318	0.2888	0.2888		4,308,959	0.2873	0.2873	12,380	
Parnell Fire Protection District	General Revenue	5,119,285	0.2774	0.2774		5,463,009	0.2774	0.2774	15,154	
Nodaway County Health Center	General Revenue	297,471,203	0.0500	0.0500		305,715,961	0.0500	0.0500	152,858	
Nodaway-Holt R-VII School District	Operating Funds-Schools	23,082,152	3.6603	3.6603	E	24,687,394	3.5991	3.5991	888,524	E
	Operating Funds-Temp	23,082,152	0.8856	0.8856		24,687,394	0.8856	0.8856	218,632	2019
West Nodaway Co R-I School District	Operating Funds-Schools	22,220,590	3.6203	3.6203	E	22,953,278	3.6125	3.6125	829,187	E
	Debt Service	22,220,590	0.5643	0.5000		22,953,278	0.5127	0.5000	114,766	
Northeast Nodaway Co R-V Sch Dist	Operating Funds-Schools	13,569,843	5.1285	5.1285	E	14,482,662	5.1607	5.1607	747,407	E
	Operating Funds-Temp	13,569,843	0.5500	0.5500		14,482,662	0.5500	0.5500	79,655	2014
	Debt Service	13,569,843	0.9690	0.8900		14,482,662	0.6976	0.6976	101,031	
Jefferson C-123 School District	Operating Funds-Schools	12,999,384	5.9622	5.5675		13,349,621	5.9489	5.5388	739,409	
North Nodaway Co R-VI School Dist	Operating Funds-Schools	14,829,834	4.4121	4.4121	E	15,021,164	4.3825	4.3825	658,303	E
	Debt Service	14,829,834	0.6284	0.5900		15,021,164	0.6743	0.5900	88,625	
Maryville R-II School District	Operating Funds-Schools	190,327,055	4.6112	4.3615		193,066,937	4.6112	4.3510	8,400,342	
	Debt Service	190,293,605	0.9966	0.6143		193,066,937	0.7418	0.6900	1,332,162	
South Nodaway Co R-IV School Dist	Operating Funds-Schools	13,205,925	5.4499	5.4499	E	13,548,528	5.4251	5.4251	735,021	E
	Debt Service	**	**	**		13,548,528	0.7733	0.5900	79,936	
Nodaway County	General Revenue	297,471,203	0.3662	0.1400		305,715,961	0.3662	0.1400	428,002	
	Ambulance	297,471,203	0.1883	0.0000		305,715,961	0.1883	0.0000	0	
	Senate Bill 40	297,471,203	0.0500	0.0500		305,715,961	0.0500	0.0500	152,858	
	Senior Services	297,471,203	0.0500	0.0500		305,715,961	0.0500	0.0500	152,858	
<b><u>Oregon</u></b>										
Oregon County Ambulance District	General Revenue	84,197,101	0.0747	0.0000		87,219,315	0.0747	0.0000	0	
Thayer Spec Rd Dist Oregon Co	Road & Bridge	32,517,870	0.2192	0.2192		33,966,674	0.2192	0.2192	74,455	
City of Alton	General Revenue	4,755,509	0.5460	0.5460		4,838,377	0.5482	0.5482	26,524	
City of Koshkonong	General Revenue	722,197	0.9096	0.9096		744,943	0.9096	0.9096	6,776	
City of Thayer	General Revenue	14,600,821	0.4604	0.4604		15,243,664	0.4604	0.4604	70,182	
Oregon County Library District	General Revenue	84,197,101	0.1996	0.1996		87,219,315	0.1997	0.1997	174,177	
Oregon County Health Department	General Revenue	84,197,101	0.0998	0.0998		87,219,315	0.0998	0.0998	87,045	
Couch R-I School District	Operating Funds-Schools	9,769,411	3.4405	3.4300	E	9,990,768	3.8851	3.6300	362,665	E
Thayer R-II School District	Operating Funds-Schools	27,489,878	2.7500	2.7500	E	28,768,407	2.7500	2.7500	791,131	E
	Debt Service	27,489,878	1.0726	0.9200		28,768,407	0.9833	0.9200	264,669	
Oregon-Howell R-III School District	Operating Funds-Schools	12,023,438	2.7189	2.7189	E	12,482,741	2.7097	2.7097	338,245	E
	Operating Funds-Temp	12,023,438	0.6987	0.6987		12,482,741	0.6920	0.6920	86,381	2022
	Debt Service	12,023,438	2.1378	1.0000		12,482,741	1.4642	1.0000	124,827	
Alton R-IV School District	Operating Funds-Schools	31,801,582	2.7500	2.7500	E	33,086,742	2.7500	2.7500	909,885	E

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Oregon</u></b>									
Oregon County	General Revenue	84,197,101	0.3631	0.1046	87,219,315	0.3632	0.1045	91,144	
	Common Road District	51,714,193	0.2680	0.2680	53,459,123	0.2686	0.2686	143,591	
	Senate Bill 40	84,197,101	0.0998	0.0998	87,219,315	0.0998	0.0998	87,045	
	Senior Services	84,197,101	0.0499	0.0499	87,219,315	0.0499	0.0499	43,522	
<b><u>Osage</u></b>									
Osage Ambulance District	General Revenue	125,797,554	0.3000	0.1859	127,680,868	0.3000	0.1996	254,851	
Chamois Spec Rd Dist Osage Co	Road & Bridge	6,346,537	0.3237	0.3237	6,140,534	0.3388	0.3388	20,804	
Linn City Spec Rd Dist Osage Co	Road & Bridge	16,537,413	0.2574	0.2574	16,489,058	0.2608	0.2608	43,003	
Westphalia Spec Rd Dist Osage Co	Road & Bridge	4,060,787	0.2287	0.2287	4,142,239	0.2287	0.2287	9,473	
	Special Road and Bridge	4,060,787	0.1725	0.1725	A **	**	**		2011
	Special Road and Bridge	**	**	**	4,142,239	0.1777	0.1777	7,361	A 2015
Village of Argyle	General Revenue	1,199,807	0.2911	0.2911	1,230,367	0.2912	0.2912	3,583	
City of Chamois	General Revenue	2,960,522	0.6043	0.6043	2,959,488	0.6066	0.6066	17,952	
City of Linn	General Revenue	16,384,093	0.5231	0.5231	16,343,334	0.5298	0.5298	86,587	
	Parks & Recreation	16,384,093	0.0500	0.0500	16,343,334	0.0500	0.0500	8,172	
City of Meta	General Revenue	4,656,131	0.4319	0.4319	4,634,646	0.4339	0.4339	20,110	
Osage County Library	General Revenue	186,511,230	0.1728	0.1728	188,635,754	0.1728	0.1728	325,963	
Chamois Fire Protection District	General Revenue	14,225,316	0.2607	0.2607	14,224,962	0.2648	0.2607	37,084	
Meta Fire & Rescue Fire Prot Dist	General Revenue	13,521,796	0.2900	0.2900	13,701,223	0.2900	0.2900	39,734	
Linn Fire Protection District	General Revenue	81,343,056	0.2648	0.2625	83,144,226	0.2648	0.2625	218,254	
Osage Co R-I School District	Operating Funds-Schools	14,458,399	4.3009	4.2196	E 14,357,949	4.2610	4.2591	611,519	E
Osage Co R-II School District	Operating Funds-Schools	56,951,751	2.7890	2.7890	E 57,739,234	2.7500	2.7500	1,587,829	E
	Debt Service	56,951,751	0.6163	0.6163	57,739,234	0.7198	0.6553	378,365	
Osage Co R-III School District	Operating Funds-Schools	78,638,585	3.6029	3.5500	BE 79,077,176	3.6029	3.5500	2,807,240	E
Osage County	General Revenue	186,511,230	0.3152	0.0572	188,635,754	0.3152	0.0454	85,641	
	Common Road District	156,607,174	0.2150	0.2150	158,881,282	0.2150	0.2150	341,595	
	Developmentally Disabled	186,511,230	0.1000	0.1000	188,635,754	0.1000	0.1000	188,636	
<b><u>Ozark</u></b>									
Village of Bakersfield	General Revenue	1,269,900	0.2806	0.2806	1,289,087	0.2806	0.2806	3,617	
	Health	1,269,900	0.1402	0.1402	1,289,087	0.1401	0.1401	1,806	
City of Gainesville	General Revenue	9,117,298	0.4248	0.4248	9,131,497	0.4290	0.4290	39,174	
City of Theodosia	General Revenue	4,254,934	0.2997	0.2997	4,272,099	0.3013	0.3013	12,872	
Ozark County Health Center	General Revenue	102,954,758	0.0919	0.0919	104,105,946	0.0920	0.0920	95,777	
Thornfield R-I School District	Operating Funds-Schools	6,071,824	3.2984	3.2897	E 6,224,368	3.3108	3.2897	204,763	E
Bakersfield R-IV School District	Operating Funds-Schools	12,597,846	3.5372	3.5372	E 12,823,979	3.5523	3.5523	455,546	E
	Debt Service	12,597,846	0.0501	0.0501	**	**	**		
Gainesville R-V School District	Operating Funds-Schools	46,159,594	2.7500	2.7500	E 46,927,045	2.7500	2.7500	1,290,494	E
Dora R-III School District	Operating Funds-Schools	14,947,529	3.2181	3.2155	E 15,057,898	3.2221	3.2221	485,181	E
	Operating Funds-Temp	14,947,529	0.2152	0.2152	15,057,898	0.2162	0.2162	32,555	2017
	Debt Service	14,947,529	0.2246	0.1804	15,057,898	0.2128	0.1804	27,164	
Lutie R-VI School District	Operating Funds-Schools	21,566,701	3.6577	3.5872	E 21,850,922	3.6553	3.6553	798,717	E
Ozark County	General Revenue	102,954,758	0.3124	0.1800	104,105,946	0.3126	0.1462	152,203	
	Road & Bridge	102,954,758	0.2365	0.2365	104,105,946	0.2366	0.2366	246,315	
	Ambulance	102,954,758	0.1230	0.0024	104,105,946	0.1231	0.0000	0	
<b><u>Pemiscot</u></b>									
City of Bragg City	General Revenue	377,350	0.5000	0.5000	374,380	0.5000	0.5000	1,872	
City of Caruthersville	General Revenue	41,798,589	0.5752	0.5752	43,579,981	0.5761	0.5752	250,672	
	Sewer	41,798,589	0.1952	0.1952	43,579,981	0.1955	0.1952	85,068	



APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Pemiscot</u></b>									
City of Caruthersville	Library	41,798,589	0.0925	0.0925	43,579,981	0.0926	0.0925	40,311	
	Health	41,798,589	0.1643	0.1643	43,579,981	0.1646	0.1643	71,602	
	Cemetery	41,798,589	0.0411	0.0411	43,579,981	0.0412	0.0411	17,911	
Town of Cooter	General Revenue	2,944,417	1.0000	1.0000	2,876,582	1.0000	1.0000	28,766	
City of Hayti	General Revenue	21,516,758	0.5669	0.5669	22,092,391	0.5680	0.5680	125,485	
	Parks & Recreation	21,516,758	0.2557	0.2557	22,092,391	0.2562	0.2562	56,601	
	Library	21,516,758	0.1890	0.1890	22,092,391	0.1894	0.1894	41,843	
	Health	21,516,758	0.1557	0.1557	22,092,391	0.1560	0.1560	34,464	
	Cemetery	21,516,758	0.0500	0.0500	22,092,391	0.0500	0.0500	11,046	
City of Hayti Heights	General Revenue	849,760	0.8169	0.8169	990,150	0.8262	0.8262	8,181	
	Health	849,760	0.2000	0.2000	990,150	0.2000	0.2000	1,980	
Village of Holland	General Revenue	836,400	0.6011	0.6011	904,260	0.6065	0.6065	5,484	
City of Homestown	General Revenue	208,910	0.6000	0.6000	211,300	0.5998	0.5998	1,267	
City of Steele	General Revenue	11,918,587	0.5755	0.5755	12,159,870	0.5755	0.5755	69,980	
	Parks & Recreation	11,918,587	0.1661	0.1661	12,159,870	0.1661	0.1661	20,198	
	Library	11,918,587	0.1661	0.1661	12,159,870	0.1661	0.1661	20,198	
	Health	11,918,587	0.1661	0.1661	12,159,870	0.1661	0.1661	20,198	
Village of Wardell	General Revenue	1,531,556	0.6700	0.6700	1,640,015	0.6708	0.6708	11,001	
	Health	1,531,556	0.1000	0.1000	1,640,015	0.1000	0.1000	1,640	
Pemiscot County Health Center	General Revenue	178,566,722	0.1000	0.1000	186,117,612	0.1000	0.1000	186,118	
North Pemiscot Co R-I School Dist	Operating Funds-Schools	18,066,075	2.8825	2.8500	E 19,063,474	2.9268	2.8500	543,309	E
Hayti R-II School District	Operating Funds-Schools	27,835,788	3.6533	3.6533	E 28,780,381	3.5736	3.5736	1,028,496	E
Pemiscot Co R-III School District	Operating Funds-Schools	10,515,965	3.9551	3.9000	E 11,195,200	3.9712	3.9000	436,613	E
	Debt Service	10,515,965	1.0949	0.3500	11,195,200	0.4377	0.3500	39,183	
Cooter R-IV School District	Operating Funds-Schools	7,154,107	3.6959	3.6390	E 7,550,782	3.7175	3.6931	278,858	E
South Pemiscot Co R-V School Dist	Operating Funds-Schools	28,182,079	3.6906	3.6906	E 29,546,592	3.6906	3.6906	1,090,447	E
Pemiscot Co C-7 School District	Operating Funds-Schools	10,640,033	3.8500	3.8500	E 11,221,737	3.8500	3.8500	432,037	E
Caruthersville 18 School District	Operating Funds-Schools	46,861,269	3.9630	3.9630	E 47,840,451	3.9722	3.9722	1,900,318	E
	Debt Service	46,861,269	0.2405	0.2405	47,840,451	0.2821	0.2313	110,655	
Pemiscot Co Special School District	Operating Funds-Schools	177,883,482	0.4860	0.4860	185,309,372	0.4860	0.4860	900,604	
	Debt Service	177,883,482	0.0517	0.0517	185,309,372	0.0432	0.0432	80,054	
Pemiscot County	General Revenue	178,566,722	0.3877	0.1940	186,117,612	0.3877	0.1995	371,305	
	Johnson Grass	178,566,722	0.0500	0.0500	186,117,612	0.0500	0.0500	93,059	
	Road & Bridge	178,566,722	0.2975	0.2975	186,117,612	0.2975	0.2975	553,700	
	Hospital	178,566,722	0.3400	0.3400	186,117,612	0.3400	0.3400	632,800	
	Senate Bill 40	178,566,722	0.1000	0.1000	186,117,612	0.1000	0.1000	186,118	
<b><u>Perry</u></b>									
City of Altenburg	General Revenue	5,076,230	0.4608	0.4608	4,388,928	0.5330	0.5330	23,393	
City of Frohna	General Revenue	5,122,422	0.6521	0.6521	4,028,347	0.8444	0.6891	27,759	
Village of Longtown	General Revenue	700,938	0.3131	0.3131	744,452	0.3137	0.3137	2,335	
City of Perryville	General Revenue	129,553,351	0.3584	0.3576	133,567,855	0.4779	0.4000	534,271	
	Parks & Recreation	129,553,351	0.1693	0.1689	133,567,855	0.1718	0.1700	227,065	
	Debt Service	129,553,351	0.2441	0.2400	133,567,855	0.1918	0.1900	253,779	
Perry County Library District	General Revenue	302,026,827	0.0898	0.0898	312,758,312	0.0901	0.0901	281,795	
Perry County Health Department	General Revenue	302,026,827	0.1795	0.1795	312,758,312	0.1801	0.1801	563,278	
Perry Co 32 School District	Operating Funds-Schools	270,044,630	3.1731	3.1731	E 280,824,703	3.1882	3.1882	8,953,253	E
Altenburg 48 School District	Operating Funds-Schools	16,402,256	3.6038	3.6000	E 15,651,250	3.6038	3.6038	564,040	E
Perry County	General Revenue	302,026,827	0.3918	0.1800	312,758,312	0.4301	0.1800	562,965	
	Road & Bridge	302,026,827	0.2999	0.2999	312,758,312	0.3009	0.2999	937,962	
	Hospital	302,026,827	0.0898	0.0898	312,758,312	0.0901	0.0901	281,795	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Perry</u></b>									
Perry County	Mental Health	302,026,827	0.0898	0.0898	312,758,312	0.0901	0.0901	281,795	
	Senate Bill 40	302,026,827	0.0898	0.0898	312,758,312	0.0901	0.0901	281,795	
<b><u>Pettis</u></b>									
City of Green Ridge	General Revenue	2,786,844	0.9629	0.9629	3,129,329	0.9399	0.9399	29,413	
City of Houstonia	General Revenue	1,061,365	1.0000	1.0000	1,093,866	1.0000	1.0000	10,939	
Village of Hughesville	General Revenue	1,037,410	0.4116	0.4116	1,036,214	0.4135	0.4135	4,285	
	General Revenue-Temp	1,037,410	0.3000	0.3000	**	**	**		2011
	General Revenue-Temp	**	**	**	1,036,214	0.3104	0.3104	3,216	A 2015
City of La Monte	General Revenue	6,119,779	0.8577	0.8577	6,558,875	0.9300	0.9100	59,686	
	Parks & Recreation	6,119,779	0.0389	0.0389	6,558,875	0.0400	0.0305	2,000	
City of Sedalia	General Revenue	254,163,775	0.4295	0.4295	252,612,495	0.4334	0.4334	1,094,823	
	Parks & Recreation	254,163,775	0.1494	0.1494	252,612,495	0.1508	0.1508	380,940	
	Library	201,130,366	0.2121	0.2121	201,371,043	0.2137	0.2137	430,330	
	Police	254,163,775	0.0840	0.0840	252,612,495	0.0848	0.0848	214,215	
	Fire	254,163,775	0.0459	0.0459	252,612,495	0.0463	0.0463	116,960	
City of Smithton	General Revenue	4,436,952	0.7456	0.7456	4,066,525	0.8393	0.8393	34,130	
Boonslick Regional Library	General Revenue	797,740,980	0.1399	0.1399	802,583,724	0.1399	0.1399	1,122,815	
Pettis County Fire Prot Dist #1	General Revenue	204,845,893	0.2834	0.2791	208,349,760	0.2834	0.2791	581,504	
Sedalia Special Business District	General Revenue	6,097,800	0.6281	0.6281	5,871,510	0.6524	0.6524	38,306	
Pettis County Health Center	General Revenue	551,559,225	0.0875	0.0875	546,562,797	0.0888	0.0888	485,348	
State Fair Community College	General Revenue	785,001,581	0.4055	0.4055	794,653,327	0.4065	0.4065	3,230,266	
Pettis Co R-V School District	Operating Funds-Schools	23,148,804	3.4345	3.4345	E 24,217,653	3.4506	3.4506	835,654	E
	Debt Service	23,148,804	0.4840	0.4303	24,217,653	0.4722	0.4303	104,209	
La Monte R-IV School District	Operating Funds-Schools	18,175,034	3.1637	2.9500	E 18,975,589	3.1956	2.9500	559,780	E
	Debt Service	18,175,034	0.8318	0.8000	18,975,589	0.8595	0.8000	151,805	
Smithton R-VI School District	Operating Funds-Schools	35,654,401	3.5278	3.5278	BE 36,694,657	3.5278	3.5278	1,294,514	E
	Operating Funds-Temp	35,654,401	0.5840	0.0000	**	**	**		2011
	Debt Service	35,654,401	0.4933	0.4933	36,694,657	0.4938	0.4938	181,198	
Green Ridge R-VIII School District	Operating Funds-Schools	22,268,525	3.4261	3.4261	E 23,418,596	3.4111	3.4111	798,832	E
	Debt Service	22,268,525	0.5694	0.4639	23,418,596	0.4918	0.4639	108,639	
Pettis Co R-XII School District	Operating Funds-Schools	52,063,540	3.3828	2.9944	E 50,445,180	3.4500	2.8900	1,457,866	E
Sedalia 200 School District	Operating Funds-Schools	338,660,169	3.0049	3.0049	E 340,085,587	2.9902	2.9902	10,169,239	E
	Operating Funds-Temp	338,660,169	0.8628	0.8628	340,085,587	0.8628	0.8628	2,934,258	2026
Pettis County	General Revenue	537,153,652	0.3885	0.0257	546,562,797	0.3885	0.0200	109,313	
	Johnson Grass	537,153,652	0.0050	0.0050	546,562,797	0.0050	0.0050	27,328	
	Road & Bridge	537,153,652	0.2800	0.2787	546,562,797	0.2800	0.2787	1,523,271	
	Developmentally Disabled	537,153,652	0.0879	0.0879	546,562,797	0.0879	0.0879	480,429	
<b><u>Phelps</u></b>									
St. James Ambulance District	General Revenue	*	*	*	116,750,811	0.1309	0.0000	0	
City of Doolittle	General Revenue	4,340,235	0.2683	0.2683	4,357,977	0.2683	0.2683	11,692	
City of Newburg	General Revenue	1,745,326	0.7041	0.7041	1,863,299	0.7041	0.7041	13,119	
	Library	1,745,326	0.1902	0.1902	1,863,299	0.1902	0.1902	3,544	
City of Rolla	General Revenue	201,836,281	0.4451	0.4451	205,887,046	0.4451	0.4451	916,403	
	Parks & Recreation	201,836,281	0.1096	0.1096	205,887,046	0.1096	0.1096	225,652	
	Library	201,836,281	0.1857	0.1857	205,887,046	0.1857	0.1857	382,332	
City of St. James	General Revenue	35,246,250	0.3909	0.3909	35,357,669	0.3909	0.3909	138,213	
	Parks & Recreation	35,246,250	0.0607	0.0607	35,357,669	0.0607	0.0607	21,462	
City of Edgar Springs	General Revenue	1,550,962	0.4694	0.4694	1,565,225	0.4696	0.4696	7,350	
Doolittle Rural Fire Prot Dist	General Revenue	26,863,433	0.2215	0.2215	27,809,830	0.2215	0.2215	61,599	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Phelps</u></b>										
Rolla Rural Fire Protection Dist	General Revenue	142,602,504	0.2297	0.2297		145,952,095	0.2297	0.2297	335,252	
Duke Fire Protection District	General Revenue	5,595,475	0.2177	0.2177		5,744,483	0.2177	0.2177	12,506	
St. James Fire Protection District	General Revenue	107,262,796	0.2362	0.2362		108,708,957	0.2362	0.2362	256,771	
Edgar Springs Rural FPD	General Revenue	14,828,804	0.3062	0.3062	A	15,801,025	0.3020	0.3020	47,719	
St. James R-I School District	Operating Funds-Schools	109,982,522	2.7500	2.7500	E	111,180,588	2.7500	2.7500	3,057,466	E
	Debt Service	109,982,522	0.7343	0.5300		111,180,588	0.6585	0.5300	589,257	
Newburg R-II School District	Operating Funds-Schools	25,229,466	2.7500	2.7500	E	26,033,247	2.7500	2.7500	715,914	E
	Debt Service	25,229,466	0.9216	0.5000		26,033,247	0.5090	0.5000	130,166	
Rolla 31 School District	Operating Funds-Schools	376,537,767	3.3205	2.9559		386,164,745	3.3240	2.9336	11,328,529	
	Debt Service	376,537,767	0.5046	0.2500		386,164,745	0.4713	0.2500	965,412	
Phelps Co R-III School District	Operating Funds-Schools	17,450,926	2.7500	2.7500	E	17,717,884	2.7500	2.7500	487,242	E
	Debt Service	17,450,926	0.1479	0.1479		17,717,884	0.1407	0.1407	24,929	
Phelps County	General Revenue	539,302,523	0.2753	0.1560		551,565,375	0.2753	0.1526	841,689	
	Road & Bridge	539,302,523	0.1966	0.0956		551,565,375	0.1966	0.0935	515,714	
	Developmentally Disabled	539,302,523	0.0708	0.0708		551,565,375	0.0708	0.0708	390,508	
<b><u>Pike</u></b>										
Village of Annada	General Revenue	370,665	0.6179	0.6179		394,609	0.6178	0.6178	2,438	
City of Bowling Green	General Revenue	36,053,565	0.5977	0.5977		39,521,227	0.6018	0.6018	237,839	
	Parks & Recreation	36,053,565	0.0000	0.0000		39,521,227	0.0000	0.0000	0	
	Library	36,053,565	0.1843	0.1843		39,521,227	0.1856	0.1856	73,351	
	Cemetery	36,053,565	0.0922	0.0922		39,521,227	0.0928	0.0928	36,676	
City of Clarksville	General Revenue	4,421,302	0.6323	0.6323		4,511,268	0.6395	0.6395	28,850	
City of Curryville	General Revenue	1,463,108	0.9055	0.9055		1,492,008	0.9096	0.9096	13,571	
Village of Eolia	General Revenue	3,966,342	0.3753	0.3753		4,066,371	0.3780	0.3780	15,371	
City of Frankford	General Revenue	1,791,891	1.0000	1.0000		1,845,991	1.0000	1.0000	18,460	
City of Louisiana	General Revenue	33,106,315	0.7305	0.7305		34,254,143	0.7337	0.7300	250,055	
	Library	33,106,315	0.0995	0.0995		34,254,143	0.1000	0.1000	34,254	
Buffalo Township Fire Prot Dist	General Revenue	44,168,404	0.2865	0.2865		46,391,208	0.2889	0.2889	134,024	
Pike Co Agency for Dev Disabilities	General Revenue	245,805,669	0.1902	0.1902		255,622,761	0.1914	0.1914	489,262	
Pike County Health Department	General Revenue	245,805,669	0.2389	0.2389		255,622,761	0.2405	0.2405	614,773	
Bowling Green R-I School District	Operating Funds-Schools	95,342,272	3.3356	3.2720	E	101,089,719	3.3832	3.3832	3,420,067	E
Pike Co R-III School District	Operating Funds-Schools	37,153,949	4.0141	4.0141	E	29,853,468	4.0141	4.0141	1,198,348	E
	Debt Service	37,153,949	1.6007	1.0801		29,853,468	2.0729	1.0802	322,477	
Boncl R-X School District	Operating Funds-Schools	11,607,642	4.1959	4.0500		14,249,880	5.0400	4.0500	577,120	
Louisiana R-II School District	Operating Funds-Schools	48,529,829	3.3609	3.3609	E	49,040,500	3.4011	3.4011	1,667,916	E
	Debt Service	48,529,829	0.6340	0.5390		49,040,500	0.4965	0.4965	243,486	
Pike County	General Revenue	245,805,669	0.4226	0.2926		255,622,761	0.4254	0.2954	755,110	
	Road & Bridge	245,805,669	0.3063	0.3063		255,622,761	0.3083	0.3083	788,085	
	Hospital	245,805,669	0.2103	0.2103		255,622,761	0.2117	0.2117	541,153	
<b><u>Platte</u></b>										
Northland Regional Ambulance Dist	General Revenue	472,497,581	0.4345	0.4298		477,687,418	0.4346	0.4346	2,076,030	
Southern Platte County Ambulance	General Revenue	493,310,298	0.0900	0.0900		499,417,501	0.1938	0.1100	549,359	
Platte Co Drainage Ditch Dist 1	General Revenue	1,431,063	0.1000	0.0859		1,089,917	0.1000	0.0859	936	
Farley Special Road Dist, Platte Co	Road & Bridge	15,540,266	0.3283	0.3283		15,814,948	0.3283	0.3283	51,920	
	Special Road and Bridge	15,540,266	0.3472	0.3472		15,814,948	0.3472	0.3472	54,909	2012
Parkville Spec Road Dist Platte Co	Road & Bridge	676,404,061	0.2605	0.2605		685,590,726	0.2618	0.2618	1,794,877	
Platte City Spec Rd Dist Platte Co	Road & Bridge	1,028,408,118	0.2190	0.2150		1,043,860,509	0.2210	0.2150	2,244,300	
Weston Spec Rd Dist Platte Co	Road & Bridge	56,461,756	0.2486	0.2486		57,745,141	0.2486	0.2486	143,554	
	Special Road and Bridge	56,461,756	0.3500	0.3500		**	**	**		2011

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b>Platte</b>									
Weston Spec Rd Dist Platte Co	Special Road and Bridge	**	**	**	57,745,141	0.3583	0.3583	206,901	A 2015
City of Camden Point	General Revenue	5,627,251	0.6728	0.6728	5,692,254	0.6739	0.6739	38,360	
City of Dearborn	General Revenue	5,481,328	0.4691	0.4691	5,594,854	0.4709	0.4709	26,346	
City of Edgerton	General Revenue	5,536,495	0.6820	0.6820	5,578,361	0.6832	0.6832	38,111	
Village of Farley	General Revenue	2,918,439	0.4578	0.4578	2,913,413	0.4586	0.4586	13,361	
Village of Ferrelview	General Revenue	2,401,396	0.5050	0.4749	2,404,836	0.5050	0.4800	11,543	
Village of Iatan	General Revenue	244,058	0.5000	0.4991	243,363	0.5000	0.4991	1,215	
City of Platte City	General Revenue	75,831,672	0.5230	0.5195	75,156,833	0.5278	0.5244	394,122	
	Debt Service	75,831,672	1.1961	0.5200	75,156,833	1.7218	0.5642	424,035	
City of Platte Woods	General Revenue	10,708,386	0.6914	0.6914	10,797,816	0.6938	0.6938	74,915	
City of Tracy	General Revenue	2,677,255	0.6739	0.6739	2,743,051	0.6739	0.6200	17,007	
	Debt Service	2,677,255	0.6297	0.6297	2,743,051	0.7177	0.6900	18,927	
City of Weatherby Lake	General Revenue	41,198,308	1.0000	1.0000	41,514,400	1.0000	1.0000	415,144	
	Parks & Recreation	41,198,308	0.2124	0.2124	41,514,400	0.2134	0.2134	88,592	
	Debt Service	41,198,308	0.9994	0.7683	41,514,400	0.9006	0.7682	318,914	
City of Weston	General Revenue	21,385,562	0.4610	0.4610	22,026,791	0.4610	0.4610	101,544	
	Parks & Recreation	21,385,562	0.1679	0.1679	22,026,791	0.1679	0.1679	36,983	
	Lights	21,385,562	0.1304	0.1304	22,026,791	0.1304	0.1304	28,723	
City of Lake Waukomis	General Revenue	13,942,484	0.8034	0.8034	14,381,820	0.8034	0.8034	115,544	
	General Revenue-Temp	13,942,484	0.7000	0.7000	**	**	**		2011
	General Revenue-Temp	**	**	**	14,381,820	0.7150	0.7000	100,673	A 2014
City of Parkville	General Revenue	185,288,906	0.4748	0.4748	187,449,313	0.4784	0.4784	896,758	
	General Revenue-Temp	185,288,906	0.1795	0.1795	187,449,313	0.1809	0.1759	329,723	2024
City of Northmoor	General Revenue	7,268,776	0.0000	0.0000	6,651,268	0.0000	0.0000	0	
Town of Ridgely	General Revenue	1,113,075	0.3184	0.3184	1,145,887	0.3184	0.3184	3,649	
City of Houston Lake	General Revenue	2,809,411	0.6690	0.6690	2,914,922	0.6733	0.6733	19,626	
	Fire	2,809,411	0.7300	0.7300	2,914,922	0.7300	0.7300	21,279	2012
Central Platte Fire Protection Dist	General Revenue	201,642,286	0.3116	0.3100	204,203,855	0.3131	0.3131	639,362	
Southern Platte Fire Prot Dist	General Revenue	413,731,461	0.9235	0.9235	420,634,800	0.9257	0.9257	3,893,816	
	Debt Service	413,731,461	0.1065	0.1065	420,634,800	0.0895	0.0895	376,468	
Weatherby Lake Fire Protection Dist	General Revenue	41,204,704	1.0480	1.0480	41,514,400	1.0530	1.0530	437,147	
West Platte Fire Protection Dist	General Revenue	175,766,022	0.3900	0.3900	179,300,864	0.3900	0.3900	699,273	
	Ambulance	175,766,022	0.3900	0.3900	179,300,864	0.3900	0.3900	699,273	
Camden Point Fire Protection Dist	General Revenue	19,575,576	0.4844	0.4844	19,624,679	0.4864	0.4864	95,454	
Smithville Area Fire Prot Dist	General Revenue	225,749,870	0.2862	0.2862	223,252,694	0.2925	0.2925	653,014	
	Debt Service	225,749,870	0.1676	0.1000	223,252,694	0.1646	0.1000	223,253	
Edgerton-Trimble Fire Prot Dist	General Revenue	36,245,169	0.4985	0.4985	36,794,726	0.4985	0.4985	183,422	
Dearborn Area Fire Protection Dist	General Revenue	25,898,187	0.5258	0.5258	26,411,264	0.5258	0.5258	138,870	
Platte County Health Department	General Revenue	2,177,927,337	0.0800	0.0800	2,208,210,454	0.0800	0.0800	1,766,568	
North Platte Co R-I School District	Operating Funds-Schools	53,568,015	3.7855	3.6100	E 54,059,362	3.7663	3.6100	1,951,543	E
	Operating Funds-Temp	53,568,015	0.2301	0.0000	54,059,362	0.2301	0.0000	0	2012
	Debt Service	53,568,015	1.7110	0.9900	54,059,362	1.5655	0.9900	535,188	
West Platte Co R-II School District	Operating Funds-Schools	185,171,871	4.1000	4.1000	E 187,992,022	4.1000	4.1000	7,707,673	E
	Debt Service	185,171,871	0.3514	0.3500	187,992,022	0.0000	0.0000	0	
Platte Co R-III School District	Operating Funds-Schools	425,004,746	3.7917	3.4688	424,393,823	3.8903	3.5688	15,145,767	
	Debt Service	425,004,746	2.1059	1.0600	424,393,823	2.0408	0.9600	4,074,181	
Park Hill School District	Operating Funds-Schools	1,440,437,815	4.9117	4.8026	E 1,467,449,564	4.9264	4.9264	72,292,435	E
	Debt Service	1,440,437,815	0.6741	0.6107	1,467,449,564	0.9203	0.6107	8,961,714	
Platte County	General Revenue	2,177,927,337	0.1896	0.0100	2,208,210,454	0.1905	0.0100	220,821	
	Road & Bridge	400,145,319	0.3500	0.3239	405,206,510	0.3500	0.3239	1,312,464	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<b><u>Platte</u></b>										
Platte County	Mental Health	2,177,927,337	0.1000	0.1000	2,208,210,454	0.1000	0.1000	2,208,210		
	Senate Bill 40	2,177,927,337	0.1300	0.1300	2,208,210,454	0.1300	0.1300	2,870,674		
	Senior Services	2,177,927,337	0.0500	0.0500	2,208,210,454	0.0500	0.0500	1,104,105		
	Debt Service	2,177,927,337	0.4203	0.0000	**	**	**			
<b><u>Polk</u></b>										
Blue Mound Spec Rd Dist Polk Co	Road & Bridge	2,194,947	0.3500	0.3500	2,311,686	0.3500	0.3500	8,091	2012	
Bolivar Spec Rd Dist Polk Co	Road & Bridge	94,998,812	0.2111	0.2111	96,008,132	0.2116	0.2111	202,673		
Flemington Spec Rd Dist Polk Co	Road & Bridge	1,608,174	0.3500	0.3500	1,595,957	0.3500	0.3500	5,586		
Humansville Spec Rd Dist Polk Co	Road & Bridge	10,550,390	0.2820	0.2820	10,980,031	0.2822	0.2820	30,964		
	Special Road and Bridge	10,550,390	0.3479	0.3479	10,980,031	0.3482	0.3479	38,200		
Providence Spec Rd Dist Polk Co	Road & Bridge	1,527,445	0.3500	0.3500	1,586,193	0.3500	0.3500	5,552		
Southwest Special Rd Dist Polk Co	Road & Bridge	877,962	0.3500	0.3500	889,840	0.3500	0.3500	3,114		
Polk County Road District	Road & Bridge	160,856,438	0.2790	0.2790	165,490,271	0.2790	0.2790	461,718		
Village of Aldrich	General Revenue	482,620	0.3773	0.3773	478,846	0.3824	0.3824	1,831		
City of Bolivar	General Revenue	92,589,401	0.0000	0.0000	93,690,379	0.0000	0.0000	0		
	Parks & Recreation	92,589,401	0.0000	0.0000	93,690,379	0.0000	0.0000	0		
City of Fair Play	General Revenue	2,124,558	1.0000	1.0000	2,130,255	1.0000	1.0000	21,303		
City of Humansville	General Revenue	5,009,532	0.6313	0.6313	5,136,527	0.6313	0.6313	32,427		
City of Morrisville	General Revenue	2,190,091	0.4979	0.4979	2,218,192	0.4979	0.4979	11,044		
Polk County Library District	General Revenue	272,614,168	0.0909	0.0909	278,862,110	0.0910	0.0910	253,765		
Pleasant Hope Fire Protection Dist	General Revenue	21,957,154	0.3000	0.3000	22,537,488	0.3000	0.3000	67,612		
Polk County Health Center	General Revenue	272,614,168	0.1763	0.1763	278,862,110	0.1763	0.1763	491,634		
Bolivar R-I School District	Operating Funds-Schools	148,648,889	3.3694	3.3100	E 151,062,408	3.3371	3.3100	5,000,166		E
	Debt Service	148,648,889	0.8458	0.4500	151,062,408	0.8594	0.4500	679,781		
Fair Play R-II School District	Operating Funds-Schools	16,253,030	3.0019	2.9500	E 17,159,620	3.4266	3.1000	531,948		E
	Debt Service	16,253,030	1.8060	1.1500	17,159,620	1.5568	1.0000	171,596		
Halfway R-III School District	Operating Funds-Schools	16,105,240	3.5235	3.5235	E 16,739,270	3.5056	3.5056	586,812	E	
	Debt Service	16,105,240	1.2574	0.6000	16,739,270	1.1602	0.6200	103,783		
Humansville R-IV School District	Operating Funds-Schools	19,356,085	3.0561	3.0399	E 20,044,952	3.0395	3.0381	608,986	E	
	Debt Service	19,356,085	0.4334	0.4334	20,044,952	0.4024	0.4024	80,661		
Marion C. Early R-V School District	Operating Funds-Schools	31,706,100	3.4391	2.8100	F 32,682,110	3.4346	2.8100	918,367	F	
	Debt Service	31,706,100	0.8375	0.4900	32,682,110	0.5724	0.4900	160,142		
Pleasant Hope R-VI School District	Operating Funds-Schools	37,279,020	2.6962	2.6962	E 38,215,210	2.7340	2.7340	1,044,804	E	
	Capital Improvements	37,279,020	0.6700	0.6700	38,215,210	0.6700	0.6700	256,042	2016	
	Debt Service	37,279,020	0.7958	0.6500	38,215,210	0.6505	0.6500	248,399		
Polk County	General Revenue	272,614,168	0.3232	0.3232	278,862,110	0.3235	0.3235	902,119		
	Senate Bill 40	272,614,168	0.0209	0.0209	278,862,110	0.0209	0.0209	58,282		
	Senior Services	272,614,168	0.0500	0.0500	278,862,110	0.0500	0.0500	139,431		
<b><u>Pulaski</u></b>										
Dixon Ambulance District	General Revenue	60,804,757	0.2831	0.2831	66,733,618	0.2782	0.2782	185,653		
Pulaski County Ambulance District	General Revenue	373,038,693	0.0000	0.0000	388,506,564	0.0000	0.0000	0		
City of Crocker	General Revenue	8,226,793	0.6715	0.6715	8,566,662	0.6715	0.6715	57,525		
	Parks & Recreation	8,226,793	0.1686	0.1686	8,566,662	0.1686	0.1686	14,443		
City of Dixon	General Revenue	13,456,855	0.4580	0.4552	13,823,624	0.4589	0.4580	63,312		
	Library	13,456,855	0.1500	0.1500	13,823,624	0.1500	0.1500	20,735		
	Debt Service	13,456,855	1.2605	0.6460	13,823,624	1.2146	0.6460	89,301		
City of St. Robert	General Revenue	85,136,478	0.3255	0.3255	76,757,634	0.3267	0.3267	250,767		
City of Waynesville	General Revenue	51,897,185	0.5343	0.5343	53,852,773	0.5370	0.5370	289,189		
City of Richland	General Revenue	13,177,030	0.6120	0.6120	14,051,327	0.6120	0.6120	85,994		

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<b><u>Pulaski</u></b>										
Pulaski County Library	General Revenue	398,138,459	0.1306	0.1306		427,218,579	0.1306	0.1306	557,947	
Hazelgreen Fire Protection District	General Revenue	21,568,201	0.2669	0.2669		23,029,792	0.2669	0.2669	61,467	
Crocker Fire Protection District	General Revenue	24,506,585	0.2815	0.2815		30,027,017	0.2533	0.2533	76,058	
Waynesville Rural Fire Prot Dist	General Revenue	156,703,710	0.4588	0.4588		169,837,647	0.4588	0.4588	779,215	
Dixon Rural Fire Protection Dist	General Revenue	64,073,304	0.2570	0.2570		69,758,168	0.2543	0.2543	177,395	
Pulaski County Health Department	General Revenue	409,129,579	0.0689	0.0689		441,232,974	0.0689	0.0689	304,010	
Swedeborg R-III School District	Operating Funds-Schools	5,178,738	2.5936	2.5936	E	5,348,838	3.5796	3.5796	191,467	BE
	Operating Funds-Temp	5,178,738	0.8367	0.8367		5,348,838	0.8367	0.0000	0	2012
Pulaski Co R-IV School District	Operating Funds-Schools	31,040,624	2.7500	2.7500	E	32,284,840	2.7500	2.7500	887,833	E
Laquey R-V School District	Operating Funds-Schools	31,157,814	2.7500	2.7500	E	32,890,169	2.7500	2.7500	904,480	E
	Debt Service	31,157,814	0.1242	0.1242		32,890,169	0.1488	0.1242	40,850	
Waynesville R-VI School District	Operating Funds-Schools	271,124,930	2.7500	2.7500	E	282,258,284	2.7500	2.7500	7,762,103	E
Dixon R-I School District	Operating Funds-Schools	58,568,263	2.7500	2.7500	E	60,176,531	2.7500	2.7500	1,654,855	E
	Debt Service	58,568,263	0.2700	0.2700		60,176,531	0.2700	0.2700	162,477	
Crocker R-II School District	Operating Funds-Schools	27,868,215	2.7500	2.7500	E	28,777,309	2.7500	2.7500	791,376	E
	Debt Service	27,868,215	0.5514	0.5426		28,777,309	0.5788	0.5788	166,563	
Pulaski County	General Revenue	409,129,579	0.0000	0.0000		441,232,974	0.0000	0.0000	0	
	Road & Bridge	409,129,579	0.1897	0.1897		441,232,974	0.1897	0.1897	837,019	
	Senate Bill 40	409,129,579	0.0689	0.0689		441,232,974	0.0689	0.0689	304,010	
	Senior Services	409,129,579	0.0430	0.0430		441,232,974	0.0430	0.0430	189,730	
<b><u>Putnam</u></b>										
Putnam County Ambulance District	General Revenue	75,975,411	0.3741	0.3741		75,513,776	0.3816	0.3816	288,161	
Putnam County Care Center	General Revenue	75,975,411	0.2903	0.2903		75,513,776	0.2956	0.2956	223,219	
Unionville Spec Road Dist Putnam Co	Road & Bridge	13,341,352	0.2826	0.2826		13,068,693	0.2885	0.2885	37,703	
	Special Road and Bridge	13,341,352	0.3247	0.3247		13,068,693	0.3315	0.3315	43,323	2013
Lake Thunderhead Spec Rd District	Road & Bridge	15,972,814	0.3339	0.3339		16,237,350	0.3347	0.3347	54,346	
	Special Road and Bridge	15,972,814	0.3365	0.3365		16,237,350	0.3373	0.3373	54,769	2012
Village of Livonia	General Revenue	332,304	0.4907	0.4907		261,563	0.5000	0.5000	1,308	
Village of Lucerne	General Revenue	1,242,831	0.5000	0.5000		1,406,230	0.5000	0.5000	7,031	
Village of Powersville	General Revenue	361,137	0.4906	0.4906		394,392	0.4906	0.4906	1,935	
City of Unionville	General Revenue	12,965,705	0.8551	0.8551		12,642,520	0.8963	0.8963	113,315	
	Parks & Recreation	12,965,705	0.1729	0.1729		12,642,520	0.1812	0.1812	22,908	
	Fire	12,965,705	0.1729	0.1729		12,642,520	0.1812	0.1812	22,908	
Village of Worthington	General Revenue	306,553	0.3832	0.3832		254,349	0.4700	0.4700	1,195	
Elm Township of Putnam Co	Road & Bridge	5,983,094	0.4334	0.4334		6,124,712	0.4541	0.4541	27,812	
	Special Road and Bridge	5,983,094	0.3686	0.3686	A	6,124,712	0.3686	0.3686	22,576	2014
Grant Township of Putnam Co	Road & Bridge	2,063,430	0.4518	0.4518		1,942,438	0.4874	0.4874	9,467	
	Special Road and Bridge	2,063,430	0.3323	0.3323		1,942,438	0.3388	0.3388	6,581	2012
Jackson Township of Putnam Co	Road & Bridge	2,801,368	0.4925	0.4925		2,772,547	0.5000	0.5000	13,863	
	Special Road and Bridge	2,801,368	0.3560	0.3560	A	2,772,547	0.3560	0.3560	9,870	2014
Liberty Township of Putnam Co	Road & Bridge	3,521,257	0.4993	0.4993		3,389,121	0.5000	0.5000	16,946	
	Special Road and Bridge	3,521,257	0.3391	0.3391		3,389,121	0.3391	0.3391	11,493	2012
Lincoln Township of Putnam Co	Road & Bridge	5,291,260	0.5000	0.5000		5,654,975	0.5000	0.5000	28,275	
	Special Road and Bridge	5,291,260	0.3450	0.3450		5,654,975	0.3450	0.3450	19,510	2012
Medicine Township of Putnam Co	Road & Bridge	5,900,467	0.5000	0.5000		7,762,630	0.5000	0.5000	38,813	
	Special Road and Bridge	5,900,467	0.3453	0.3453		7,762,630	0.3453	0.3453	26,804	2012
Richland Township of Putnam Co	Road & Bridge	3,626,848	0.5000	0.5000		3,468,007	0.5000	0.5000	17,340	
	Special Road and Bridge	3,626,848	0.3429	0.3429		3,468,007	0.3429	0.3429	11,892	2012
Sherman Township of Putnam Co	Road & Bridge	2,312,737	0.5000	0.5000		2,238,077	0.5000	0.5000	11,190	
	Special Road and Bridge	2,312,737	0.3422	0.3422		2,238,077	0.3422	0.3422	7,659	2012

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Putnam</u></b>										
Union Township of Putnam Co	Road & Bridge	4,737,932	0.4969	0.4969		4,757,086	0.5000	0.5000	23,785	
	Special Road and Bridge	4,737,932	0.3500	0.3500	A	4,757,086	0.3500	0.3500	16,650	2014
Wilson Township of Putnam Co	Road & Bridge	3,996,511	0.5000	0.5000		3,809,861	0.5000	0.5000	19,049	
	Special Road and Bridge	3,996,511	0.3500	0.3500		3,809,861	0.3500	0.3500	13,335	2012
York Township of Putnam Co	Road & Bridge	3,536,699	0.5000	0.5000		4,309,275	0.4561	0.4561	19,655	
	Special Road and Bridge	3,536,699	0.3443	0.3443		4,309,275	0.3141	0.3141	13,535	2012
	Debt Service	3,536,699	0.0000	0.0000		**	**	**		
Elm Township Fire Protection Dist	General Revenue	5,983,094	0.3000	0.3000		6,124,412	0.3000	0.3000	18,373	
Liberty Fire Protection District	General Revenue	3,419,303	0.3000	0.3000		3,389,121	0.3000	0.3000	10,167	
Grant Township Fire Protection Dist	General Revenue	2,063,430	0.2943	0.2943		1,942,438	0.3000	0.3000	5,827	
York Township Fire Protection Dist	General Revenue	4,083,496	0.2933	0.2933		4,309,275	0.2933	0.2933	12,639	
Putnam County Health Department	General Revenue	75,975,411	0.2806	0.2806		75,513,776	0.2862	0.2862	216,120	
Putnam Co R-I School District	Operating Funds-Schools	71,947,528	3.3598	3.3298	E	71,535,732	3.4298	3.3298	2,381,997	E
	Debt Service	71,947,528	0.5204	0.3700		71,535,732	0.4881	0.3700	264,682	
Putnam County	General Revenue	75,975,411	0.4677	0.4677		75,513,776	0.4771	0.4771	360,276	
	Library	75,975,411	0.1402	0.1402		75,513,776	0.1430	0.1430	107,985	
	Hospital	75,975,411	0.4677	0.4677		75,513,776	0.4771	0.4771	360,276	
	Senior Services	75,975,411	0.0468	0.0468		75,513,776	0.0477	0.0477	36,020	
<b><u>Ralls</u></b>										
Ralls County Ambulance District #3	General Revenue	183,638,501	0.1428	0.1428		143,505,367	0.5654	0.4200	602,723	B
City of Center	General Revenue	4,681,950	0.7424	0.7424		4,829,459	0.7424	0.7424	35,854	
	Fire	4,681,950	0.1928	0.1928		4,829,459	0.1928	0.1928	9,311	
City of New London	General Revenue	6,583,993	0.4742	0.4742		6,786,911	0.4742	0.4742	32,184	
City of Perry	General Revenue	6,820,124	0.5619	0.5619		7,050,901	0.5623	0.5623	39,647	
	Fire	6,820,124	0.0998	0.0998		7,050,901	0.0999	0.0999	7,044	
Ralls County Public Library	General Revenue	161,506,728	0.1020	0.0984		165,960,585	0.1020	0.1020	169,280	
Hannibal Rural Fire Protection Dist	General Revenue	83,222,356	0.1500	0.1500		85,568,576	0.1500	0.1500	128,353	
Ralls County Health Department	General Revenue	196,248,351	0.1000	0.1000		203,287,914	0.1000	0.1000	203,288	
Ralls Co R-II School District	Operating Funds-Schools	66,728,265	2.7500	2.7500	F	69,493,173	2.7500	2.7500	1,911,062	F
	Debt Service	66,728,265	1.3733	0.7100		69,493,173	1.3065	0.7100	493,402	
Ralls County	General Revenue	196,248,351	0.3934	0.2892		203,287,914	0.3934	0.2802	569,613	
	Road & Bridge	196,248,351	0.2817	0.2817		203,287,914	0.2817	0.2817	572,662	
<b><u>Randolph</u></b>										
Randolph County Ambulance District	General Revenue	430,832,677	0.1859	0.0000		436,456,606	0.1859	0.0000	0	
Moberly Spec Rd Dist Randolph Co	Special Road and Bridge	180,301,365	0.0900	0.0900		**	**	**		2011
	Special Road and Bridge	**	**	**		185,441,344	0.0930	0.0900	166,897	A 2015
Village of Cairo	General Revenue	1,683,737	0.4890	0.4890		1,937,298	0.4890	0.4890	9,473	
	General Revenue-Temp	1,683,737	0.2084	0.2084		**	**	**		2011
City of Clark	General Revenue	1,737,925	0.9932	0.9932		1,737,087	1.0000	1.0000	17,371	
City of Clifton Hill	General Revenue	850,500	0.7491	0.7491		762,809	0.7500	0.7500	5,721	
City of Higbee	General Revenue	2,708,286	0.8800	0.8800		2,763,365	0.8800	0.8800	24,318	
	Parks & Recreation	2,708,286	0.1500	0.1500		2,763,365	0.1500	0.1500	4,145	
City of Huntsville	General Revenue	11,258,831	0.7247	0.7247		11,600,114	0.7259	0.7259	84,205	
	Parks & Recreation	11,258,831	0.0961	0.0961		11,600,114	0.0963	0.0963	11,171	
	Fire	11,258,831	0.1400	0.1400		11,600,114	0.1400	0.1400	16,240	
	Cemetery	11,258,831	0.1786	0.1786		11,600,114	0.1789	0.1789	20,753	
Village of Jacksonville	General Revenue	508,513	0.5000	0.5000		512,644	0.5000	0.5000	2,563	
	Parks & Recreation	508,513	0.4000	0.4000		512,644	0.4000	0.4000	2,051	
City of Moberly	General Revenue	141,796,224	0.7033	0.7033		143,378,346	0.7061	0.7061	1,012,395	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<b><u>Randolph</u></b>										
City of Moberly	Parks & Recreation	141,796,224	0.3263	0.3263		143,378,346	0.3276	0.3276	469,707	
Village of Renick	General Revenue	1,084,433	0.5000	0.5000		1,077,771	0.5000	0.5000	5,389	
Randolph County Library	General Revenue	430,832,677	0.2447	0.2447		436,456,606	0.2447	0.2447	1,068,009	
Higbee Fire Protection District	General Revenue	22,215,594	0.2553	0.2553		23,544,657	0.2513	0.2513	59,168	
Southeastern Fire Protection Dist	General Revenue	21,627,257	0.3000	0.3000		24,300,216	0.2810	0.2810	68,284	
Randolph County Health Department	General Revenue	430,832,677	0.1468	0.1468		436,456,606	0.1468	0.1468	640,718	
Moberly Area Jr. College	General Revenue	178,005,704	0.3254	0.3254		180,464,002	0.3265	0.3265	589,215	
Northeast Randolph Co R-IV Sch Dist	Operating Funds-Schools	22,023,926	3.4130	3.4130	E	22,706,928	3.2724	3.2724	743,062	E
	Debt Service	22,023,926	0.9501	0.8700		22,706,928	0.8758	0.8700	197,550	
Renick R-V School District	Operating Funds-Schools	13,244,567	4.2730	3.7800	E	13,260,853	3.9381	3.7800	501,260	E
	Operating Funds-Temp	13,244,567	0.4700	0.4700		13,260,853	0.4700	0.4700	62,326	2025
Higbee R-VIII School District	Operating Funds-Schools	10,349,190	4.0500	3.5110	E	10,656,543	4.0500	3.5110	374,151	E
	Debt Service	10,349,190	1.5613	1.0000		10,656,543	1.1832	1.0000	106,565	
Westran R-I School District	Operating Funds-Schools	157,050,804	3.6340	3.6340		154,326,898	3.6956	3.6956	5,703,305	
Moberly School District	Operating Funds-Schools	160,756,796	3.5590	3.5536	E	163,147,541	3.4866	3.4866	5,688,302	E
	Debt Service	160,756,796	1.4008	1.0277		163,147,541	1.1287	1.0947	1,785,976	
Randolph County	General Revenue	430,832,677	0.3706	0.2130		436,456,606	0.3706	0.2130	929,653	
	Road & Bridge	430,832,677	0.1980	0.1980		436,456,606	0.1980	0.1980	864,184	
	Sheltered Workshop	430,832,677	0.1500	0.1500	A	436,456,606	0.1500	0.1470	641,591	
<b><u>Ray</u></b>										
Ray County Ambulance District	General Revenue	223,931,327	0.2974	0.1627		232,209,171	0.2974	0.1646	382,216	
	Debt Service	223,931,327	0.1405	0.1405		**	**	**		
Senior Citizen's Nursing Home Dist	General Revenue	273,977,484	0.1458	0.1458		282,766,543	0.1458	0.1458	412,274	
Willow Creek Watershed Subdistrict	General Revenue	15,279,000	0.1932	0.1932		15,262,860	0.1934	0.1934	29,518	
Camden Special Road Dist Ray Co	Road & Bridge	9,352,567	0.3492	0.3492		9,914,128	0.3483	0.3483	34,531	
	Special Road and Bridge	9,352,567	0.2394	0.2394		**	**	**		2011
	Special Road and Bridge	**	**	**		9,914,128	0.2400	0.2400	23,794	A 2015
Hardin Spec Rd Dist Ray Co	Road & Bridge	12,367,414	0.2457	0.2457		12,823,551	0.2457	0.2457	31,507	
Henrietta Spec Rd Dist Ray Co	Road & Bridge	5,862,063	0.3322	0.3322		6,286,291	0.3239	0.3239	20,361	
Lawson Special Road Dist Ray Co	Road & Bridge	34,250,729	0.2522	0.2522		34,374,269	0.2551	0.2551	87,689	
	Special Road and Bridge	34,250,729	0.3000	0.3000		**	**	**		2011
	Special Road and Bridge	**	**	**		34,374,269	0.3125	0.3125	107,420	A 2015
Orrick Spec Rd Dist Ray Co	Road & Bridge	17,121,049	0.3383	0.3383		18,056,064	0.3383	0.3383	61,084	
Richmond Spec Rd Dist Ray Co	Road & Bridge	83,915,825	0.2552	0.2552		83,915,825	0.2560	0.2560	214,825	
Ray County Special Road District	Road & Bridge	107,375,700	0.2646	0.2646		109,149,708	0.2669	0.2669	291,321	
City of Camden	General Revenue	1,353,907	0.6442	0.6442		1,409,481	0.6442	0.6442	9,080	
	Streets	1,353,907	0.0100	0.0100		1,409,481	0.0100	0.0100	141	
	Fire	1,353,907	0.1500	0.1500		1,409,481	0.1500	0.1500	2,114	
	Fire-Temporary	1,353,907	0.0885	0.0885		1,409,481	0.0885	0.0885	1,247	2012
	Streets-Temporary	1,353,907	1.2897	1.2897		1,409,481	1.2897	1.2897	18,178	2012
Village of Elmira	General Revenue	544,380	0.4359	0.4359		563,146	0.4360	0.4360	2,455	
City of Hardin	General Revenue	5,122,477	1.0000	1.0000		5,198,184	1.0000	1.0000	51,982	
City of Henrietta	General Revenue	2,957,433	1.0000	1.0000		3,151,720	1.0000	1.0000	31,517	
	Streets	2,957,433	0.3000	0.3000		3,151,720	0.3000	0.3000	9,455	2013
	Fire	2,957,433	0.3000	0.3000		3,151,720	0.3000	0.3000	9,455	2012
City of Orrick	General Revenue	6,895,329	0.6889	0.6889		7,197,166	0.8103	0.8103	58,319	B
Village of Rayville	General Revenue	829,164	0.5000	0.5000		**	**	**		
City of Richmond	General Revenue	57,807,764	0.6228	0.6228		58,906,655	0.6228	0.6228	366,871	
	Parks & Recreation	57,807,764	0.1556	0.1556		58,906,655	0.1556	0.1556	91,659	
	Debt Service	57,807,764	0.5443	0.5443		58,906,655	0.3979	0.3979	234,390	



APPENDIX VII  
2012 PROPERTY TAX RATES  
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Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Ray</u></b>									
City of Wood Heights	General Revenue	7,310,470	0.3740	0.3740	7,564,163	0.3744	0.3744	28,320	
	Debt Service	7,310,470	0.6743	0.6743	7,564,163	0.5722	0.5722	43,282	
City of Homestead Village	General Revenue	846,928	0.4859	0.4859	808,673	0.4859	0.4859	3,929	
	General Revenue-Temp	**	**	**	808,673	0.3236	0.3236	2,617	A 2015
City of Excelsior Estates	General Revenue	413,721	1.0000	1.0000	435,911	0.9879	0.9879	4,306	
City of Crystal Lakes	General Revenue	3,725,238	1.0000	1.0000	3,732,583	1.0000	1.0000	37,326	
	Streets	3,725,238	0.3000	0.3000	3,732,583	0.3000	0.3000	11,198	2013
	Parks & Recreation	**	**	**	3,732,583	0.0207	0.0207	773	A
City of Lawson	General Revenue	23,429,963	0.6813	0.6813	23,976,578	0.6822	0.6822	163,568	
	Debt Service	23,429,963	1.6109	1.0609	23,976,578	1.5751	1.3669	327,736	
Ray County Library District	General Revenue	275,251,318	0.1071	0.1071	283,992,798	0.1071	0.1071	304,156	
Orrick Fire Protection District	General Revenue	28,302,605	0.3000	0.1892	29,201,179	0.3000	0.1866	54,489	
Wood Heights Fire Protection Dist	General Revenue	41,663,470	0.2890	0.2890	42,454,280	0.2900	0.2900	123,117	
Lawson Community Fire & Rescue Dist	General Revenue	79,375,591	0.3000	0.3000	80,601,904	0.3000	0.3000	241,806	
	Ambulance	79,375,591	0.6852	0.6852	80,601,904	0.6852	0.6852	552,284	
Hardin Fire Protection District	General Revenue	17,759,497	0.2838	0.2838	18,404,107	0.2838	0.2838	52,231	
Stet Fire Protection District	Fire	15,147,889	0.1652	0.1652	16,799,366	0.1557	0.1557	26,157	
Ray County Health Department	General Revenue	275,251,318	0.0979	0.0979	283,992,798	0.0979	0.0979	278,029	
Stet R-XV School District	Operating Funds-Schools	7,625,481	6.0000	5.9999	E **	**	**		
Lawson R-XIV School District	Operating Funds-Schools	64,809,219	3.3122	3.3122	E 65,875,449	3.3168	3.3168	2,184,957	E
	Debt Service	64,809,219	1.1505	0.9500	65,875,449	1.2563	0.9500	625,817	
Orrick R-XI School District	Operating Funds-Schools	21,045,969	3.8896	3.8896	E 21,638,843	4.0130	4.0130	868,367	E
	Debt Service	21,045,969	0.9029	0.7500	21,638,843	0.8026	0.7500	162,291	
Hardin-Central C-2 School District	Operating Funds-Schools	12,692,321	4.6908	4.6908	E 16,512,328	4.6707	4.6707	771,241	E
Richmond R-XVI School District	Operating Funds-Schools	102,218,895	4.0946	4.0946	E 104,839,353	4.0946	4.0946	4,292,752	E
Ray County	General Revenue	275,251,318	0.0000	0.0000	283,992,798	0.0000	0.0000	0	
	Hospital	275,251,318	0.1857	0.1857	283,992,798	0.1857	0.1857	527,375	
	Mental Health	275,251,318	0.0978	0.0978	283,992,798	0.0978	0.0978	277,745	
	Senate Bill 40	275,251,318	0.1857	0.1857	283,992,798	0.1857	0.1857	527,375	
	Senior Services	275,251,318	0.0500	0.0500	283,992,798	0.0500	0.0500	141,996	
	Noxious Weed	275,251,318	0.0000	0.0000	283,992,798	0.0489	0.0489	138,872	
<b><u>Reynolds</u></b>									
Reynolds County Ambulance District	General Revenue	175,816,439	0.1500	0.1351	177,115,694	0.1500	0.1500	265,674	
City of Bunker	General Revenue	1,717,496	0.5568	0.5568	1,660,878	0.5764	0.5764	9,573	
City of Centerville	General Revenue	904,095	0.3615	0.3500	894,023	0.3655	0.3500	3,129	
Reynolds County Library District	General Revenue	173,892,350	0.1419	0.1100	175,205,195	0.1420	0.1100	192,726	
Garwood Fire Protection District	General Revenue	2,511,254	0.3000	0.3000	2,469,785	0.3000	0.3000	7,409	
Northern Reynolds County Fire Prot	General Revenue	62,826,161	0.3000	0.1988	64,850,974	0.3000	0.2000	129,702	
Reynolds County Health Center	General Revenue	173,892,350	0.1000	0.1000	175,205,195	0.1000	0.1000	175,205	
Centerville R-I School District	Operating Funds-Schools	5,919,085	4.0937	4.0937	E 6,061,167	4.0971	4.0971	248,332	E
Southern Reynolds Co R-II Sch Dist	Operating Funds-Schools	34,067,274	3.1925	2.7500	33,954,349	3.2110	2.7500	933,745	
	Debt Service	34,067,274	0.7984	0.7900	33,954,349	0.8040	0.7900	268,239	
Bunker R-III School District	Operating Funds-Schools	68,209,847	2.7500	2.7500	68,708,330	2.7500	2.7500	1,889,479	
Lesterville R-IV School District	Operating Funds-Schools	58,914,455	3.6500	3.4300	E 59,963,917	3.6500	3.4300	2,056,762	E
Reynolds County	General Revenue	173,892,350	0.4424	0.3863	175,205,195	0.4428	0.3830	671,036	
	Road & Bridge	173,892,350	0.3255	0.3255	175,205,195	0.3258	0.3258	570,819	
	Senate Bill 40	173,892,350	0.1000	0.1000	175,205,195	0.1000	0.1000	175,205	
	Senior Services	173,892,350	0.0300	0.0300	175,205,195	0.0300	0.0300	52,562	

# APPENDIX VII

## 2012 PROPERTY TAX RATES

### LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Ripley</u></b>									
Ripley County Ambulance District	General Revenue	73,117,330	0.2885	0.2885	74,469,463	0.2891	0.2891	215,291	
Fourche Creek Watershed Sub Dist	General Revenue	4,263,360	0.1467	0.1467	4,284,060	0.1469	0.1469	6,293	
Bennett Special Road Dist Ripley Co	Road & Bridge	353,324	0.1774	0.1774	346,678	0.2290	0.2290	794	
Current River Sp Rd Dist Ripley Co	Road & Bridge	745,893	0.2380	0.2380	763,910	0.2380	0.2380	1,818	
Doniphan Spec Rd Dist Ripley Co	Road & Bridge	42,422,197	0.2195	0.2195	43,316,102	0.2197	0.2197	95,165	
	Special Road and Bridge	42,422,197	0.1413	0.1413	**	**	**		2011
	Special Road and Bridge	**	**	**	43,316,102	0.1546	0.1546	66,967	A 2014
Fairdealing Spec Rd Dist Ripley Co	Road & Bridge	4,372,915	0.1962	0.1962	4,449,875	0.1962	0.1962	8,731	
Flatwoods Spec Rd Dist Ripley Co	Road & Bridge	2,194,149	0.3421	0.3421	2,163,909	0.3469	0.3469	7,507	
Jordan Spec Rd Dist Ripley Co	Road & Bridge	7,881,218	0.1993	0.1993	7,983,318	0.2007	0.2007	16,023	
Little Black Spec Rd Dist Ripley Co	Road & Bridge	1,507,400	0.3235	0.3235	1,591,245	0.3242	0.3242	5,159	
Logan Creek Spec Rd Dist Ripley Co	Road & Bridge	4,310,881	0.1924	0.1924	4,460,680	0.1973	0.1973	8,801	
Mabrey Bay Spec Rd Dist Ripley Co	Road & Bridge	221,369	0.2093	0.2093	218,693	0.2117	0.2117	463	
Naylor Spec Rd Dist Ripley Co	Road & Bridge	5,256,901	0.3221	0.3221	5,160,825	0.3297	0.3297	17,015	
	Special Road and Bridge	5,256,901	0.5000	0.5000	5,160,825	0.5000	0.5000	25,804	2012
Oxly Spec Rd Dist Ripley Co	Road & Bridge	2,660,633	0.3241	0.3241	2,744,315	0.3243	0.3243	8,900	
Pine Bardley Spec Rd Dist Ripley Co	Road & Bridge	2,573,619	0.1868	0.1868	2,587,020	0.1876	0.1876	4,853	
Ponder Gatewood Road Dist Ripley Co	Road & Bridge	5,666,022	0.1552	0.1552	5,816,241	0.1556	0.1556	9,050	
	Special Road and Bridge	5,666,022	0.3500	0.3500	5,816,241	0.3500	0.3500	20,357	2012
Poynor Spec Rd Dist Ripley Co	Road & Bridge	2,000,027	0.1835	0.1835	2,058,660	0.1835	0.1835	3,778	
Pratt Spec Rd Dist Ripley Co	Road & Bridge	445,961	0.2354	0.2354	453,180	0.2355	0.2355	1,067	
Purman Spec Rd Dist Ripley Co	Road & Bridge	2,617,141	0.1606	0.1606	2,666,576	0.1612	0.1612	4,299	
	Special Road and Bridge	2,617,141	0.3000	0.3000	2,666,576	0.3000	0.3000	8,000	2012
Running Water Sp Rd Dist Ripley Co	Road & Bridge	340,427	0.1774	0.1774	337,225	0.2381	0.2381	803	
Tucker Bay Spec Rd Dist Ripley Co	Road & Bridge	380,313	0.1247	0.1247	379,927	0.1554	0.1554	590	
Wolfe Creek Spec Rd Dist Ripley Co	Road & Bridge	879,542	0.2622	0.2622	853,255	0.2703	0.2703	2,306	
	Special Road and Bridge	879,542	0.0999	0.0999	853,255	0.1000	0.1000	853	2012
City of Doniphan	General Revenue	16,625,978	0.3850	0.3850	16,833,231	0.3850	0.3850	64,808	
	Debt Service	16,625,978	0.3976	0.0000	16,833,231	0.2523	0.0000	0	
City of Naylor	General Revenue	1,865,944	0.8577	0.8577	1,750,950	0.9140	0.9140	16,004	
Doniphan-Ripley County Library	General Revenue	86,829,932	0.1754	0.1754	88,351,610	0.1760	0.1760	155,499	
	Debt Service	86,829,932	0.0197	0.0197	88,351,610	0.0193	0.0193	17,052	
Ripley County Public Health Center	General Revenue	86,829,932	0.1446	0.1446	88,351,610	0.1451	0.1451	128,198	
Naylor R-II School District	Operating Funds-Schools	9,379,759	3.3145	3.3145	E 9,459,256	3.3705	3.3705	318,824	E
Doniphan R-I School District	Operating Funds-Schools	64,319,602	2.7500	2.7500	E 64,766,504	2.7500	2.7500	1,781,079	E
Ripley Co R-IV School District	Operating Funds-Schools	5,509,537	2.7500	2.7500	F 5,511,802	2.7533	2.7500	151,575	F
Ripley Co R-III School District	Operating Funds-Schools	5,067,519	2.7500	2.7500	E 5,216,711	2.7500	2.7500	143,460	E
Ripley County	General Revenue	86,829,932	0.3024	0.0000	88,351,610	0.3034	0.0000	0	
	Senate Bill 40	86,829,932	0.0964	0.0964	88,351,610	0.0967	0.0967	85,436	
	Senior Services	86,829,932	0.0482	0.0482	88,351,610	0.0484	0.0484	42,762	
<b><u>St. Charles</u></b>									
St. Charles County Ambulance Dist	General Revenue	7,041,837,650	0.1312	0.1312	7,221,315,871	0.1312	0.1312	9,474,366	
	Debt Service	7,041,837,650	0.0109	0.0109	7,221,315,871	0.0165	0.0165	1,191,517	
Town of Augusta	General Revenue	6,519,823	0.2066	0.2066	6,477,912	0.2080	0.2080	13,474	
	Lights	6,519,823	0.1031	0.1031	6,477,912	0.1038	0.1038	6,724	
City of Lake St. Louis	General Revenue	309,185,799	0.7225	0.5951	361,418,943	0.7227	0.5951	2,150,804	
	Debt Service	309,185,799	0.5741	0.4217	361,418,943	0.5148	0.4217	1,524,104	
City of O'Fallon	General Revenue	1,503,598,213	0.3719	0.3562	1,547,031,091	0.3719	0.3562	5,510,525	
	Parks & Recreation	1,503,598,213	0.0000	0.0000	1,547,031,091	0.0000	0.0000	0	
	Debt Service	1,503,598,213	0.1995	0.1276	1,547,031,091	0.2884	0.1950	3,016,711	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>St. Charles</u></b>									
City of Portage Des Sioux	General Revenue	4,642,727	0.6900	0.6900	4,687,393	0.6900	0.6900	32,343	
	Debt Service	4,642,727	0.3589	0.3589	4,687,393	0.3729	0.3729	17,479	
City of St. Charles	General Revenue	1,246,171,592	0.5256	0.5183	1,271,801,485	0.5258	0.5183	6,591,747	
	Parks & Recreation	1,246,171,592	0.2365	0.2319	1,271,801,485	0.2366	0.2319	2,949,308	
	Debt Service	1,246,171,592	0.2052	0.1613	1,271,801,485	0.1821	0.1613	2,051,416	
City of St. Peters	General Revenue	1,014,588,944	0.6002	0.5759	1,038,065,625	0.6010	0.6010	6,238,774	
	Debt Service	1,014,588,944	0.2912	0.1941	1,038,065,625	0.3099	0.1690	1,754,331	
City of Wentzville	General Revenue	593,397,958	0.8803	0.8218	609,372,521	0.8803	0.7198	4,386,263	
	Parks & Recreation	593,397,958	0.0793	0.0740	609,372,521	0.0793	0.0704	428,998	
City of St. Paul	General Revenue	38,407,939	0.2148	0.2148	45,801,735	0.2148	0.2148	98,382	
Town of Weldon Springs Heights	General Revenue	2,144,448	0.4666	0.4481	2,035,131	0.4917	0.4481	9,119	
City of New Melle	General Revenue	13,190,881	0.2481	0.2481	13,575,161	0.2481	0.2481	33,680	
City of Cottleville	General Revenue	85,457,529	0.3287	0.3164	89,563,746	0.3287	0.3287	294,396	
City of Dardenne Prairie	General Revenue	240,184,509	0.1218	0.1159	248,979,565	0.1218	0.1159	288,567	
St. Charles City-County Library	General Revenue	7,041,837,650	0.2181	0.2181	7,221,315,871	0.2181	0.2181	15,749,690	
Cottleville Com Fire Prot District	General Revenue	1,132,310,731	0.5048	0.5048	1,164,315,968	0.5048	0.5048	5,877,467	
	Pension	1,132,310,731	0.0885	0.0885	1,164,315,968	0.0885	0.0885	1,030,420	
	Debt Service	1,132,310,731	0.0905	0.0342	1,164,315,968	0.0508	0.0330	384,224	
Lake St. Louis Fire Protection Dist	General Revenue	248,872,900	0.5371	0.5371	253,724,675	0.5371	0.5371	1,362,755	
	Pension	248,872,900	0.0270	0.0270	253,724,675	0.0270	0.0270	68,506	
O'Fallon Fire Protection District	General Revenue	1,330,633,155	0.5734	0.5734	1,364,702,142	0.5734	0.5734	7,825,202	
	Pension	1,330,633,155	0.0414	0.0414	1,364,702,142	0.0414	0.0414	564,987	
Wentzville Fire Protection Dist 13	General Revenue	1,264,759,675	0.4858	0.4858	1,304,185,404	0.4858	0.4858	6,335,733	
Augusta Fire Protection District	General Revenue	48,735,182	0.2352	0.2352	49,296,663	0.2363	0.2363	116,488	
New Melle Fire Protection District	General Revenue	196,974,467	0.5082	0.5082	201,421,817	0.5082	0.5082	1,023,626	
Orchard Farm Fire Protection Dist	General Revenue	30,566,989	0.2883	0.2883	32,820,222	0.2853	0.2853	93,636	
Central County Fire and Rescue	General Revenue	1,489,368,882	0.7637	0.7637	1,523,287,064	0.7637	0.7637	11,633,343	
	Pension	1,489,368,882	0.0447	0.0447	1,523,287,064	0.0447	0.0447	680,909	
	Debt Service	1,489,368,882	0.0423	0.0423	1,523,287,064	0.0943	0.0600	913,972	
Rivers Pointe Fire Protection Dist	Fire	51,979,548	0.1951	0.1951	55,913,743	0.2732	0.2200	123,010	
Elm & 370 CID	General Revenue-Temp	856,010	1.0000	1.0000	*	*	*		2029
St. Charles Co. Community College	General Revenue	7,000,069,606	0.1796	0.1796	7,178,768,910	0.1796	0.1796	12,893,069	
	Debt Service	7,000,069,606	0.0893	0.0400	7,178,768,910	0.0882	0.0400	2,871,508	
Fort Zumwalt R-II School District	Operating Funds-Schools	1,992,471,182	4.1411	4.1411	E 2,041,732,356	4.1436	4.1436	84,601,222	E
	Debt Service	1,992,471,182	0.6200	0.6200	2,041,732,356	0.6500	0.6500	13,271,260	
Francis Howell R-III School Dist	Operating Funds-Schools	2,217,020,970	4.3139	4.2639	E 2,280,489,253	4.3116	4.3116	98,325,575	E
	Operating Funds-Temp	2,217,020,970	0.2000	0.2000	2,280,489,253	0.2000	0.2000	4,560,979	2013
	Debt Service	2,217,020,970	0.6713	0.6713	2,280,489,253	0.6713	0.6713	15,308,924	
Wentzville R-IV School District	Operating Funds-Schools	1,452,601,719	3.9191	3.9191	E 1,492,667,611	3.9191	3.9191	58,499,136	E
	Operating Funds-Temp	1,452,601,719	0.3219	0.3000	A 1,492,667,611	0.3219	0.3000	4,478,003	2030
	Debt Service	1,452,601,719	1.2926	0.7700	1,492,667,611	1.2442	0.7700	11,493,541	
St. Charles R-VI School District	Operating Funds-Schools	888,943,884	4.2319	4.2319	BE 909,787,505	4.2357	4.2349	38,528,591	E
	Debt Service	888,943,884	0.9797	0.6100	909,787,505	1.0495	0.7500	6,823,406	
St. Charles Co R-V School District	Operating Funds-Schools	270,861,080	4.1617	4.0276	271,642,412	4.1593	3.9501	10,730,147	
	Debt Service	270,861,080	0.7307	0.7300	271,642,412	0.7462	0.7300	1,982,990	
St. Charles County	General Revenue	7,041,837,650	0.1619	0.0016	7,221,315,871	0.1619	0.0016	115,541	
	Johnson Grass	7,041,837,650	0.0000	0.0000	7,221,315,871	0.0000	0.0000	0	
	Road & Bridge	7,041,837,650	0.2139	0.2025	7,221,315,871	0.2139	0.2025	14,623,165	
	Senate Bill 40	7,041,837,650	0.1398	0.1398	7,221,315,871	0.1398	0.1398	10,095,400	
	Dispatch	7,041,837,650	0.0412	0.0390	7,221,315,871	0.0412	0.0390	2,816,313	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>St. Clair</u></b>										
Ellett Memorial Hospital District	General Revenue	37,187,468	0.4914	0.4914		38,983,583	0.4914	0.4914	191,565	
St. Clair County Hospital Dist #1	General Revenue	70,271,673	0.4786	0.4786		72,089,303	0.4786	0.4786	345,019	2019
Chloe Spec Rd Dist St. Clair Co	Special Road and Bridge	2,317,734	0.0029	0.0029	A	2,320,623	0.3023	0.2900	6,730	B 2014
Collins Spec Rd Dist St. Clair Co	Special Road and Bridge	6,766,696	0.2800	0.2800		7,261,890	0.2800	0.2800	20,333	2013
Hillsdale Spec Rd Dist St. Clair Co	Special Road and Bridge	1,585,193	0.3500	0.3500		1,584,862	0.3500	0.3500	5,547	2012
Lowry City Sp Rd Dist St. Clair Co	Special Road and Bridge	4,302,309	0.3404	0.3404	A	4,328,756	0.3404	0.3404	14,735	2014
Osceola Spec Rd Dist St. Clair Co	Special Road and Bridge	15,306,359	0.3173	0.3173	A	15,672,941	0.3173	0.3173	49,730	2014
Vista Spec Rd Dist St. Clair Co	Special Road and Bridge	3,593,362	0.5410	0.5410		**	**	**		2011
	Special Road and Bridge	**	**	**		3,642,727	0.5661	0.5410	19,707	A 2015
City of Appleton City	General Revenue	8,067,999	0.6756	0.6756		8,303,133	0.6756	0.6756	56,096	
	Parks & Recreation	8,067,999	0.3500	0.3500		8,303,133	0.3500	0.3500	29,061	
	Library	8,067,999	0.2000	0.2000		8,303,133	0.2000	0.2000	16,606	
	Police & Fire	8,067,999	0.2070	0.2070		8,303,133	0.2070	0.2070	17,187	
City of Lowry City	General Revenue	4,287,944	0.6308	0.6308		4,335,446	0.6308	0.6308	27,348	
	Lights	4,287,944	0.1957	0.1957		4,335,446	0.1957	0.1957	8,484	
	Health	4,287,944	0.0000	0.0000		4,335,446	0.0000	0.0000	0	
City of Osceola	General Revenue	5,671,756	0.7176	0.7176		5,896,462	0.7176	0.7176	42,313	
	Parks & Recreation	5,671,756	0.1000	0.1000		5,896,462	0.1000	0.1000	5,896	
Village of Roscoe	General Revenue	653,257	0.4376	0.4376		689,902	0.4377	0.4377	3,020	
St. Clair County Library	General Revenue	91,942,757	0.1900	0.1900		94,605,975	0.1900	0.1900	179,751	
Iconium Fire Protection District	General Revenue	9,960,545	0.2481	0.2481		10,260,426	0.2503	0.2000	20,521	
Sac Osage Fire Protection District	General Revenue	27,780,204	0.2439	0.2439		28,464,094	0.2439	0.2439	69,424	
St. Clair County Health Center	General Revenue	100,010,755	0.2052	0.2052		102,901,767	0.2052	0.2052	211,154	
Appleton City R-II School District	Operating Funds-Schools	24,314,506	3.8718	3.8718	E	24,598,712	3.8717	3.8649	950,716	E
Roscoe C-1 School District	Operating Funds-Schools	6,414,512	3.3874	3.3874	E	6,003,345	3.6000	3.6000	216,120	E
	Debt Service	6,414,512	0.5788	0.5787		6,003,345	0.3674	0.3674	22,056	
Lakeland R-III School District	Operating Funds-Schools	28,906,146	3.1453	3.1453	E	29,523,616	3.1238	3.1238	922,259	E
	Debt Service	28,906,136	0.7820	0.7292		29,523,616	0.8140	0.7507	221,634	
Osceola School District	Operating Funds-Schools	28,603,420	2.3043	2.2503	E	29,118,623	2.2821	2.2821	664,516	E
	Building-Temporary	28,603,420	1.5968	1.5429		29,118,623	1.5871	1.5871	462,142	2026
St. Clair County	General Revenue	100,010,755	0.4822	0.3500		102,901,767	0.4822	0.3500	360,156	
	Road & Bridge	100,010,755	0.2814	0.2800		102,901,767	0.2814	0.2800	288,125	
	Common Road District	53,462,146	0.3307	0.3200	A	54,763,653	0.3307	0.3200	175,244	2014
<b><u>St. Francois</u></b>										
Flat River Sp Rd #2 St. Francois Co	Road & Bridge	31,742,211	0.2255	0.2255		32,402,846	0.2261	0.2261	73,263	
City of Bismarck	General Revenue	9,185,661	0.4884	0.4884		9,195,610	0.4890	0.4890	44,967	
	Health	9,185,661	0.1506	0.1500		9,195,610	0.1508	0.1500	13,793	
City of Desloge	General Revenue	48,028,955	0.4206	0.4206		36,658,567	0.4212	0.4212	154,406	
City of Farmington	General Revenue	182,042,079	0.4441	0.4441		186,183,009	0.4448	0.4448	828,142	
City of Leadington	General Revenue	19,484,400	0.3492	0.3492		8,615,004	0.3583	0.3552	30,600	
City of Leadwood	General Revenue	5,166,697	0.8234	0.8234		5,031,601	0.8461	0.8461	42,572	
	Debt Service	5,166,697	0.9106	0.9106		5,031,601	1.1669	0.9106	45,818	
City of Iron Mountain Lake	General Revenue	2,904,653	0.7196	0.7196		2,899,636	0.7253	0.7253	21,031	
	Debt Service	2,904,653	2.1655	2.1655		2,899,636	2.1692	2.1692	62,899	
City of Park Hills	General Revenue	54,702,591	0.6208	0.6208		51,566,067	0.6222	0.6222	320,844	
Leadwood Fire Protection District	General Revenue	14,283,376	0.5308	0.5308		14,632,835	0.5308	0.5308	77,671	
Doe Run Fire Protection District	General Revenue	46,162,998	0.3162	0.3162		47,680,714	0.3162	0.3162	150,766	
St. Francois County Health Center	General Revenue	667,116,273	0.0901	0.0901		679,259,726	0.0903	0.0903	613,372	
Mineral Area College	General Revenue	811,095,710	0.3420	0.3420		822,439,678	0.3453	0.3453	2,839,884	
	Debt Service	811,095,710	0.2488	0.1300		822,439,678	0.2047	0.1300	1,069,172	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>St. Francois</u></b>										
Bismarck R-V School District	Operating Funds-Schools	24,887,225	3.5698	3.5698	E	25,167,104	3.5210	3.5210	886,134	E
	Debt Service	24,887,225	1.0741	0.6500		25,167,104	1.0165	0.6900	173,653	
Farmington R-VII School District	Operating Funds-Schools	311,283,205	2.8901	2.8901	E	317,799,255	2.8648	2.8648	9,104,313	E
	Debt Service	311,283,205	0.9278	0.9000		317,799,255	0.9784	0.9000	2,860,193	
North St. Francois Co R-I Sch Dist	Operating Funds-Schools	158,550,579	3.1797	3.1797	E	163,073,860	3.3564	3.2400	5,283,593	E
	Debt Service	158,550,579	1.1835	1.1835		163,073,860	1.2236	1.1836	1,930,142	
Central R-III School District	Operating Funds-Schools	92,403,002	3.1384	3.1384	E	94,653,278	3.1859	3.1384	2,970,598	E
	Debt Service	92,403,002	1.3073	0.9199		94,653,278	1.1035	0.9199	870,716	
West St. Francois Co R-IV Sch Dist	Operating Funds-Schools	43,176,599	3.1302	3.1302	E	44,081,456	3.0935	3.0935	1,363,660	E
	Debt Service	43,176,599	1.2090	0.9198		44,081,456	0.9623	0.9565	421,639	
St. Francois County	General Revenue	667,116,273	0.3241	0.0751		679,259,726	0.3249	0.0739	501,973	
	Road & Bridge	635,135,553	0.2441	0.2441		646,856,880	0.2447	0.2447	1,582,859	
	Ambulance	667,116,273	0.0000	0.0000		679,259,726	0.0000	0.0000	0	
	Developmentally Disabled	667,116,273	0.0901	0.0901		679,259,726	0.0903	0.0903	613,372	
	Senior Services	667,116,273	0.0488	0.0488		679,259,726	0.0489	0.0489	332,158	
<b><u>Ste. Genevieve</u></b>										
City of Bloomsdale	General Revenue	8,082,602	0.3039	0.3039		8,318,425	0.3039	0.3039	25,280	
City of St. Mary	General Revenue	5,149,396	0.9509	0.9509		4,996,777	0.9807	0.9807	49,003	
City of Ste. Genevieve	General Revenue	66,762,673	0.4182	0.4182		59,746,327	0.4690	0.4690	280,210	
	Parks & Recreation	66,762,673	0.1087	0.1087		59,746,327	0.1219	0.1219	72,831	
	Band	66,762,673	0.0671	0.0671		59,746,327	0.0753	0.0753	44,989	
	Cemetery	66,762,673	0.0417	0.0417		59,746,327	0.0468	0.0468	27,961	
Ste. Genevieve County Library	General Revenue	389,747,899	0.0943	0.0943		394,818,883	0.0962	0.0962	379,816	
Ste. Genevieve County Health Dept	General Revenue	389,747,899	0.0943	0.0943		394,818,883	0.0962	0.0962	379,816	
Ste. Genevieve Co R-II School Dist	Operating Funds-Schools	319,354,379	3.0310	3.0439	EC	329,646,586	3.0292	3.0292	9,985,654	E
	Debt Service	319,354,379	0.5361	0.2600		329,646,586	0.5179	0.2600	857,081	
Ste. Genevieve County	General Revenue	389,747,899	0.3509	0.2393		394,818,883	0.3579	0.2463	972,439	
	Road & Bridge	389,747,899	0.2470	0.2470		394,818,883	0.2519	0.2519	994,549	
	Hospital	389,747,899	0.1614	0.1614		394,818,883	0.1646	0.1614	637,238	
	Ambulance	389,747,899	0.1329	0.0400		394,818,883	0.1355	0.0325	128,316	
	Mental Health	389,747,899	0.0943	0.0943		394,818,883	0.0962	0.0962	379,816	
	Senate Bill 40	389,747,899	0.0600	0.0600		394,818,883	0.0612	0.0600	236,891	
	Senior Services	389,747,899	0.0300	0.0300		394,818,883	0.0306	0.0300	118,446	
<b><u>St. Louis</u></b>										
Eureka Fire Protection District	General Revenue	358,332,987	0.6708	0.6643		364,098,025	0.6717	0.6717	2,445,646	
	Ambulance	358,332,987	0.2701	0.2675		364,098,025	0.2705	0.2705	984,885	
	Pension	358,332,987	0.0902	0.0893		364,098,025	0.0903	0.0903	328,781	
	Dispatch	358,332,987	0.0269	0.0266		364,098,025	0.0269	0.0269	97,942	
	Debt Service	358,332,987	0.1500	0.1500		364,098,025	0.1500	0.1500	546,147	
Metropolitan Sewer Dist St Louis Co	Gen Revenue-Gen Adm	26,631,671,056	0.0185	0.0185		26,744,671,530	0.0186	0.0186	4,974,509	
	General Revenue-Storm	15,769,387,618	0.0633	0.0633		15,830,526,690	0.0635	0.0635	10,052,384	
Metro Zoological Park & Museum Dist	Art Museum	26,241,351,536	0.0764	0.0764		26,483,449,215	0.0768	0.0769	20,365,772	C
	Botanical Garden	26,241,351,536	0.0381	0.0381		26,483,449,215	0.0382	0.0382	10,116,678	
	Museum of Mo. History	26,241,351,536	0.0381	0.0381		26,483,449,215	0.0382	0.0382	10,116,678	
	Museum of Nat. History	26,241,351,536	0.0381	0.0381		26,483,449,215	0.0382	0.0382	10,116,678	
	Zoological Park	26,241,351,536	0.0764	0.0764		26,483,449,215	0.0768	0.0769	20,365,772	C
Rockwood R-VI School District	Operating Funds-Schools	3,238,428,396	3.7416	3.7830	EC	3,270,975,480	3.7840	3.8557	126,119,002	EC
	Debt Service	3,238,428,396	0.6866	0.6800		3,270,975,480	0.9815	0.6800	22,242,633	
Special Sch Dist of St. Louis Co	Operating Funds-Schools	22,062,262,719	1.0035	1.0125	C	22,312,553,869	1.0035	1.0123	225,869,983	C

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b>Saline</b>									
Saline Co Ambulance Dist No 3	General Revenue	208,445,310	0.1990	0.1990		212,905,761	0.1990	0.1990	423,682
Slater Ambulance District No 1	General Revenue	43,355,091	0.3351	0.3351		44,163,894	0.3351	0.3351	147,993
Sweet Springs Ambulance District	General Revenue	55,807,007	0.3062	0.3062		56,774,552	0.3062	0.3062	173,844
Blackburn Elmwood Sp Rd Saline Co	Road & Bridge	7,330,856	0.2885	0.2885		7,576,938	0.2885	0.2885	21,859
	Special Road and Bridge	7,330,856	0.3010	0.3010		7,576,938	0.3010	0.3010	22,807
Gilliam Spec Rd Dist Saline Co	Road & Bridge	9,320,858	0.2948	0.2948		9,457,380	0.2948	0.2948	27,880
	Special Road and Bridge	9,320,858	0.2442	0.2442		9,457,380	0.2442	0.2442	23,095
Grand Pass Spec Road Dist Saline Co	Road & Bridge	4,931,757	0.2811	0.2811		5,140,267	0.2811	0.2811	14,449
	Special Road and Bridge	4,931,757	0.3600	0.3600	A	5,140,267	0.3600	0.3600	18,505
Marshall Spec Rd Dist Saline Co	Road & Bridge	146,942,374	0.2524	0.2524		150,465,855	0.2525	0.2525	379,926
	Special Road and Bridge	146,942,374	0.2720	0.2720	A	150,465,855	0.2720	0.2720	409,267
Slater Spec Rd Dist Saline Co	Road & Bridge	26,471,399	0.3108	0.3108		26,890,023	0.3108	0.3108	83,574
	Special Road and Bridge	26,471,399	0.3376	0.3376		26,890,023	0.3376	0.3376	90,781
Sweet Springs Sp Rd Dist Saline Co	Road & Bridge	24,175,954	0.3081	0.3081		24,362,931	0.3082	0.3082	75,087
	Special Road and Bridge	24,175,954	0.2866	0.2866		24,362,931	0.2867	0.2867	69,849
Malta Bend Spec Rd Dist Saline Co	Road & Bridge	13,860,997	0.2884	0.2884		14,153,985	0.2884	0.2884	40,820
	Special Road and Bridge	13,860,997	0.2472	0.2472		14,153,985	0.2472	0.2472	34,989
Village of Arrow Rock	General Revenue	1,273,882	0.2513	0.2513		1,290,502	0.2514	0.2514	3,244
	General Revenue-Temp	1,273,882	0.2541	0.2541		**	**	**	
	General Revenue-Temp	**	**	**		1,290,502	0.3093	0.3093	3,992
City of Blackburn	General Revenue	1,793,492	0.5827	0.5827		1,819,152	0.5827	0.5827	10,600
	Lights	1,793,492	0.1184	0.1184		1,819,152	0.1184	0.1184	2,154
	General Revenue-Temp	1,793,492	0.2900	0.2900		1,819,152	0.2900	0.2900	5,276
City of Gilliam	General Revenue	956,658	0.7274	0.7274		969,808	0.7315	0.7315	7,094
	Lights	956,658	0.3880	0.3880		969,808	0.3902	0.3902	3,784
Village of Grand Pass	General Revenue	417,344	0.4658	0.4658		427,626	0.4682	0.4682	2,002
City of Malta Bend	General Revenue	1,569,873	0.7426	0.7426		1,572,490	0.7426	0.7426	11,677
City of Marshall	General Revenue	125,798,318	0.6431	0.6431		128,707,493	0.6444	0.6444	829,391
	Parks & Recreation	125,798,318	0.2780	0.2780		128,707,493	0.2786	0.2786	358,579
	Library	125,798,318	0.1651	0.1651		128,707,493	0.1654	0.1654	212,882
	Band	125,798,318	0.0431	0.0431		128,707,493	0.0432	0.0432	55,602
City of Miami	General Revenue	1,070,179	0.4921	0.4921		1,072,224	0.4939	0.4939	5,296
	Streets	1,070,179	0.6397	0.6397		1,072,224	0.6421	0.6421	6,885
Village of Mount Leonard	General Revenue	281,063	0.9918	0.9918		303,618	0.9751	0.9751	2,961
City of Nelson	General Revenue	1,018,638	0.7466	0.7466		1,021,021	0.7466	0.7466	7,623
City of Slater	General Revenue	12,965,306	0.7615	0.7615		13,093,166	0.7643	0.7643	100,071
	Parks & Recreation	12,965,306	0.2000	0.2000		13,093,166	0.2000	0.2000	26,186
	Library	12,965,306	0.2380	0.2380		13,093,166	0.2389	0.2389	31,280
City of Sweet Springs	General Revenue	13,121,050	0.6866	0.6866		12,967,451	0.6957	0.6866	89,035
	Parks & Recreation	13,121,050	0.3263	0.3263		12,967,451	0.3306	0.3263	42,313
	Library	13,121,050	0.1800	0.1800		12,967,451	0.1800	0.1800	23,341
	Debt Service	13,121,050	0.0824	0.0824		12,967,451	0.1465	0.1465	18,997
City of Emma	General Revenue	1,968,611	0.4859	0.4859		2,002,848	0.4859	0.4859	9,732
Malta Bend Fire Protection District	General Revenue	14,030,922	0.2494	0.2494		14,527,763	0.2494	0.2494	36,232
West Central FPD	General Revenue	38,612,793	0.3000	0.3000	A	40,740,952	0.2990	0.2990	121,815
Saline County Health Department	General Revenue	297,079,905	0.1307	0.1307		302,814,632	0.1307	0.1307	395,779
Miami R-I School District	Operating Funds-Schools	9,397,849	3.8020	3.8020	E	9,619,034	3.7794	3.7794	363,542
Orearville R-IV School District	Operating Funds-Schools	6,135,272	5.2249	5.2249	BE	6,306,181	5.2249	5.2249	329,492
	Operating Funds-Temp	**	**	**		6,306,181	0.3003	0.3003	18,937
	Debt Service	6,135,272	0.2935	0.2935		**	**	**	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Saline</u></b>										
Malta Bend R-V School District	Operating Funds-Schools	10,451,085	4.4164	4.4164	E	10,566,423	4.4221	4.4221	467,258	E
	Debt Service	10,451,085	1.3816	0.6458		10,566,423	1.3504	0.6401	67,636	
Hardeman R-X School District	Operating Funds-Schools	7,862,847	4.8221	4.2017	BE	7,902,351	4.8221	4.8221	381,059	E
	Debt Service	7,862,847	0.7019	0.6204		**	**	**		
Gilliam C-4 School District	Operating Funds-Schools	3,048,273	4.5539	4.5539	E	3,052,075	4.1533	4.1533	126,762	E
Marshall School District	Operating Funds-Schools	152,898,192	3.0983	3.0983	E	156,273,501	3.1065	3.1065	4,854,636	E
Slater School District	Operating Funds-Schools	18,125,318	3.8906	3.8906	E	18,377,578	3.8681	3.8681	710,863	E
	Debt Service	18,125,318	0.6440	0.5612		18,377,578	0.6099	0.5612	103,135	
Sweet Springs R-VII School District	Operating Funds-Schools	29,166,835	3.4264	3.3500	E	29,954,781	3.5655	3.4900	1,045,422	E
	Debt Service	29,166,835	1.1954	0.6400		29,954,781	1.1495	0.6400	191,711	
Saline County Courthouse	General Revenue	297,079,905	0.1867	0.1867		302,814,632	0.1867	0.1867	565,355	
	Common Road District	63,860,016	0.2669	0.2669		64,652,529	0.2669	0.2669	172,558	
	Special Road and Bridge	63,860,016	0.3600	0.3600	A	64,652,529	0.3600	0.3600	232,749	2014
	Senate Bill 40	297,079,905	0.0584	0.0584		302,814,632	0.0584	0.0584	176,844	
	Common Road-Temp	63,860,016	0.2214	0.2214		64,652,529	0.2214	0.2214	143,141	2013
<b><u>Schuyler</u></b>										
Schuyler County Ambulance District	General Revenue	41,069,470	0.3998	0.3998		41,640,612	0.4000	0.4000	166,562	
Schuyler County Nursing Home Dist	General Revenue	41,069,470	0.1000	0.1000		41,640,612	0.1006	0.1000	41,641	
City of Downing	General Revenue	1,753,966	1.0000	1.0000		1,745,334	1.0000	1.0000	17,453	
Village of Glenwood	General Revenue	1,017,650	0.5000	0.5000		1,070,980	0.5000	0.5000	5,355	
	Debt Service	1,017,650	0.3319	0.3319		1,070,980	0.5338	0.5338	5,717	
City of Greentop	General Revenue	2,715,422	0.9313	0.9313		2,568,066	0.9951	0.9951	25,555	
City of Lancaster	General Revenue	4,835,107	0.8974	0.8974		4,576,178	0.9512	0.9512	43,529	
	Parks & Recreation	4,835,107	0.1960	0.1960		4,576,178	0.2000	0.2000	9,152	
City of Queen City	General Revenue	3,041,541	0.9775	0.9775		3,133,778	0.9873	0.9873	30,940	
Schuyler County Library	General Revenue	41,069,470	0.1499	0.1499		41,640,612	0.1500	0.1500	62,461	
Schuyler County Health Department	General Revenue	41,069,470	0.2849	0.2849		41,640,612	0.3000	0.3000	124,922	
Schuyler Co R-I School District	Operating Funds-Schools	36,801,637	3.4252	3.4150	E	37,625,118	3.4300	3.4300	1,290,542	E
	Debt Service	36,801,637	1.3403	0.7700		37,625,118	1.3110	0.7700	289,713	
Schuyler County	General Revenue	41,069,470	0.4998	0.3383		41,640,612	0.5000	0.2932	122,090	
	Common Road District	41,069,470	0.4763	0.4763		41,640,612	0.4793	0.4793	199,583	
	Special Road and Bridge	41,069,470	0.2599	0.2599		**	**	**		2011
	Senior Services	41,069,470	0.0500	0.0500		41,640,612	0.0500	0.0500	20,820	
	Special Road and Bridge	**	**	**		41,640,612	0.2695	0.2600	108,266	A 2015
<b><u>Scotland</u></b>										
Scotland County Ambulance District	General Revenue	60,988,604	0.2472	0.2472		63,524,733	0.2477	0.2477	157,351	
Scotland County Memorial Hosp Dist	General Revenue	60,988,604	0.4945	0.4945		63,524,733	0.4954	0.4954	314,702	
Scotland County Nursing Home Dist	General Revenue	60,988,604	0.2967	0.2967		63,524,733	0.2973	0.2973	188,859	
Bear Creek Watershed Subdistrict	General Revenue	1,063,437	0.3966	0.3966		1,072,368	0.3966	0.3966	4,253	
Village of Arbela	General Revenue	180,715	0.5000	0.5000		180,441	0.5000	0.5000	902	
Village of Granger	General Revenue	216,323	0.6652	0.6400		214,643	0.6714	0.6400	1,374	
City of Memphis	General Revenue	14,671,717	0.3059	0.2974		15,099,273	0.3072	0.2972	44,875	
	Streets	14,671,717	0.3483	0.3400		15,099,273	0.3497	0.3400	51,338	
	Fire	14,671,717	0.1332	0.1300		15,099,273	0.1338	0.1300	19,629	
	Cemetery	14,671,717	0.0512	0.0512		15,099,273	0.0514	0.0514	7,761	
	Swimming Pool	14,671,717	0.1858	0.1814		15,099,273	0.1866	0.1814	27,390	
Village of Rutledge	General Revenue	307,700	0.5000	0.4030		546,877	0.4009	0.4009	2,192	
City of South Gorin	General Revenue	722,143	0.7650	0.7650		713,087	0.7747	0.7747	5,524	
	Fire	722,143	0.1913	0.1913		713,087	0.1937	0.1937	1,381	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Scotland</u></b>									
Scotland County Library District	General Revenue	60,988,604	0.1879	0.1879	63,524,733	0.1883	0.1883	119,617	
Scotland County Health Department	General Revenue	60,988,604	0.1483	0.1483	63,524,733	0.1486	0.1486	94,398	
Gorin R-III School District	Operating Funds-Schools	4,233,876	4.9170	4.6946	4,368,305	4.9213	4.3744	191,087	
Scotland Co R-I School District	Operating Funds-Schools	50,643,225	3.3243	3.2984	E 53,035,627	3.3636	3.2984	1,749,327	E
Scotland County	General Revenue	60,988,604	0.4945	0.4945	63,524,733	0.4954	0.4954	314,702	
	Road & Bridge	60,988,604	0.3462	0.3462	63,524,733	0.3469	0.3469	220,367	
	Special Road and Bridge	60,988,604	0.3067	0.3067	**	**	**		2011
	Special Road and Bridge	**	**	**	63,524,733	0.3199	0.3199	203,216	A 2015
<b><u>Scott</u></b>									
Southern Scott Co Ambulance Dist	General Revenue	234,500,138	0.3000	0.3000	240,737,505	0.3000	0.3000	722,213	
North Scott Co Ambulance District	General Revenue	178,517,956	0.2987	0.2987	183,275,308	0.2988	0.2988	547,627	
Illmo Special Road Dist Scott Co	Road & Bridge	56,651,861	0.3402	0.3402	58,042,544	0.3410	0.3410	197,925	
Sikeston Special Road Dist Scott Co	Road & Bridge	198,339,748	0.1800	0.1800	204,434,055	0.1800	0.1800	367,981	
City of Benton	General Revenue	7,700,343	0.6010	0.6010	8,234,782	0.6010	0.6010	49,491	
	Parks & Recreation	7,700,343	0.1867	0.1867	8,234,782	0.1867	0.1867	15,374	
Village of Blodgett	General Revenue	1,244,820	0.2752	0.2752	1,265,931	0.2759	0.2752	3,484	
City of Chaffee	General Revenue	17,695,001	0.7912	0.7912	18,312,729	0.7928	0.7928	145,183	
	Parks & Recreation	17,695,001	0.1687	0.1687	18,312,729	0.1690	0.1690	30,949	
	Library	17,695,001	0.1687	0.1687	18,312,729	0.1690	0.1690	30,949	
Village of Commerce	General Revenue	694,747	0.5000	0.5000	650,965	0.5000	0.5000	3,255	
Village of Diehlstadt	General Revenue	538,381	0.3442	0.3441	519,178	0.3569	0.3441	1,786	
Village of Haywood City	General Revenue	474,004	0.5000	0.5000	496,853	0.5000	0.5000	2,484	
Village of Kelso	General Revenue	5,692,909	0.5000	0.5000	5,896,599	0.5000	0.5000	29,483	
	Fire	5,692,909	0.1300	0.1300	5,896,599	0.1300	0.1300	7,666	2013
City of Miner	General Revenue	22,133,440	0.3103	0.3000	22,503,844	0.3107	0.3000	67,512	
City of Morley	General Revenue	4,231,316	0.6553	0.6553	4,318,356	0.6553	0.6553	28,298	
City of Oran	General Revenue	8,012,466	0.6414	0.6414	8,522,703	0.6414	0.6414	54,665	
	Parks & Recreation	8,012,466	0.1926	0.1926	8,522,703	0.1926	0.1926	16,415	
City of Scott City	General Revenue	42,296,565	0.5127	0.5127	43,075,984	0.5127	0.5127	220,851	
	Parks & Recreation	42,296,565	0.1831	0.1831	43,075,984	0.1831	0.1831	78,872	
	Cemetery	42,296,565	0.0500	0.0500	43,075,984	0.0500	0.0500	21,538	
	Debt Service	42,296,565	0.1140	0.1140	43,075,984	0.3769	0.3769	162,353	
Village of Vanduser	General Revenue	1,216,001	0.3885	0.3885	1,287,970	0.3885	0.3885	5,004	
	Fire	1,216,001	0.0993	0.0993	1,287,970	0.0993	0.0993	1,279	
City of Sikeston	General Revenue	188,408,631	0.3998	0.3998	193,769,215	0.4004	0.4004	775,852	
	Parks & Recreation	188,408,631	0.1742	0.1742	193,769,215	0.1745	0.1745	338,127	
	Library	188,408,631	0.1742	0.1742	193,769,215	0.1745	0.1745	338,127	
Scott County Library	General Revenue	282,097,573	0.0959	0.0959	291,213,246	0.0959	0.0959	279,274	
Sikeston Fire Protection District	General Revenue	46,853,723	0.1193	0.1193	48,549,672	0.1193	0.1193	57,920	
NBC Fire Protection District	General Revenue	43,321,743	0.2995	0.2995	43,787,521	0.3000	0.3000	131,363	
Scott County Rural Fire Prot Dist	General Revenue	38,849,089	0.3000	0.3000	39,750,991	0.3000	0.3000	119,253	
Oran Fire Protection District	General Revenue	15,126,277	0.4019	0.4019	16,230,342	0.4019	0.4019	65,230	
Scott County Health Department	General Revenue	413,018,091	0.1000	0.1000	424,012,816	0.1000	0.1000	424,013	
Scott City R-I School District	Operating Funds-Schools	51,567,030	3.2694	3.2694	E 53,045,430	3.2705	3.2705	1,734,851	E
	Debt Service	51,567,030	0.8008	0.4900	53,045,430	0.6205	0.4900	259,923	
Chaffee R-II School District	Operating Funds-Schools	23,064,260	2.8666	2.8666	E 23,768,350	2.8233	2.8233	671,052	E
	Debt Service	23,064,260	2.0704	1.2500	23,768,350	1.6587	1.2500	297,104	
Scott Co R-IV School District	Operating Funds-Schools	54,545,469	2.7500	2.7500	E 56,079,780	2.7500	2.7500	1,542,194	E
	Debt Service	54,545,469	0.6191	0.4200	56,079,780	0.5782	0.4200	235,535	
Scott Co R-V School District	Operating Funds-Schools	14,909,420	3.6463	3.6457	E 15,490,832	3.6686	3.6686	568,297	E



APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Scott</u></b>										
Scott Co R-V School District	Debt Service	14,909,420	0.9417	0.7000		15,490,832	0.7496	0.7000	108,436	
Sikeston R-VI School District	Operating Funds-Schools	216,765,861	3.6336	3.6300	E	222,896,585	3.6325	3.6325	8,096,718	E
	Debt Service	216,765,861	0.2099	0.1900		222,896,585	0.2109	0.2100	468,083	
Kelso C-7 School District	Operating Funds-Schools	23,574,270	2.8904	2.8904	E	24,341,250	2.9184	2.9184	710,375	E
Oran R-III School District	Operating Funds-Schools	19,365,680	3.1000	3.1000	E	20,325,690	3.5558	3.1000	630,096	E
	Debt Service	19,365,680	1.4469	0.4000		20,325,690	1.3133	0.4000	81,303	
Scott County	General Revenue	413,018,091	0.0000	0.0000		424,012,816	0.0000	0.0000	0	
	Johnson Grass	413,018,091	0.0100	0.0100		424,012,816	0.0100	0.0100	42,401	
	Common Road District	158,026,484	0.3025	0.3025		161,536,214	0.3036	0.3036	490,424	
	Senate Bill 40	413,018,091	0.0400	0.0400		424,012,816	0.0400	0.0400	169,605	
<b><u>Shannon</u></b>										
Shannon County Ambulance District	General Revenue	53,670,669	0.1309	0.1309		52,528,181	0.1350	0.1350	70,913	
City of Birch Tree	General Revenue	3,258,354	0.4488	0.4488		3,076,096	0.4757	0.4757	14,633	
Timber Community Fire Prot Dist	General Revenue	4,263,372	0.2887	0.2887		4,196,566	0.2983	0.2983	12,518	
Shannon County Health Department	General Revenue	67,554,708	0.0972	0.0972		66,338,268	0.0999	0.0999	66,272	
Winona R-III School District	Operating Funds-Schools	15,968,563	2.7500	2.7500	F	15,877,274	2.7500	2.7500	436,625	F
Eminence R-I School District	Operating Funds-Schools	19,399,481	2.3626	2.3335	E	19,334,904	2.3951	2.3173	448,048	E
	Operating Funds-Temp	19,399,481	1.0965	1.0965		19,334,904	1.1127	1.1127	215,139	2017
	Debt Service	19,399,481	0.5927	0.0100		19,334,904	0.6511	0.0100	1,933	
Shannon County	General Revenue	67,554,708	0.3145	0.2424		66,338,268	0.3233	0.2562	169,959	
	Road & Bridge	67,554,708	0.2426	0.2424		66,338,268	0.2494	0.2424	160,804	
	Senate Bill 40	67,554,708	0.0972	0.0972		66,338,268	0.0999	0.0972	64,481	
	Senior Services	67,554,708	0.0486	0.0486		66,338,268	0.0500	0.0500	33,169	
<b><u>Shelby</u></b>										
Salt River Ambulance District	General Revenue	87,801,200	0.2500	0.1400		91,800,761	0.2500	0.1400	128,521	
Clarence Nursing Home District	General Revenue	24,271,768	0.2200	0.2200		25,058,089	0.2200	0.2200	55,128	
Salt River Nursing Home District	General Revenue	75,782,889	0.3000	0.3000		79,625,191	0.3000	0.3000	238,876	
Shelbina Special Rd Dist Shelby Co	Road & Bridge	25,302,970	0.4700	0.4700		25,368,048	0.4700	0.4700	119,230	
Village of Bethel	General Revenue	680,286	0.7500	0.7500		687,465	0.7500	0.7500	5,156	
	Lights	680,286	0.2500	0.2500		687,465	0.2500	0.2500	1,719	
City of Clarence	General Revenue	5,648,210	0.9978	0.9978		5,710,988	1.0000	1.0000	57,110	
	Library	5,648,210	0.0997	0.0997		5,710,988	0.1000	0.1000	5,711	
	Streets	5,648,210	0.1995	0.1995		5,710,988	0.2000	0.2000	11,422	
City of Hunnewell	General Revenue	970,274	0.8898	0.8775		1,017,854	0.8897	0.8897	9,056	
Village of Leonard	General Revenue	707,106	0.4911	0.4900		746,523	0.5000	0.5000	3,733	
City of Shelbina	General Revenue	19,704,649	0.8650	0.8650		19,507,339	0.8823	0.8823	172,113	
	Library	19,704,649	0.2500	0.2500		19,507,339	0.2500	0.2500	48,768	
City of Shelbyville	General Revenue	3,596,588	0.8689	0.8689		3,801,883	0.8705	0.8705	33,095	
	General Revenue-Temp	3,596,588	0.3000	0.3000		3,801,883	0.3000	0.3000	11,406	2013
Shelbina Fire Protection District	General Revenue	43,973,785	0.2500	0.2500		45,222,307	0.2500	0.2500	113,056	
Shelby County Health Department	General Revenue	92,730,916	0.2500	0.2500		96,918,686	0.2500	0.2500	242,297	
North Shelby School District	Operating Funds-Schools	29,695,744	3.4108	3.4108	E	32,352,866	4.1265	3.5793	1,158,006	E
	Debt Service	29,695,744	0.3765	0.3700		32,352,866	0.2550	0.2550	82,500	
Shelby Co R-IV School District	Operating Funds-Schools	58,045,562	3.6857	3.6857	E	59,109,723	3.8748	3.7500	2,216,615	BE
Shelby County	General Revenue	92,730,916	0.4819	0.3300		96,918,686	0.4819	0.3300	319,832	
	Road & Bridge	67,418,267	0.3500	0.3500		71,538,772	0.3500	0.3500	250,386	
<b><u>Stoddard</u></b>										
Stoddard County Ambulance District	General Revenue	401,318,320	0.2039	0.2039		414,612,312	0.2046	0.2046	848,297	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Stoddard</u></b>									
Bluff Spec Rd Dist Stoddard Co	Johnson Grass	9,293,479	0.0493	0.0493	9,665,749	0.0500	0.0500	4,833	2013
	Road & Bridge	9,293,479	0.1600	0.1600	9,665,749	0.1637	0.1637	15,823	
	Special Road and Bridge	9,293,479	0.3500	0.3500	9,665,749	0.3500	0.3500	33,830	
Crowder Zeta Sp Rd Dist Stoddard Co	Johnson Grass	3,030,512	0.0489	0.0489	3,001,191	0.0500	0.0500	1,501	2013
	Road & Bridge	3,030,512	0.2829	0.2829	3,001,191	0.2935	0.2935	8,808	
Dudley Spec Rd Dist Stoddard Co	Johnson Grass	17,679,952	0.0500	0.0500	17,949,440	0.0500	0.0500	8,975	2014
	Road & Bridge	17,679,952	0.2711	0.2711	17,949,440	0.2711	0.2711	48,661	
	Special Road and Bridge	17,679,952	0.3533	0.3533	A 17,949,440	0.3533	0.3533	63,415	
Essex Spec Rd Dist Stoddard Co	Johnson Grass	16,280,127	0.0487	0.0487	16,480,453	0.0489	0.0489	8,059	2012
	Road & Bridge	16,280,127	0.2367	0.2367	16,480,453	0.2377	0.2377	39,174	
	Special Road and Bridge	16,280,127	0.3380	0.3380	16,480,453	0.3394	0.3394	55,935	
Gray Ridge Spec Rd Dist Stoddard Co	Road & Bridge	9,623,186	0.3090	0.3090	9,392,736	0.3208	0.3208	30,132	
Lavalle Spec Road Dist Stoddard Co	Road & Bridge	2,611,090	0.3437	0.3437	2,764,582	0.3437	0.3437	9,502	
City of Bell City	General Revenue	2,264,476	0.7090	0.7090	2,321,093	0.7090	0.7090	16,457	
City of Bernie	General Revenue	13,788,706	0.5207	0.5207	14,046,109	0.5264	0.5264	73,939	
	Parks & Recreation	13,788,706	0.0895	0.0895	14,046,109	0.0900	0.0900	12,641	
City of Bloomfield	General Revenue	11,825,435	0.5225	0.5225	12,143,198	0.5226	0.5226	63,460	
	Library	11,825,435	0.1524	0.1524	12,143,198	0.1524	0.1524	18,506	
	Debt Service	11,825,435	0.4736	0.2162	12,143,198	0.4166	0.4166	50,589	
City of Dexter	General Revenue	99,616,100	0.5205	0.5205	102,519,570	0.5205	0.5205	533,614	
	Library	99,616,100	0.1457	0.1457	102,519,570	0.1457	0.1457	149,371	
City of Dudley	General Revenue	9,559,643	0.5846	0.5846	9,492,281	0.5889	0.5889	55,900	
City of Essex	General Revenue	3,292,118	0.4087	0.4087	3,392,724	0.4087	0.4087	13,866	
City of Puxico	General Revenue	7,066,025	0.5171	0.5171	7,391,632	0.5171	0.5171	38,222	
	Parks & Recreation	7,066,025	0.2216	0.2216	7,391,632	0.2216	0.2216	16,380	
	Library	7,066,025	0.0739	0.0739	7,391,632	0.0739	0.0739	5,462	
	Health	7,066,025	0.1054	0.1054	7,391,632	0.1054	0.1054	7,791	
	Cemetery	7,066,025	0.1054	0.1054	7,391,632	0.1054	0.1054	7,791	
	General Revenue	157,257	0.4353	0.4353	151,869	0.4527	0.4527	688	
Castor Township of Stoddard Co	General Revenue	56,894,265	0.0723	0.0723	59,551,881	0.0726	0.0726	43,235	
	Road & Bridge	47,600,788	0.2310	0.2310	49,899,738	0.2310	0.2310	115,268	2012
	Special Road and Bridge	47,600,788	0.3500	0.3500	49,899,738	0.3500	0.3500	174,649	
Duck Creek Township of Stoddard Co	General Revenue	45,365,651	0.1000	0.1000	46,459,486	0.1000	0.1000	46,459	2011
	Johnson Grass	45,365,651	0.0375	0.0375	46,459,486	0.0377	0.0377	17,515	
	Road & Bridge	27,685,698	0.2601	0.2601	28,510,047	0.2623	0.2623	74,782	
	Special Road and Bridge	45,365,651	0.2512	0.2512	**	**	**		
	Special Road and Bridge	**	**	**	28,510,047	0.3636	0.3636	103,663	
Elk Township of Stoddard Co	General Revenue	13,682,680	0.1000	0.1000	13,787,872	0.1000	0.1000	13,788	2014
	Road & Bridge	11,071,589	0.3230	0.3230	11,023,292	0.3245	0.3245	35,771	
	Special Road and Bridge	11,071,589	0.3547	0.3547	A 11,023,292	0.3547	0.3547	39,100	
Liberty Township of Stoddard Co	General Revenue	192,864,740	0.0800	0.0800	200,328,645	0.0802	0.0800	160,263	2014
	Johnson Grass	192,864,740	0.0500	0.0500	200,328,645	0.0500	0.0500	100,164	
	Road & Bridge	192,864,740	0.1500	0.1500	200,328,645	0.1503	0.1500	300,493	
	Special Road and Bridge	192,864,740	0.3527	0.3527	A 200,328,645	0.3527	0.3527	706,559	
New Lisbon Township of Stoddard Co	General Revenue	10,396,396	0.0848	0.0848	10,590,987	0.0865	0.0865	9,161	2012
	Johnson Grass	10,396,396	0.0500	0.0500	10,590,987	0.0500	0.0500	5,295	
	Road & Bridge	10,396,396	0.2437	0.2437	10,590,987	0.2487	0.2487	26,340	
	Special Road and Bridge	10,396,396	0.3500	0.3500	10,590,987	0.3500	0.3500	37,068	
Pike Township of Stoddard Co	General Revenue	54,376,024	0.1000	0.1000	56,070,832	0.1000	0.1000	56,071	
	Johnson Grass	54,376,024	0.0500	0.0500	56,070,832	0.0500	0.0500	28,035	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<b><u>Stoddard</u></b>										
Pike Township of Stoddard Co	Road & Bridge	51,345,513	0.2427	0.2427		53,069,641	0.2427	0.2427	128,800	
Richland Township of Stoddard Co	General Revenue	27,738,564	0.0802	0.0802		27,822,609	0.0815	0.0815	22,675	
	Road & Bridge	1,835,202	0.3500	0.3500		1,935,811	0.3500	0.3500	6,775	
Stoddard County Public Health	General Revenue	401,318,320	0.1000	0.1000		414,612,312	0.1000	0.1000	414,612	
Richland R-I School District	Operating Funds-Schools	23,201,104	4.4560	4.0034		24,322,583	4.4204	4.0000	972,903	E
	Debt Service	23,201,104	0.3593	0.3300		24,322,583	0.3333	0.3333	81,067	
Bell City R-II School District	Operating Funds-Schools	27,096,257	3.1851	3.1500	E	28,170,673	3.1719	3.1500	887,376	E
Advance R-IV School District	Operating Funds-Schools	29,373,200	3.0156	3.0000	BE	31,687,900	3.0993	3.0000	950,637	E
	Debt Service	29,373,200	0.4210	0.3661		31,687,900	0.3804	0.3661	116,009	
Puxico R-VIII School District	Operating Funds-Schools	39,993,314	2.7500	2.7500	E	41,562,240	2.7500	2.7500	1,142,962	E
	Debt Service	39,993,314	1.0872	0.7900		41,562,240	1.0181	0.7900	328,342	
Bloomfield R-XIV School District	Operating Funds-Schools	43,027,856	2.9144	2.7500	F	44,685,168	2.9424	2.7500	1,228,842	F
	Debt Service	43,027,856	0.2902	0.2429		44,685,168	0.2455	0.2455	109,702	
Dexter R-XI School District	Operating Funds-Schools	170,878,494	2.7537	2.7500	E	178,969,188	2.7500	2.7500	4,921,653	E
	Debt Service	170,878,494	0.9799	0.5700		178,969,188	0.8113	0.5700	1,020,124	
Bernie R-XIII School District	Operating Funds-Schools	32,179,151	2.9952	2.9952	E	33,677,435	2.9887	2.9887	1,006,517	E
	Debt Service	32,179,151	0.4239	0.3000		33,677,435	0.4051	0.3000	101,032	
Stoddard County	General Revenue	401,318,320	0.0000	0.0000		414,612,312	0.0000	0.0000	0	
	Johnson Grass	401,318,320	0.0000	0.0000		414,612,312	0.0000	0.0000	0	
	Senate Bill 40	401,318,320	0.0800	0.0800		414,612,312	0.0803	0.0803	332,934	
<b><u>Stone</u></b>										
City of Crane	General Revenue	9,087,287	0.8304	0.8304		9,156,219	0.8304	0.8304	76,033	
	Parks & Recreation	9,087,287	0.1312	0.1312		9,156,219	0.1312	0.1312	12,013	
	Library	9,087,287	0.0000	0.0000		9,156,219	0.0000	0.0000	0	
City of Galena	General Revenue	2,744,506	0.5161	0.5161		2,771,031	0.5161	0.5161	14,301	
City of Hurley	General Revenue	774,242	0.7064	0.7064		761,299	0.7184	0.7184	5,469	
City of Kimberling City	General Revenue	40,775,910	0.4400	0.4400		40,599,203	0.4400	0.4400	178,636	
City of Reeds Spring	General Revenue	6,589,132	0.6140	0.6140		6,850,896	0.6140	0.6140	42,065	
Village of McCord Bend	General Revenue	809,120	0.5000	0.5000		830,924	0.5000	0.5000	4,155	
Stone County Library	General Revenue	518,493,962	0.1000	0.1000		535,519,867	0.1000	0.1000	535,520	
Southern Stone Co Fire Prot Dist	General Revenue	414,662,856	0.2647	0.0000		430,092,200	0.2647	0.0000	0	
Hurley Fire Protection District	General Revenue	14,417,811	0.3300	0.3300		14,338,637	0.3300	0.3300	47,318	
North Stone-Northeast Barry FPD	General Revenue	30,721,952	0.2831	0.2831		30,543,527	0.2908	0.2908	88,821	
Stone County Health Department	General Revenue	518,493,962	0.0783	0.0783		535,519,867	0.0783	0.0783	419,312	
Hurley R-I School District	Operating Funds-Schools	10,004,199	3.9700	3.9700	E	10,025,467	3.9147	3.9144	392,437	E
	Debt Service	10,004,199	0.5830	0.5830		10,025,467	0.6386	0.6386	64,023	
Galena R-II School District	Operating Funds-Schools	27,367,326	3.4023	3.4023	E	27,974,252	3.3469	3.3469	936,270	E
	Debt Service	27,367,326	0.7835	0.5600		27,974,252	0.6782	0.6154	172,154	
Crane R-III School District	Operating Funds-Schools	23,603,509	3.3000	3.3000	E	23,929,524	3.2883	3.2883	786,875	E
	Debt Service	23,603,509	0.8544	0.5800		23,929,524	0.6351	0.5800	138,791	
Reeds Spring R-IV School District	Operating Funds-Schools	323,960,287	3.1088	3.1000	E	336,099,464	3.0873	3.0100	10,116,594	E
	Debt Service	323,960,287	1.6524	0.6557		336,099,464	1.1335	0.7400	2,487,136	
Blue Eye R-V School District	Operating Funds-Schools	93,252,905	3.2261	3.2261	E	99,898,680	4.0747	4.0261	4,022,021	BE
	Debt Service	93,252,905	0.8453	0.8000		99,898,680	0.2077	0.0000	0	
Stone County	General Revenue	518,493,962	0.2839	0.1300		535,519,867	0.2839	0.1198	641,553	
	Road & Bridge	518,493,962	0.1651	0.0000		535,519,867	0.1651	0.0000	0	
	Senior Services	518,493,962	0.0481	0.0481		535,519,867	0.0481	0.0481	257,585	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Sullivan</u></b>									
Locust Creek Watershed Subdistrict	General Revenue	28,637,647	0.3889	0.3889	28,880,796	0.3889	0.3889	112,317	2011
Harris Spec Rd Dist Sullivan Co	Road & Bridge	547,001	0.3205	0.3205	557,794	0.3204	0.3204	1,787	
Milan Special Road Dist Sullivan Co	Road & Bridge	11,713,485	0.3218	0.3218	11,777,356	0.3219	0.3219	37,911	
West Buchanan Road Dist Sullivan Co	Road & Bridge	2,692,411	0.3500	0.3500	2,579,003	0.3500	0.3500	9,027	
	Special Road and Bridge	2,692,411	0.3500	0.3500	**	**	**		
City of Green Castle	General Revenue	1,102,491	0.5458	0.5458	1,080,103	0.5604	0.5604	6,053	
City of Green City	General Revenue	4,692,999	0.4798	0.4798	4,708,937	0.4814	0.4814	22,669	
	Lights	4,692,999	0.1694	0.1694	4,708,937	0.1700	0.1700	8,005	
	Fire	4,692,999	0.2917	0.2917	4,708,937	0.2927	0.2927	13,783	
City of Harris	General Revenue	163,389	0.9000	0.9000	153,642	0.9000	0.9000	1,383	
Village of Humphreys	General Revenue	278,658	0.7249	0.7249	262,014	0.7500	0.7500	1,965	2013
	Parks & Recreation	278,658	0.4834	0.4834	262,014	0.5000	0.5000	1,310	
	Lights	278,658	1.4502	1.4502	262,014	1.5000	1.5000	3,930	
	Streets	278,658	0.9664	0.9664	262,014	1.0000	1.0000	2,620	
City of Milan	General Revenue	11,690,815	0.7823	0.7823	11,755,373	0.7825	0.7825	91,986	
	Park	11,690,815	0.0921	0.0921	11,755,373	0.0921	0.0921	10,827	
	Recreation	11,690,815	0.0460	0.0460	11,755,373	0.0460	0.0460	5,407	
Village of Newtown	General Revenue	756,770	0.9317	0.9317	719,210	0.9810	0.9810	7,055	
	Parks & Recreation	756,770	0.1863	0.1863	719,210	0.1962	0.1962	1,411	
	General Revenue-Temp	756,770	0.2795	0.2795	719,210	0.2942	0.2942	2,116	
Village of Osgood	General Revenue	94,611	1.0000	1.0000	87,881	1.0000	1.0000	879	2012
Sullivan County Library	General Revenue	83,848,669	0.0963	0.0963	84,774,370	0.0963	0.0963	81,638	
Bowman Township of Sullivan Co	General Revenue	6,463,842	0.0966	0.0966	6,605,303	0.0966	0.0966	6,381	
	Road & Bridge	6,463,842	0.4831	0.4831	6,605,303	0.4831	0.4831	31,910	
	Special Road and Bridge	6,463,842	0.3382	0.3382	6,605,303	0.3382	0.3382	22,339	
Buchanan Township of Sullivan Co	General Revenue	3,946,844	0.1000	0.1000	3,836,778	0.1000	0.1000	3,837	
	Road & Bridge	3,946,844	0.5000	0.5000	3,836,778	0.5000	0.5000	19,184	
	Special Road and Bridge	3,946,844	0.3473	0.3473	3,836,778	0.3473	0.3473	13,325	
Clay Township of Sullivan Co	General Revenue	6,468,144	0.0989	0.0989	6,012,121	0.1000	0.1000	6,012	
	Road & Bridge	6,468,144	0.4945	0.4945	6,012,121	0.5000	0.5000	30,061	
	Special Road and Bridge	6,468,144	0.3500	0.3500	A 6,012,121	0.3500	0.3500	21,042	
Duncan Township of Sullivan Co	General Revenue	4,164,734	0.0952	0.0952	4,197,732	0.0954	0.0954	4,005	2014
	Road & Bridge	4,164,734	0.4757	0.4757	4,197,732	0.4765	0.4765	20,002	
	Special Road and Bridge	4,164,734	0.3500	0.3500	A 4,197,732	0.3500	0.3500	14,692	
Jackson Township of Sullivan Co	General Revenue	4,783,140	0.0960	0.0960	4,871,769	0.0964	0.0964	4,696	
	Road & Bridge	4,783,140	0.4799	0.4799	4,871,769	0.4819	0.4819	23,477	
	Special Road and Bridge	4,783,140	0.3349	0.3349	4,871,769	0.3363	0.3363	16,384	
Liberty Township of Sullivan Co	General Revenue	3,703,384	0.0933	0.0933	3,809,310	0.0933	0.0933	3,554	
	Road & Bridge	3,703,384	0.4666	0.4666	3,809,310	0.4666	0.4666	17,774	
	Special Road and Bridge	3,703,384	0.3267	0.3267	**	**	**		
	Special Road and Bridge	**	**	**	3,809,310	0.3553	0.3553	13,534	
Morris Township of Sullivan Co	General Revenue	3,481,869	0.0983	0.0983	3,511,023	0.0983	0.0983	3,451	2012
	Road & Bridge	3,481,869	0.4914	0.4914	3,511,023	0.4914	0.4914	17,253	
	Special Road and Bridge	3,481,869	0.3409	0.3409	3,511,023	0.3409	0.3409	11,969	
Penn Township of Sullivan Co	General Revenue	12,406,569	0.0960	0.0960	12,372,268	0.0966	0.0966	11,952	
	Road & Bridge	12,406,569	0.4801	0.4801	12,372,268	0.4832	0.4832	59,783	
Pleasant Hill Township, Sullivan Co	General Revenue	3,674,307	0.1000	0.1000	4,270,777	0.1000	0.1000	4,271	
	Road & Bridge	3,674,307	0.5000	0.5000	4,270,777	0.5000	0.5000	21,354	
	Special Road and Bridge	3,674,307	0.3794	0.3794	A 4,270,777	0.3794	0.3794	16,203	
Polk Township of Sullivan Co	General Revenue	28,769,738	0.0948	0.0948	29,396,635	0.0949	0.0949	27,897	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Sullivan</u></b>									
Polk Township of Sullivan Co	Road & Bridge	28,769,738	0.4738	0.4738	29,396,635	0.4741	0.4741	139,369	2011
	Special Road and Bridge	28,769,738	0.3317	0.3317	**	**	**		
	Special Road and Bridge	**	**	**	29,396,635	0.3607	0.3607	106,034	
Taylor Township of Sullivan Co	General Revenue	1,786,733	0.0975	0.0975	1,847,473	0.0977	0.0977	1,805	2014
	Road & Bridge	1,786,733	0.4873	0.4873	1,847,473	0.4884	0.4884	9,023	
	Special Road and Bridge	1,786,733	0.3500	0.3500	A 1,847,473	0.3500	0.3500	6,466	
Union Township of Sullivan Co	General Revenue	5,046,801	0.0988	0.0988	4,971,036	0.1000	0.1000	4,971	2014
	Road & Bridge	5,046,801	0.4936	0.4936	4,971,036	0.5000	0.5000	24,855	
	Special Road and Bridge	5,046,801	0.3500	0.3500	A 4,971,036	0.3500	0.3500	17,399	
Medicine Creek Fire Protection Dist	General Revenue	23,481,726	0.3000	0.3000	23,213,795	0.3000	0.3000	69,641	
Galt Fire Protection District	General Revenue	12,937,944	0.2952	0.2952	13,285,249	0.2952	0.2952	39,218	
Sullivan County Health Department	General Revenue	83,848,669	0.2411	0.2411	84,774,370	0.2412	0.2412	204,476	
Green City R-I School District	Operating Funds-Schools	22,711,048	4.4046	3.9366	22,640,024	4.4069	3.8323	867,634	
	Debt Service	22,711,048	1.5734	0.6389	22,640,024	1.1757	0.6389	144,647	
Milan C-2 School District	Operating Funds-Schools	41,067,001	3.1702	3.1702	E 41,808,444	3.5652	3.5652	1,490,555	E
Newtown-Harris R-III School Dist	Operating Funds-Schools	10,892,339	5.3542	4.9755	10,443,578	6.9500	6.5234	681,276	
Sullivan County	General Revenue	83,848,669	0.3851	0.2500	84,774,370	0.3853	0.2502	212,105	
	Hospital	83,848,669	0.4140	0.4140	84,774,370	0.4142	0.4142	351,135	
<b><u>Taney</u></b>									
Taney County Ambulance District	General Revenue	993,578,724	0.0000	0.0000	995,028,934	0.0000	0.0000	0	
City of Branson	General Revenue	476,434,017	0.5394	0.5394	472,059,763	0.5464	0.5464	2,579,335	
City of Forsyth	General Revenue	26,964,452	0.5266	0.5266	26,639,524	0.5351	0.5351	142,548	
City of Hollister	General Revenue	44,907,195	0.5912	0.5912	47,025,194	0.5912	0.5912	278,013	
	Debt Service	44,907,195	0.5309	0.5309	47,025,194	0.4934	0.4934	232,022	
City of Rockaway Beach	General Revenue	6,561,362	0.7182	0.7182	6,543,985	0.7258	0.7258	47,496	
Village of Merriam Woods	General Revenue	10,068,896	0.4627	0.4627	10,103,296	0.4648	0.4648	46,960	
Village of Bull Creek	General Revenue	1,332,041	0.5000	0.5000	1,334,619	0.5000	0.5000	6,673	
Western Taney Co Fire Prot Dist	General Revenue	357,305,135	0.3648	0.3648	360,506,331	0.3648	0.3648	1,315,127	
Central Taney County Fire Prot Dist	General Revenue	67,302,622	0.4100	0.4100	67,345,130	0.4100	0.4100	276,115	
Cedarcreek Fire Protection Dist	General Revenue	4,679,607	0.3000	0.3000	4,775,808	0.3000	0.3000	14,327	
Protem Fire Protection District	General Revenue	6,549,733	0.3000	0.3000	6,761,006	0.3000	0.3000	20,283	
Taney County Health Department	General Revenue	993,578,724	0.1404	0.1404	995,028,934	0.1404	0.1404	1,397,021	
Bradleyville R-I School District	Operating Funds-Schools	8,091,806	3.6723	3.6723	E 8,076,910	3.8670	3.8670	312,334	E
Taneyville R-II School District	Operating Funds-Schools	10,739,506	3.4629	3.4365	E 10,700,160	3.5458	3.5458	379,406	E
	Debt Service	10,739,506	1.6338	0.8344	10,700,160	1.4825	0.8344	89,282	
Forsyth R-III School District	Operating Funds-Schools	73,173,482	3.3375	3.3375	E 72,912,585	3.3508	3.3508	2,443,155	E
	Debt Service	73,173,482	0.7459	0.7459	72,912,585	0.8249	0.7500	546,844	
Branson R-IV School District	Operating Funds-Schools	656,124,102	3.2436	3.2436	E 652,659,879	3.3280	3.3280	21,720,521	E
	Debt Service	656,124,102	0.7048	0.7000	652,659,879	1.1564	0.7000	4,568,619	
Hollister R-V School District	Operating Funds-Schools	175,343,967	3.4196	3.4196	E 181,341,051	3.4073	3.4073	6,178,834	E
	Debt Service	175,343,967	0.8084	0.8084	181,341,051	1.1432	0.8207	1,488,266	
Kirbyville R-VI School District	Operating Funds-Schools	36,261,155	3.4172	3.4172	E 36,722,795	3.3949	3.3949	1,246,702	E
	Debt Service	36,261,155	1.3534	0.9000	36,722,795	0.9647	0.9000	330,505	
Mark Twain R-VIII School District	Operating Funds-Schools	6,554,633	4.0497	4.0497	E 6,744,048	4.0497	4.0497	273,114	E
Taney County	General Revenue	993,578,724	0.0000	0.0000	995,028,934	0.0000	0.0000	0	
	Road & Bridge	993,578,724	0.0000	0.0000	995,028,934	0.0000	0.0000	0	
	Developmentally Disabled	993,578,724	0.0896	0.0896	995,028,934	0.0898	0.0898	893,536	
	Senior Services	993,578,724	0.0500	0.0500	995,028,934	0.0500	0.0500	497,514	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Texas</u></b>									
City of Cabool	General Revenue	18,348,655	0.7857	0.7857	18,129,608	0.7977	0.7977	144,620	
City of Houston	General Revenue	24,711,610	0.3128	0.3128	24,040,531	0.3221	0.3221	77,435	
City of Licking	General Revenue	11,435,727	0.4322	0.4322	11,701,023	0.4322	0.4322	50,572	
	Debt Service	11,435,727	0.0000	0.0000	**	**	**		
Village of Raymondville	General Revenue	2,142,243	0.4030	0.4030	2,093,653	0.4152	0.4152	8,693	
City of Summersville	General Revenue	3,518,443	0.5990	0.5990	3,514,914	0.6091	0.6091	21,409	
Texas County Library District	General Revenue	200,533,292	0.0967	0.0967	203,286,279	0.0976	0.0976	198,407	
Boone Township of Texas Co	General Revenue	2,113,043	0.0750	0.0750	2,094,531	0.0762	0.0750	1,571	
	Road & Bridge	2,113,043	0.2469	0.2469	2,094,531	0.2509	0.2469	5,171	
Burdine Township of Texas Co	General Revenue	30,935,007	0.0915	0.0915	30,277,951	0.0940	0.0940	28,461	
	Road & Bridge	30,935,007	0.3054	0.3054	30,277,951	0.3134	0.3134	94,891	
Carroll Township of Texas Co	General Revenue	7,912,701	0.1000	0.1000	8,204,212	0.1000	0.1000	8,204	
	Road & Bridge	7,912,701	0.3596	0.3596	8,204,212	0.3621	0.3621	29,707	
Cass Township of Texas Co	General Revenue	9,524,624	0.1000	0.1000	10,009,141	0.1000	0.1000	10,009	
	Road & Bridge	9,524,624	0.3373	0.3373	10,009,141	0.3373	0.3373	33,761	
Clinton Township of Texas Co	General Revenue	15,455,565	0.0927	0.0927	15,071,809	0.0991	0.0991	14,936	
	Road & Bridge	15,455,565	0.4635	0.4635	15,071,809	0.4958	0.4958	74,726	
Current Township of Texas Co	General Revenue	1,816,175	0.0960	0.0960	1,875,054	0.0960	0.0960	1,800	
	Road & Bridge	1,816,175	0.2917	0.2917	1,875,054	0.2917	0.2917	5,470	
Date Township of Texas Co	General Revenue	3,820,109	0.0947	0.0947	3,799,760	0.0960	0.0960	3,648	
	Road & Bridge	3,820,109	0.2948	0.2948	3,799,760	0.2987	0.2987	11,350	
Jackson Township of Texas Co	General Revenue	9,032,127	0.0972	0.0972	9,191,818	0.0972	0.0972	8,934	
	Road & Bridge	9,032,127	0.3520	0.3520	9,191,818	0.3520	0.3520	32,355	
Lynch Township of Texas Co	General Revenue	10,627,236	0.0949	0.0949	11,047,105	0.0952	0.0952	10,517	
	Road & Bridge	10,627,236	0.2984	0.2984	11,047,105	0.2994	0.2994	33,075	
Morris Township of Texas Co	General Revenue	6,341,547	0.1000	0.1000	6,650,606	0.1000	0.1000	6,651	
	Road & Bridge	6,341,547	0.3295	0.3295	6,650,606	0.3295	0.3295	21,914	
Ozark Township of Texas Co	General Revenue	3,992,635	0.1000	0.1000	4,049,818	0.1000	0.1000	4,050	
	Road & Bridge	3,992,635	0.3634	0.3634	4,049,818	0.3634	0.3634	14,717	
Pierce Township of Texas Co	General Revenue	3,698,651	0.0985	0.0985	3,891,368	0.0986	0.0985	3,833	
	Road & Bridge	3,698,651	0.3208	0.3208	3,891,368	0.3212	0.3208	12,484	
Piney Township of Texas Co	General Revenue	44,864,630	0.0945	0.0945	44,806,445	0.0948	0.0948	42,477	
	Road & Bridge	44,864,630	0.2951	0.2951	44,806,445	0.2959	0.2959	132,582	
Roubidoux Township of Texas Co	General Revenue	14,490,320	0.0936	0.0936	14,909,290	0.0936	0.0936	13,955	
	Road & Bridge	14,490,320	0.2798	0.2798	14,909,290	0.2798	0.2798	41,716	
Sargent Township of Texas Co	General Revenue	3,223,770	0.0678	0.0678	3,348,672	0.0678	0.0678	2,270	
	Road & Bridge	3,223,770	0.2712	0.2712	3,348,672	0.2712	0.2712	9,082	
Sherrill Township of Texas Co	General Revenue	27,205,588	0.0971	0.0971	28,134,538	0.0971	0.0971	27,319	
	Road & Bridge	27,205,588	0.3429	0.3429	28,134,538	0.3430	0.3430	96,501	
Upton Township of Texas Co	General Revenue	5,473,924	0.0990	0.0990	5,786,898	0.0990	0.0990	5,729	
	Road & Bridge	5,473,924	0.3117	0.3117	5,786,898	0.3117	0.3117	18,038	
Texas County Health Department	General Revenue	200,533,292	0.0967	0.0967	203,286,279	0.0976	0.0976	198,407	
Success R-VI School District	Operating Funds-Schools	7,317,235	2.7500	2.7500	E 7,745,241	2.7500	2.7500	212,994	E
Houston R-I School District	Operating Funds-Schools	53,556,619	2.7500	2.7500	E 53,983,967	2.7500	2.7500	1,484,559	E
	Debt Service	53,556,619	0.8082	0.8000	53,983,967	0.8539	0.8000	431,872	
Summersville R-II School District	Operating Funds-Schools	24,696,869	3.0000	3.0000	E 25,125,705	3.0000	3.0000	753,771	E
Licking R-VIII School District	Operating Funds-Schools	35,367,809	2.7500	2.7500	E 36,617,081	2.7500	2.7500	1,006,970	E
Cabool R-IV School District	Operating Funds-Schools	42,688,155	2.7585	2.7568	E 43,841,012	2.7232	2.7232	1,193,878	E
	Operating Funds-Temp	42,688,155	0.4405	0.4405	43,841,012	0.4405	0.4405	193,120	2014
Plato R-V School District	Operating Funds-Schools	28,854,397	2.8889	2.8889	E 29,577,377	2.8603	2.8603	846,002	E

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Texas</u></b>										
Raymondville R-VII School District	Operating Funds-Schools	8,363,171	2.9871	2.9871	E	8,503,958	2.9419	2.9419	250,178	E
	Operating Funds-Temp	8,363,171	0.4800	0.4800		8,503,958	0.4800	0.4800	40,819	2013
	Debt Service	8,363,171	0.4250	0.0000		**	**	**		
Texas County	General Revenue	200,533,292	0.2684	0.0000		203,286,279	0.2708	0.0000	0	
	Senate Bill 40	200,533,292	0.0967	0.0967		203,286,279	0.0976	0.0976	198,407	
<b><u>Vernon</u></b>										
Vernon County Ambulance District	General Revenue	231,259,014	0.1500	0.1500		235,239,388	0.1500	0.1500	352,859	
City of Bronaugh	General Revenue	894,135	0.1525	0.1345		909,426	0.1527	0.1527	1,389	
	Streets	894,135	0.3435	0.3030		909,426	0.3437	0.3435	3,124	
Village of Deerfield	General Revenue	574,818	0.3100	0.3100		872,584	0.2365	0.2365	2,064	
Village of Harwood	General Revenue	247,759	1.0000	0.9910		258,522	1.0000	0.9910	2,562	
City of Metz	General Revenue	378,523	0.6000	0.6000		427,098	0.6000	0.6000	2,563	
Village of Milo	General Revenue	330,165	0.6233	0.6233		379,541	0.5974	0.5974	2,267	
Village of Moundville	General Revenue	425,682	0.5000	0.4554		452,047	0.4999	0.4554	2,059	
	Parks & Recreation	425,682	0.2000	0.2000		452,047	0.1999	0.1999	904	
City of Nevada	General Revenue	92,144,932	0.6778	0.6778		93,518,602	0.6778	0.6778	633,869	
	Parks & Recreation	92,144,932	0.2000	0.0000		93,518,602	0.2000	0.0000	0	
	Library	92,144,932	0.2000	0.2000		93,518,602	0.2000	0.2000	187,037	
City of Richards	General Revenue	415,701	0.4756	0.4756		431,698	0.4752	0.4752	2,051	
	Streets	415,701	0.2380	0.2380		431,698	0.2378	0.2378	1,027	
City of Schell City	General Revenue	959,804	0.8389	0.8389		983,700	0.8407	0.8407	8,270	
City of Sheldon	General Revenue	2,513,006	0.5362	0.5362		2,557,185	0.5373	0.5373	13,740	
	Streets	2,513,006	0.1718	0.1718		2,557,185	0.1721	0.0000	0	
Village of Stotesbury	General Revenue	71,741	0.2966	0.2966		69,656	0.3058	0.3058	213	
	Lights	71,741	0.0868	0.0868		69,656	0.0890	0.0890	62	
	Streets	71,741	0.0434	0.0434		69,656	0.0445	0.0445	31	
City of Walker	General Revenue	1,299,727	0.6243	0.6243		1,335,207	0.6243	0.6243	8,336	
	Lights	1,299,727	0.0500	0.0500		1,335,207	0.0500	0.0500	668	
	Streets	1,299,727	0.1500	0.1500		1,335,207	0.1500	0.1500	2,003	
Bacon Township of Vernon Co	General Revenue	5,504,382	0.0987	0.0987		5,631,156	0.0987	0.0987	5,558	
	Road & Bridge	5,504,382	0.3945	0.3945		5,631,156	0.3945	0.3945	22,215	
	Special Road and Bridge	5,504,382	0.1700	0.1700	A	5,631,156	0.1700	0.1700	9,573	2012
Badger Township of Vernon Co	General Revenue	4,882,341	0.1000	0.1000		5,163,183	0.1000	0.1000	5,163	
	Road & Bridge	4,882,341	0.3500	0.3500		5,163,183	0.3500	0.3500	18,071	
	Special Road and Bridge	4,882,341	0.3396	0.3396		5,163,183	0.3396	0.3396	17,534	2012
Blue Mound Township of Vernon Co	General Revenue	3,513,043	0.1000	0.1000		3,672,295	0.1000	0.1000	3,672	
	Road & Bridge	3,513,043	0.2704	0.2704		3,672,295	0.2704	0.2704	9,930	
	Special Road and Bridge	3,513,043	0.1843	0.1843		3,672,295	0.1843	0.1843	6,768	2012
Center Township of Vernon Co	General Revenue	112,001,649	0.1000	0.1000		113,290,734	0.1000	0.1000	113,291	
	Road & Bridge	112,001,649	0.3366	0.3366		113,290,734	0.3366	0.3366	381,337	
Clear Creek Township of Vernon Co	General Revenue	5,387,096	0.1000	0.1000		5,559,429	0.1000	0.1000	5,559	
	Road & Bridge	5,387,096	0.3656	0.3656		5,559,429	0.3656	0.3656	20,325	
	Special Road and Bridge	5,387,096	0.3583	0.3500	A	5,559,429	0.3583	0.3583	19,919	2014
Coal Township of Vernon Co	General Revenue	5,375,158	0.0979	0.0979		4,315,925	0.1000	0.0979	4,225	
	Road & Bridge	5,375,158	0.3427	0.3427		4,315,925	0.3500	0.3427	14,791	
	Special Road and Bridge	5,375,158	0.3427	0.3427		4,315,925	0.3500	0.3427	14,791	2012
Deerfield Township of Vernon Co	General Revenue	10,173,587	0.0945	0.0945		10,646,033	0.0938	0.0938	9,986	
	Road & Bridge	10,173,587	0.3408	0.3408		10,646,033	0.3383	0.3383	36,016	
	Special Road and Bridge	10,173,587	0.3408	0.3408		10,646,033	0.3383	0.3383	36,016	2012
Dover Township of Vernon Co	General Revenue	4,885,890	0.1000	0.1000		5,112,105	0.1000	0.1000	5,112	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011				2012				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<b><u>Vernon</u></b>										
Dover Township of Vernon Co	Road & Bridge	4,885,890	0.2783	0.2702		5,112,105	0.2783	0.2783	14,227	
	Special Road and Bridge	4,885,890	0.3645	0.3487	A	5,112,105	0.3645	0.3645	18,634	2014
Drywood Township of Vernon Co	General Revenue	10,203,776	0.0992	0.0992		10,479,644	0.0992	0.0992	10,396	
	Road & Bridge	10,203,776	0.2923	0.2923		10,479,644	0.2923	0.2923	30,632	
	Special Road and Bridge	10,203,776	0.3500	0.3500	A	10,479,644	0.3500	0.3500	36,679	2014
Harrison Township of Vernon Co	General Revenue	4,927,088	0.0982	0.0982		5,048,134	0.0982	0.0982	4,957	
	Road & Bridge	4,927,088	0.3437	0.3437		5,048,134	0.3437	0.3437	17,350	
	Special Road and Bridge	4,927,088	0.3437	0.3437		5,048,134	0.3437	0.3437	17,350	2012
Henry Township of Vernon Co	General Revenue	4,428,772	0.0976	0.0976		4,508,101	0.0976	0.0976	4,400	
	Road & Bridge	4,428,772	0.3415	0.3415		4,508,101	0.3415	0.3415	15,395	
	Special Road and Bridge	4,428,772	0.3415	0.3415		4,508,101	0.3415	0.3415	15,395	2012
Lake Township of Vernon Co	General Revenue	2,932,281	0.0992	0.0992		3,039,848	0.0992	0.0992	3,016	
	Road & Bridge	2,932,281	0.4963	0.4963		3,039,848	0.4963	0.4963	15,087	
	Special Road and Bridge	2,932,281	0.3474	0.3474		3,039,848	0.3474	0.3474	10,560	2012
Metz Township of Vernon Co	General Revenue	4,902,315	0.0978	0.0978		4,355,365	0.1000	0.1000	4,355	
	Road & Bridge	4,902,315	0.3414	0.3414		4,355,365	0.3500	0.3500	15,244	
	Special Road and Bridge	4,902,315	0.3477	0.3477	A	4,355,365	0.3477	0.3477	15,144	2014
Montevallo Township of Vernon Co	General Revenue	5,012,738	0.1000	0.1000		4,909,135	0.1000	0.1000	4,909	
	Road & Bridge	5,012,738	0.3500	0.3500		4,909,135	0.3500	0.3500	17,182	
	Special Road and Bridge	5,012,738	0.2620	0.2620	A	4,909,135	0.2620	0.2620	12,862	2012
Moundville Township of Vernon Co	General Revenue	6,071,278	0.1000	0.1000		6,310,383	0.1000	0.1000	6,310	
	Road & Bridge	6,071,278	0.3500	0.3500		6,310,383	0.3500	0.3500	22,086	
	Special Road and Bridge	6,071,278	0.2399	0.2399		6,310,383	0.2399	0.2399	15,139	2012
Osage Township of Vernon Co	General Revenue	3,904,558	0.0964	0.0964		3,972,921	0.0964	0.0964	3,830	
	Road & Bridge	3,904,558	0.3376	0.3376		3,972,921	0.3376	0.3376	13,413	
	Special Road and Bridge	3,904,558	0.3500	0.3500	A	3,972,921	0.3500	0.3500	13,905	2014
Richland Township of Vernon Co	General Revenue	3,242,540	0.0972	0.0972		3,307,836	0.0972	0.0972	3,215	
	Road & Bridge	3,242,540	0.3404	0.3404		3,307,836	0.3404	0.3404	11,260	
	Special Road and Bridge	3,242,540	0.3500	0.3491	A	3,307,836	0.3500	0.3500	11,577	2014
Virgil Township of Vernon Co	General Revenue	4,135,875	0.0857	0.0857		4,225,904	0.0857	0.0857	3,622	
	Road & Bridge	4,135,875	0.3109	0.3109		4,225,904	0.3109	0.3109	13,138	
Walker Township of Vernon Co	General Revenue	5,635,462	0.0954	0.0954		5,923,127	0.0954	0.0954	5,651	
	Road & Bridge	5,635,462	0.3174	0.3174		5,923,127	0.3174	0.3174	18,800	
	Special Road and Bridge	5,635,462	0.3382	0.3382		5,923,127	0.3382	0.3382	20,032	2012
Washington Township of Vernon Co	General Revenue	24,139,185	0.0995	0.0995		25,768,130	0.0995	0.0995	25,639	
	Road & Bridge	24,139,185	0.3483	0.3483		25,768,130	0.3482	0.3482	89,725	
	Special Road and Bridge	24,139,185	0.2968	0.2968		25,768,130	0.2967	0.2967	76,454	2012
Vernon County Health Department	General Revenue	231,259,014	0.1000	0.1000		235,239,388	0.1000	0.1000	235,239	
Nevada R-V School District	Operating Funds-Schools	163,203,247	3.6165	3.6165	E	163,946,678	3.5889	3.5889	5,883,882	E
	Debt Service	163,203,247	0.1899	0.1352		163,946,678	0.3255	0.1352	221,656	
Bronaugh R-VII School District	Operating Funds-Schools	11,568,484	3.7458	3.7458	E	12,035,640	3.7228	3.7228	448,063	E
Sheldon R-VIII School District	Operating Funds-Schools	10,280,984	3.8657	3.8657	E	10,500,118	4.4019	3.9345	413,127	E
	Debt Service	10,280,984	0.3443	0.3443		10,500,118	0.4455	0.4455	46,778	
Northeast Vernon County R-I	Operating Funds-Schools	16,531,591	4.2205	4.2200	E	17,139,084	4.3842	4.2200	723,269	E
Vernon County	General Revenue	231,259,014	0.3693	0.1638		235,239,388	0.3693	0.1653	388,851	
<b><u>Warren</u></b>										
Marthasville Community Amb Dist	General Revenue	90,991,950	0.1546	0.1546		92,907,840	0.1551	0.1551	144,100	
	Ambulance	90,991,950	0.1353	0.1353		92,907,840	0.1357	0.1357	126,076	
Warren County Ambulance District	General Revenue	422,150,074	0.3414	0.3414		429,819,544	0.3430	0.3430	1,474,281	
City of Marthasville	General Revenue	14,765,738	0.5495	0.5495		15,343,560	0.5496	0.5496	84,328	



APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>Warren</u></b>									
City of Marthasville	Lights	14,765,738	0.1254	0.1254	15,343,560	0.1254	0.1254	19,241	
City of Truesdale	General Revenue	15,501,527	0.7999	0.7999	17,230,297	0.8002	0.8002	137,877	
City of Warrenton	General Revenue	98,190,023	0.2814	0.2814	97,703,028	0.2852	0.2852	278,649	
	Parks & Recreation	98,190,023	0.1667	0.1667	97,703,028	0.1689	0.1689	165,020	
City of Wright City	General Revenue	46,568,216	0.4818	0.4818	46,950,699	0.4873	0.4873	228,791	
	Parks & Recreation	46,568,216	0.0895	0.0895	46,950,699	0.0905	0.0905	42,490	
	Lights	46,568,216	0.1789	0.1789	46,950,699	0.1810	0.1810	84,981	
	Debt Service	46,568,216	0.0659	0.0659	46,950,699	0.0545	0.0545	25,588	
Village of Innsbrook	General Revenue	56,136,543	0.1267	0.1267	56,934,787	0.1267	0.1267	72,136	
Village of Pendleton	General Revenue	369,739	0.4997	0.4997	373,082	0.5000	0.5000	1,865	
Warren County Library District	General Revenue	517,832,377	0.0680	0.0680	527,536,913	0.0683	0.0683	360,308	
Wright City Fire Protection Dist	General Revenue	182,602,082	0.4074	0.4074	187,437,594	0.4089	0.4089	766,432	
Marthasville Fire Protection Dist	General Revenue	69,585,745	0.4040	0.4040	71,199,846	0.4056	0.4056	288,787	
Warrenton Fire Protection District	General Revenue	238,240,544	0.4497	0.4497	240,981,558	0.4497	0.4497	1,083,694	
Wright City R-II School District	Operating Funds-Schools	172,650,986	3.0964	3.0964	E 177,168,449	3.0964	3.0964	5,485,844	E
	Debt Service	172,650,986	1.7043	1.0970	177,168,449	1.5798	1.0970	1,943,538	
Warren Co R-III School District	Operating Funds-Schools	254,167,763	3.4377	3.4377	E 257,396,746	3.4918	3.4918	8,987,780	E
	Debt Service	254,167,763	0.8240	0.6189	257,396,746	0.7709	0.6189	1,593,028	
Warren County	General Revenue	517,832,377	0.2427	0.1290	527,536,913	0.2438	0.1139	600,865	
	Road & Bridge	517,832,377	0.1748	0.1748	527,536,913	0.1756	0.1756	926,355	
	Developmentally Disabled	517,832,377	0.1620	0.1600	527,536,913	0.1627	0.1600	844,059	
<b><u>Washington</u></b>									
Washington County Ambulance Dist	General Revenue	223,988,159	0.2384	0.0994	232,297,877	0.2362	0.0998	231,833	
Village of Caledonia	General Revenue	1,026,834	0.1755	0.1755	1,106,179	0.1703	0.1703	1,884	
City of Irondale	General Revenue	1,969,028	0.4998	0.4998	2,122,779	0.4827	0.4827	10,247	
Village of Mineral Point	General Revenue	1,048,536	0.2819	0.2819	1,095,671	0.2763	0.2763	3,027	
City of Potosi	General Revenue	27,278,821	0.5811	0.5811	27,247,380	0.5893	0.5893	160,569	
Washington County Library District	General Revenue	223,988,159	0.1908	0.1908	232,297,877	0.1891	0.1891	439,275	
Potosi Fire Protection District	General Revenue	149,197,293	0.2404	0.2404	153,696,679	0.2392	0.2392	367,642	
Richwoods Fire Protection District	General Revenue	15,895,471	0.2631	0.2631	16,276,727	0.2634	0.2634	42,873	
Irondale Fire Protection District	General Revenue	9,746,316	0.4814	0.4814	10,227,228	0.4763	0.4763	48,712	
Caledonia Fire Protection District	General Revenue	5,178,713	0.3710	0.3710	5,310,943	0.3724	0.3724	19,778	
Washington County Health Department	General Revenue	223,988,159	0.1430	0.1430	232,297,877	0.1417	0.1417	329,166	
Kingston K-14 School District	Operating Funds-Schools	30,388,765	2.9499	2.9499	E 30,428,837	2.9637	2.9499	897,620	E
	Debt Service	30,388,765	1.1042	0.9895	30,428,837	1.7251	0.9895	301,093	
Potosi R-III School District	Operating Funds-Schools	84,442,699	2.7500	2.7500	F 83,971,994	2.7500	2.7500	2,309,230	F
	Debt Service	84,442,699	0.7869	0.5000	83,971,994	0.5306	0.5000	419,860	
Richwoods R-VII School District	Operating Funds-Schools	13,327,844	3.1621	3.1620	E 13,419,793	3.1443	3.1443	421,959	E
Valley R-VI School District	Operating Funds-Schools	21,591,977	3.7089	3.7089	E 21,989,519	3.6969	3.6969	812,931	E
Washington County	General Revenue	223,988,159	0.1860	0.1860	232,297,877	0.3686	0.2147	498,744	
	Road & Bridge	223,988,159	0.2616	0.2616	232,297,877	0.2591	0.2591	601,884	
	Hospital	223,988,159	0.1908	0.1908	232,297,877	0.1891	0.1891	439,275	
	Senate Bill 40	223,988,159	0.1908	0.1908	232,297,877	0.1891	0.1891	439,275	
	Senior Services	223,988,159	0.0477	0.0477	232,297,877	0.0472	0.0472	109,645	
<b><u>Wayne</u></b>									
East Wayne County Ambulance Dist	General Revenue	54,445,325	0.3000	0.3000	56,100,096	0.3000	0.3000	168,300	
Clearwater Ambulance District	General Revenue	66,906,815	0.2859	0.2859	67,173,180	0.2859	0.2859	192,048	
Village of Mill Spring	General Revenue	490,275	0.6672	0.6672	488,755	0.6693	0.6693	3,271	
City of Piedmont	General Revenue	17,810,667	0.2225	0.2200	17,958,754	0.2235	0.2200	39,509	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<b><u>Wayne</u></b>										
City of Piedmont	Lights	17,810,667	0.1315	0.1300		17,958,754	0.1321	0.1300	23,346	
	Library	17,810,667	0.1011	0.1000		17,958,754	0.1016	0.1000	17,959	
	Cemetery	17,810,667	0.0303	0.0300		17,958,754	0.0304	0.0300	5,388	
Clearwater Fire Protection District	General Revenue	51,303,623	0.2863	0.2863		49,802,166	0.2949	0.2949	146,867	
Wayne County Health Center	General Revenue	124,714,474	0.0971	0.0971		125,646,385	0.0985	0.0985	123,762	
Greenville R-II School District	Operating Funds-Schools	39,123,969	2.7500	2.7500	E	40,519,341	2.7500	2.7500	1,114,282	E
	Debt Service	39,123,969	1.0446	0.3600		40,519,341	1.3895	0.3600	145,870	
Clearwater R-I School District	Operating Funds-Schools	64,190,480	2.7500	2.7500	E	62,816,395	2.7500	2.7500	1,727,451	E
	Debt Service	64,190,480	0.3534	0.3500		62,816,395	0.5236	0.3500	219,857	
Wayne County	General Revenue	124,714,474	0.2934	0.1446		125,646,385	0.2977	0.1259	158,189	
	Road & Bridge	124,714,474	0.1390	0.1100		125,646,385	0.1410	0.1100	138,211	
	Senate Bill 40	124,714,474	0.0800	0.0800		125,646,385	0.0812	0.0800	100,517	
<b><u>Webster</u></b>										
Village of Diggins	General Revenue	2,029,087	0.2121	0.2121		2,284,393	0.1999	0.1999	4,567	
City of Fordland	General Revenue	4,242,764	0.4038	0.4038		4,611,812	0.3963	0.3963	18,277	
City of Marshfield	Parks & Recreation	70,415,905	0.1010	0.1000		73,499,673	0.1010	0.1000	73,500	
	Cemetery	70,415,905	0.1010	0.1000		73,499,673	0.1010	0.1000	73,500	
	Debt Service	70,415,905	0.4250	0.3700		73,499,673	0.3211	0.3200	235,199	
City of Niangua	General Revenue	1,658,888	0.2786	0.2786		1,651,253	0.2800	0.2800	4,624	
City of Rogersville	General Revenue	30,829,462	0.3134	0.3134		32,078,705	0.3141	0.3141	100,759	
	Debt Service	30,829,462	0.4437	0.4437		32,078,705	0.3990	0.3990	127,994	
City of Seymour	General Revenue	15,097,896	0.3696	0.3696		15,986,138	0.3647	0.3647	58,301	
	Parks & Recreation	15,097,896	0.0821	0.0821		15,986,138	0.0810	0.0810	12,949	
	Library	6,453,968	0.0639	0.0639		7,277,140	0.0604	0.0604	4,395	
	Cemetery	15,097,896	0.0514	0.0514		15,986,138	0.0507	0.0507	8,105	
Webster County Library District	General Revenue	336,550,631	0.1172	0.1172		340,475,112	0.1184	0.1184	403,123	
Southern Webster Co Fire Prot Dist	General Revenue	63,691,240	0.2994	0.2994		66,393,656	0.2966	0.2966	196,924	
Marshfield Fire Protection District	General Revenue	86,315,211	0.3000	0.3000		89,171,419	0.3000	0.3000	267,514	
Niangua Fire Protection District	General Revenue	12,790,210	0.2613	0.2613		13,347,079	0.3000	0.3000	40,041	
Webster County Health Unit	General Revenue	342,028,032	0.1371	0.1371		347,724,421	0.1381	0.1381	480,207	
Niangua R-V School District	Operating Funds-Schools	13,503,173	3.3125	3.3125	E	13,909,871	3.2381	3.2381	450,416	E
Fordland R-III School District	Operating Funds-Schools	29,031,860	2.7500	2.7500	F	30,366,847	2.7500	2.7500	835,088	F
	Debt Service	29,031,860	0.9245	0.9245		30,366,847	0.8447	0.8447	256,509	
Marshfield R-I School District	Operating Funds-Schools	157,238,438	2.7500	2.7500	E	173,202,430	2.7500	2.7500	4,763,067	E
	Debt Service	157,238,438	1.2307	0.6000		173,202,430	1.1205	0.6000	1,039,215	
Seymour R-II School District	Operating Funds-Schools	41,628,267	2.7500	2.7500	F	43,948,756	2.7500	2.7500	1,208,591	F
Webster County	General Revenue	342,028,032	0.0000	0.0000		347,724,421	0.0000	0.0000	0	
	Road & Bridge	342,028,032	0.1860	0.1860		347,724,421	0.1874	0.1874	651,636	
	Senate Bill 40	342,028,032	0.0783	0.0783		347,724,421	0.0789	0.0789	274,355	
	Senior Services	342,028,032	0.0499	0.0499		347,724,421	0.0500	0.0500	173,862	
<b><u>Worth</u></b>										
Worth County Ambulance District	General Revenue	26,168,669	0.1499	0.1499		27,815,192	0.1499	0.1499	41,695	
Worth Co Convalescent Center Dist	General Revenue	26,168,669	0.3497	0.3497		27,815,192	0.3497	0.3497	97,270	
Platte River Tributaries Sub Dist	General Revenue	578,520	0.4000	0.4000		578,520	0.4000	0.4000	2,314	
East Fork of Grand River Watershed	General Revenue	2,662,580	0.2000	0.2000		2,672,800	0.2000	0.2000	5,346	
Village of Allendale	General Revenue	505,507	0.4000	0.4000		543,916	0.4000	0.4000	2,176	
	General Revenue-Temp	505,507	0.2000	0.2000		543,916	0.1999	0.1999	1,087	2013
Village of Denver	General Revenue	214,143	0.7659	0.7659		217,385	0.7657	0.7657	1,665	
City of Grant City	General Revenue	4,402,981	1.0000	1.0000		4,481,031	1.0000	1.0000	44,810	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<b><u>Worth</u></b>										
City of Grant City	Health	4,402,981	0.1800	0.1800		4,481,031	0.1800	0.1800	8,066	
	Special Fund	4,402,981	0.3000	0.3000		4,481,031	0.3000	0.3000	13,443	
City of Sheridan	General Revenue	1,012,912	1.0000	1.0000		1,050,684	1.0000	1.0000	10,507	
Village of Worth	General Revenue	195,926	0.5000	0.5000		194,480	0.5000	0.5000	972	
Sheridan Fire Protection District	General Revenue	5,032,452	0.1712	0.1712		5,447,498	0.1712	0.1712	9,326	
Worth County Fire Protection Dist	General Revenue	14,026,160	0.2000	0.2000		20,315,607	0.1941	0.1941	39,433	
Worth Co R-III School District	Operating Funds-Schools	23,812,650	3.4751	3.4751	E	24,985,540	3.4489	3.4489	861,726	E
	Debt Service	23,812,650	0.2948	0.2500		24,985,540	0.2905	0.2500	62,464	
Worth County	General Revenue	26,168,669	0.4996	0.4996		27,815,192	0.4996	0.4996	138,965	
	Library	26,168,669	0.0999	0.0999		27,815,192	0.0999	0.0999	27,787	
	Road & Bridge	26,168,669	0.4996	0.4996		27,815,192	0.4996	0.4996	138,965	
	Special Road and Bridge	26,168,669	0.3297	0.3297		27,815,192	0.3297	0.3297	91,707	2013
	Senior Services	26,168,669	0.0500	0.0500		27,815,192	0.0500	0.0500	13,908	
	General Revenue-Temp	26,168,669	0.3500	0.3500	A	27,815,192	0.3500	0.3500	97,353	2014
<b><u>Wright</u></b>										
City of Hartville	General Revenue	4,368,933	0.4981	0.4981		4,357,517	0.5012	0.5012	21,840	
City of Mansfield	General Revenue	10,898,726	0.4924	0.4924		11,371,417	0.4902	0.4902	55,743	
	Streets	10,898,726	0.1498	0.1498		11,371,417	0.1491	0.1491	16,955	
	Cemetery	10,898,726	0.1000	0.1000		11,371,417	0.0996	0.0996	11,326	
City of Mountain Grove	General Revenue	41,907,244	0.0000	0.0000		45,278,456	0.0000	0.0000	0	
	Parks & Recreation	41,907,244	0.0000	0.0000		45,278,456	0.0000	0.0000	0	
City of Norwood	General Revenue	3,459,472	0.3710	0.3710		3,549,624	0.3746	0.3746	13,297	
	Water	3,459,472	0.5916	0.5916		3,549,624	0.5974	0.5974	21,205	
Wright County Library	General Revenue	163,451,720	0.1397	0.1397		167,516,424	0.1405	0.1405	235,361	
Wright County Health Department	General Revenue	163,451,720	0.0798	0.0798		167,516,424	0.0802	0.0802	134,348	
Norwood R-I School District	Operating Funds-Schools	15,208,883	3.1911	3.1911	E	17,215,796	2.9321	2.9321	504,784	E
Hartville R-II School District	Operating Funds-Schools	33,099,004	2.9227	2.9002	E	33,858,302	3.1171	3.0250	1,024,214	BE
	Debt Service	33,099,004	0.7543	0.6200		33,858,302	0.5188	0.5188	175,657	
Mountain Grove R-III School Dist	Operating Funds-Schools	84,411,485	2.7500	2.7500	E	87,979,586	2.7500	2.7500	2,419,439	E
Mansfield R-IV School District	Operating Funds-Schools	33,129,535	3.4880	3.4500	E	35,107,029	3.3952	3.3551	1,177,876	E
	Debt Service	33,129,535	1.1094	0.8000		35,107,029	1.1367	0.8000	280,856	
Manes R-V School District	Operating Funds-Schools	4,579,813	3.6240	3.6240	E	4,685,153	3.5454	3.5454	166,107	E
Wright County	General Revenue	163,451,720	0.3095	0.0860		167,516,424	0.3111	0.0873	146,242	
	Developmentally Disabled	163,451,720	0.0798	0.0798		167,516,424	0.0802	0.0802	134,348	
<b><u>St. Louis City</u></b>										
St. Louis Public Libraries	General Revenue	4,262,423,871	0.5435	0.5435		4,275,228,546	0.5600	0.5814	24,856,179	C
Baden Market Centre Spec Bus Dist	General Revenue	1,976,390	0.7620	0.7620		1,991,490	0.7620	0.7620	15,175	
Cherokee Station Special Bus Dist	General Revenue	3,064,900	0.6330	0.6330		3,096,350	0.6330	0.6330	19,600	
St. Louis Downtown Business Dist	General Revenue	0	0.0000	0.0000		0	0.0000	0.0000	0	
Kingsway Center Special Bus Dist	General Revenue	2,253,500	0.7056	0.7056		2,232,170	0.7124	0.7124	15,902	
Locust Central Business District	General Revenue	43,051,250	0.8023	0.8023		45,213,260	0.8023	0.8023	362,746	
South Grand Square Spec Bus Dist	General Revenue	0	0.0000	0.0000		0	0.0000	0.0000	0	
Central West End South SBD	General Revenue	38,941,790	0.4802	0.4802		39,984,330	0.4802	0.4802	192,005	
Central West End North SBD	General Revenue	63,169,305	0.8500	0.8500		62,996,580	0.8500	0.8500	535,471	2018
Soulard Special Business District	General Revenue	59,756,905	0.5045	0.5045		59,929,230	0.5045	0.5045	302,343	
Waterman/Lake Special Business Dist	General Revenue	5,508,320	0.6982	0.6982		5,455,310	0.7060	0.7060	38,514	2014
Westminister/Lake Special Bus Dist	General Revenue	8,683,160	0.7983	0.7983		8,721,650	0.7983	0.7983	69,625	2014
Washington Place Special Bus Dist	General Revenue	5,090,160	0.6796	0.6796		5,076,700	0.6820	0.6820	34,623	2014
East Loop/Parkview Gardens SBD	General Revenue	8,036,680	0.5350	0.5350		7,931,450	0.5421	0.5421	42,996	

APPENDIX VII  
2012 PROPERTY TAX RATES  
LISTING OF 2011 AND 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2011			2012				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<b><u>St. Louis City</u></b>									
Cathedral Square Special Bus Dist	General Revenue	24,935,451	0.8056	0.8056	24,933,361	0.8056	0.8056	200,863	2018
Central West End Southeast SBD	General Revenue	61,381,140	0.4233	0.4233	59,957,340	0.4233	0.4233	253,799	2018
Cherokee-Lemp Special Business Dist	General Revenue	2,144,960	0.5594	0.5594	2,159,070	0.5594	0.5594	12,078	
Gardenside Special Business Dist	General Revenue	14,956,860	0.4595	0.4595	**	**	**		2011
	General Revenue	**	**	**	14,929,390	0.8771	0.4756	71,004	A 2022
Tower Grove South Conc. Cit. SBD	General Revenue	18,934,220	0.7008	0.6800	18,828,750	0.7047	0.6800	128,036	2013
St. Louis Community College	General Revenue	27,229,450,548	0.2200	0.2200	26,910,594,948	0.2200	0.2200	59,203,309	
St. Louis City School District	Operating Funds-Schools	4,175,420,333	3.5532	3.5532	E 4,172,243,089	3.6698	3.7860	157,961,123	EC
	Debt Service	4,175,420,333	0.6825	0.6211	4,172,243,089	0.6264	0.6211	25,913,802	
City of St. Louis	Parks & Recreation	3,983,909,425	0.0186	0.0186	3,993,847,325	0.0187	0.0187	746,849	
	Health	3,983,909,425	0.0186	0.0186	3,993,847,325	0.0187	0.0187	746,849	
	Hospital	3,983,909,425	0.0926	0.0926	3,993,847,325	0.0933	0.0933	3,726,260	
	Developmentally Disabled	4,262,423,871	0.1445	0.1445	4,255,502,548	0.1460	0.1460	6,213,034	
	Mental Health	4,262,423,871	0.0867	0.0867	4,255,502,548	0.0876	0.0876	3,727,820	
	Community Child Service	4,262,423,871	0.1900	0.1900	4,255,502,548	0.1900	0.1900	8,085,455	
	County Purposes	3,983,909,425	0.3247	0.3247	3,993,847,325	0.3270	0.3270	13,059,881	
	General Revenue No. 1	4,262,423,871	0.1516	0.1516	4,255,502,548	0.1532	0.1532	6,519,430	
	General Revenue No. 2	3,983,909,425	0.7486	0.7486	3,993,847,325	0.7539	0.7539	30,109,615	
	Debt Service	3,983,909,425	0.1144	0.1144	3,993,847,325	0.1632	0.1200	4,792,617	
Total Revenue \$								<u>4,799,493,087</u>	

**LEGEND:**

- \* Levy was not certified due to insufficient substantiating data; however, it does not appear that a rate was levied.
- \*\* Levy did not exist in the given year.
- A A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy.
- B A voter approved increase or decrease to an existing levy.
- C Levy includes a recoupment rate authorized by state law.
- D Levied a tax rate in excess of the legally permissible tax levy as provided by state law, see the Results Section for 2012 levies and Report No. 2011-118, Review of 2011 Property Tax Rates. All non-compliant rates in 2011 and 2012 are taxing authorities wholly in St. Louis County and therefore not listed in this appendix.
- E School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.0000 and levy up to its calculated tax rate ceiling.
- F School district has a partial Proposition C (sales tax) waiver which allows the school district to waive a portion of its required Proposition C reduction to the extent necessary to collect \$2.7500 or the amount stated on the ballot.
- G Article X, Section 11(g) of the Missouri Constitution allows the Kansas City 33 School District School Board to set its tax levy at a rate that is lower than the court-ordered rate for the 1995 tax year (which was \$4.96). The rate so established may be changed from year to year by the School Board.
- H City of Golden City in Barton County changed the title of one of their tax rates from Ambulance to Public Health.

**NOTES:**

Taxing authorities are listed by primary county and categorized by type of taxing authority. The counties are listed alphabetically (Adair through Wright followed by the City of St. Louis). When a taxing authority is in more than one county, it is listed under the primary county only.

This Appendix does not list taxing authorities that levied a separate tax rate for each subclass of property. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Taxing authorities partially in St. Louis County, whether the primary county is St. Louis County or another county, are required to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi rate calculation. See Appendixes VIII-A and VIII-B for a listing of 2012 and 2011 taxing authorities that calculated separate tax rates for each subclass of property.

All rates in the levied column represent the rate extended and certified to the State Auditor's office by both the taxing authority and the county or counties in which the tax rate is levied.

Assessed Value column presents only the assessed valuation the property tax is levied against.

The revenue generated is computed by dividing the assessed valuation by 100 and multiplying the quotient by the tax rate levied.

APPENDIX VIII-A

2012 PROPERTY TAX RATES

LISTING OF 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
<b><u>Clay</u></b>														
City of Gladstone	General Revenue	240,361,970	0.9290	0.9290	478,190	0.9290	0.9290	58,135,086	0.9290	0.9290	51,561,142	0.9290	0.9290	3,256,483
<b><u>St. Louis</u></b>														
City of Bellefontaine Neighbors	General Revenue	61,166,360	0.2480	0.2460	70	0.0000	0.0000	10,496,816	0.1860	0.1860	13,392,324	0.2350	0.2350	201,465
	Debt Service	61,166,360	0.5640	0.5630	70	0.5640	0.5630	10,496,816	0.5640	0.5630	13,392,324	0.5640	0.5630	478,863
Village of Bellerive Acres	General Revenue	3,288,180	0.8000	0.8000	0	0.0000	0.0000	341,920	0.0000	0.5000	1,266,476	0.7670	0.7670	37,729
Village of Bel Nor	General Revenue	17,037,479	0.4960	0.4960	0	0.0000	0.0000	425,820	0.4650	0.4650	2,421,449	0.5530	0.5530	99,877
Village of Bel Ridge	General Revenue	9,146,320	0.3500	0.3500	0	0.0000	0.0000	4,560,510	0.3500	0.3500	0	0.0000	0.0000	47,974
	Debt Service	9,146,320	0.3770	0.3770	0	0.3770	0.3770	4,560,510	0.3770	0.3770	0	0.3770	0.3770	51,675
City of Berkeley	General Revenue	39,562,120	0.7830	0.7830	3,810	1.0000	1.0000	112,833,433	0.8720	0.8720	54,073,354	0.9200	0.9200	1,791,192
	Pension	39,562,120	0.1100	0.1100	3,810	0.1050	0.1050	112,833,433	0.1100	0.1100	54,073,354	0.1100	0.1100	227,120
	Debt Service	39,562,120	0.1130	0.1130	3,810	0.1130	0.1130	112,833,433	0.1130	0.1130	54,073,354	0.1130	0.1130	233,314
City of Beverly Hills	General Revenue	2,548,260	0.2330	0.2330	0	0.0000	0.0000	1,225,268	0.2340	0.2340	713,326	0.2320	0.2320	10,459
City of Black Jack	Debt Service	52,142,910	0.5260	0.4660	2,880	0.5260	0.4660	2,220,110	0.5260	0.4660	12,192,387	0.5260	0.4660	310,162
City of Breckenridge Hills	General Revenue	21,238,220	0.2140	0.2100	0	0.0000	0.0000	8,804,706	0.2180	0.2100	4,214,975	0.0000	0.0000	63,090
City of Brentwood	General Revenue	141,076,380	0.0000	0.0000	0	0.0000	0.0000	99,447,686	0.2170	0.1960	31,473,848	0.2070	0.2070	260,068
	Library	141,076,380	0.3090	0.2000	0	0.3000	0.0000	99,447,686	0.3110	0.2160	31,473,848	0.3090	0.2290	569,035
	Pension	141,076,380	0.3650	0.3650	0	0.0000	0.0000	99,447,686	0.4110	0.4110	31,473,848	0.3850	0.3850	1,044,833
City of Bridgeton	General Revenue	103,601,310	0.2500	0.1600	117,020	0.0000	0.0000	247,775,991	0.2500	0.2500	75,951,624	0.0000	0.0000	785,202
Village of Calverton Park	General Revenue	8,648,500	0.2990	0.2990	0	0.0000	0.0000	528,019	0.2770	0.2770	1,590,871	0.2980	0.2980	32,063
City of Charlack	General Revenue	6,804,690	0.2200	0.2200	0	0.0000	0.0000	2,609,348	0.2310	0.2310	1,763,499	0.2570	0.2570	25,530
City of Clarkson Valley	General Revenue	95,711,220	0.1210	0.1210	4,100	0.1950	0.1950	12,208,290	0.1250	0.1250	10,755,170	0.1530	0.1530	147,534
City of Clayton	General Revenue	456,025,800	0.6480	0.6500	0	0.0000	0.0000	326,521,170	0.7090	0.7370	74,289,860	0.7070	0.7070	5,895,858
	Police	456,025,800	0.1280	0.0000	0	0.0000	0.0000	326,521,170	0.1280	0.0000	74,289,860	0.1230	0.0000	0
	Debt Service	456,025,800	0.1300	0.1300	0	0.1300	0.1300	326,521,170	0.1300	0.1300	74,289,860	0.1300	0.1300	1,113,889
City of Cool Valley	General Revenue	6,586,900	0.2270	0.2270	0	0.0000	0.0000	6,003,327	0.3500	0.3500	2,636,567	0.1650	0.1650	40,314
City of Country Club Hills	General Revenue	4,244,030	0.7970	0.7970	0	0.0000	0.0000	925,150	0.8010	0.8010	1,211,203	0.7150	0.7150	49,895
	Parks & Recreation	4,244,030	0.3690	0.3690	0	0.0000	0.0000	925,150	0.3440	0.3440	1,211,203	0.3300	0.3300	22,840
	Health	4,244,030	0.2000	0.2000	0	0.0000	0.0000	925,150	0.2000	0.2000	1,211,203	0.1880	0.1880	12,615
Village of Country Life Acres	General Revenue	6,285,720	0.3780	0.3780	240	0.0000	0.0000	74,041	0.4200	0.4200	460,014	0.4200	0.4200	26,003
City of Crestwood	General Revenue	170,394,430	0.2410	0.2410	150	0.0000	0.0000	63,645,591	0.3910	0.3910	28,026,698	0.2790	0.2790	737,699
	General Revenue-Temp	170,394,430	0.2000	0.0000	150	0.0000	0.0000	63,645,591	0.2000	0.0000	28,026,698	0.2000	0.0000	0
City of Creve Coeur	General Revenue	443,965,500	0.0880	0.0700	2,270	0.0880	0.0750	350,209,685	0.0820	0.0750	0	0.0000	0.0000	573,435

APPENDIX VIII-A

2012 PROPERTY TAX RATES

LISTING OF 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
City of Crystal Lake Park	General Revenue	14,813,700	0.6720	0.6720	0	0.0000	0.0000	150,006	0.3210	0.3210	1,315,784	0.8080	0.8080	110,662
City of Dellwood	General Revenue	25,465,970	0.2240	0.2240	0	0.0000	0.0000	7,495,843	0.2320	0.2320	6,866,851	0.2350	0.2350	90,571
City of Des Peres	General Revenue	213,747,980	0.0000	0.0000	222,550	0.0000	0.0000	114,468,500	0.0000	0.0000	41,396,313	0.0000	0.0000	0
	Debt Service	213,747,980	0.3260	0.0000	222,550	0.3260	0.0000	114,468,500	0.3260	0.0000	41,396,313	0.3260	0.0000	0
City of Edmundson	General Revenue	4,368,230	0.0000	0.0000	0	0.0000	0.0000	18,594,540	0.5000	0.5000	15,905,739	0.0000	0.0000	92,973
City of Ellisville	General Revenue	145,170,700	0.4060	0.1500	830	0.1210	0.1210	94,358,363	0.4400	0.1500	0	0.0000	0.0000	359,295
City of Eureka	General Revenue	133,035,070	0.4640	0.3900	114,060	0.4290	0.3900	55,569,664	0.4610	0.3900	33,379,427	0.3880	0.3880	865,516
City of Ferguson	General Revenue	113,615,170	0.8310	0.8310	8,220	0.8270	0.8270	38,474,560	0.8240	0.8240	33,584,140	0.8240	0.8240	1,537,973
	Parks & Recreation	113,615,170	0.1960	0.1960	8,220	0.1950	0.1950	38,474,560	0.1950	0.1950	33,584,140	0.1980	0.1980	364,224
	Debt Service	113,615,170	0.3640	0.3640	8,220	0.3640	0.3640	38,474,560	0.3640	0.3640	33,584,140	0.3640	0.3640	675,882
City of Flordell Hills	General Revenue	2,765,460	0.6820	0.6820	0	0.0000	0.0000	822,738	1.0000	1.0000	570,805	0.0000	0.0000	27,087
City of Florissant	General Revenue		*	0.0000	*		0.0000		*	0.0000	*		0.0000	
City of Frontenac	General Revenue	176,038,020	0.4900	0.4900	0	0.0000	0.0000	41,566,600	0.5340	0.5340	17,842,670	0.5530	0.5530	1,183,222
Village of Glen Echo Park	General Revenue	1,150,410	0.4530	0.4530	0	0.0000	0.0000	7,480	0.4950	0.4950	202,940	0.5000	0.5000	6,263
	Debt Service	1,150,410	0.0000	0.0000	0	0.0000	0.0000	7,480	0.0000	0.0000	202,940	0.0000	0.0000	0
City of Glendale	General Revenue	134,412,070	0.4220	0.4220	0	0.0000	0.0000	5,072,201	0.4720	0.4720	14,521,469	0.5190	0.5190	666,526
	Pension	134,412,070	0.0810	0.0810	0	0.0000	0.0000	5,072,201	0.0940	0.0940	14,521,469	0.1000	0.1000	128,163
Town of Grantwood Village	General Revenue	20,411,240	0.2300	0.2300	46,740	0.4920	0.4920	1,379,767	0.1640	0.1640	2,487,956	0.2610	0.2610	55,933
City of Greendale	General Revenue	5,221,890	0.5250	0.5250	0	0.0000	0.0000	157,820	0.6000	0.6000	0	0.0000	0.0000	28,362
Village of Hanley Hills	General Revenue	9,930,060	0.5000	0.5000	0	0.0000	0.0000	286,030	0.5000	0.5000	1,993,558	0.4500	0.4500	60,051
City of Hazelwood	General Revenue	187,651,150	0.7670	0.7670	197,100	0.7780	0.7780	193,025,912	0.7700	0.7700	108,135,124	0.7540	0.7540	3,742,456
	Debt Service	187,651,150	0.2220	0.2220	197,100	0.2220	0.2220	193,025,912	0.2220	0.2220	108,135,124	0.2220	0.2220	1,085,602
Village of Hillsdale	General Revenue	4,019,147	0.5000	0.5000	0	0.0000	0.0000	1,867,290	0.5000	0.5000	2,047,504	0.5000	0.5000	39,670
City of Huntleigh	General Revenue	37,945,360	0.2070	0.2070	5,900	0.2880	0.2880	386,022	0.2760	0.2760	3,318,887	0.2190	0.2190	86,897
City of Jennings	General Revenue	57,351,780	1.0000	1.0000	0	0.0000	0.0000	15,357,319	1.0000	1.0000	15,047,816	1.0000	1.0000	877,569
	Pension	57,351,780	0.2450	0.2450	0	0.0000	0.0000	15,357,319	0.2450	0.2450	15,047,816	0.2450	0.2450	215,004
City of Kinloch	General Revenue	1,099,920	1.0000	1.0000	0	0.0000	0.0000	749,740	1.0000	1.0000	375,460	1.0000	1.0000	22,251
City of Kirkwood	General Revenue	535,761,590	0.2960	0.2960	0	0.0000	0.0000	105,291,150	0.3090	0.3090	70,423,780	0.2690	0.2690	2,100,644
	Parks & Recreation	535,761,590	0.1400	0.1330	0	0.0000	0.0000	105,291,150	0.1460	0.1390	70,423,780	0.1210	0.1210	944,131
	Library	529,735,900	0.1910	0.1820	0	0.0000	0.0000	89,749,030	0.2460	0.2240	67,329,890	0.2350	0.2350	1,323,382
	Pension	535,761,590	0.1300	0.1190	0	0.0000	0.0000	105,291,150	0.1470	0.1470	70,423,780	0.1720	0.1720	913,463
	Library-Temp	529,735,900	0.1200	0.1200	0	0.0000	0.0000	89,749,030	0.1200	0.1200	67,329,890	0.1200	0.1200	824,178
	Debt Service	535,761,590	0.0650	0.0650	0	0.0650	0.0650	105,291,150	0.0650	0.0650	70,423,780	0.0650	0.0650	462,459
City of Ladue	General Revenue	539,708,230	0.7120	0.7120	1,110	0.9910	0.9910	42,353,073	0.7450	0.7450	43,011,884	0.7560	0.7560	4,483,434
City of Lakeshire	General Revenue	14,569,560	0.3750	0.3750	0	0.0000	0.0000	200,062	0.3750	0.3750	0	0.0000	0.0000	55,386
Village of Mackenzie	General Revenue	1,581,130	0.1590	0.1590	0	0.0000	0.0000	55,672	0.1580	0.1580	250,090	0.1850	0.1850	3,065

APPENDIX VIII-A

2012 PROPERTY TAX RATES

LISTING OF 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
City of Manchester	General Revenue	242,808,100	0.0550	0.0450	0	0.0000	0.0000	62,081,930	0.0570	0.0450	41,893,390	0.0500	0.0500	158,148
	Debt Service	242,808,100	0.0740	0.0740	0	0.0740	0.0740	62,081,930	0.0740	0.0740	41,893,390	0.0740	0.0740	256,620
City of Maplewood	General Revenue	72,032,360	0.3590	0.2230	0	0.0000	0.0000	54,703,837	0.5350	0.5350	18,158,624	0.5670	0.5670	556,257
	Pension	72,032,360	0.3920	0.3920	0	0.0000	0.0000	54,703,837	0.4470	0.4470	18,158,624	0.4450	0.4450	607,699
	Solid Waste	72,032,360	0.1670	0.1600	0	0.0000	0.0000	54,703,837	0.1820	0.1820	18,158,624	0.2180	0.2180	254,399
Village of Marlborough	General Revenue	13,359,370	0.1090	0.1090	0	0.0000	0.0000	8,037,123	0.1100	0.1100	4,408,115	0.1110	0.1100	28,252
City of Normandy	General Revenue	18,129,690	0.4000	0.4000	0	0.0000	0.0000	3,316,280	0.4000	0.4000	4,108,270	0.4000	0.4000	102,217
City of Northwoods	General Revenue	20,180,930	0.4120	0.4060	0	0.0000	0.0000	4,545,415	0.2840	0.2840	4,232,873	0.3600	0.3600	110,082
	Debt Service	20,180,930	1.0370	1.0370	0	1.0370	1.0370	4,545,415	1.0370	1.0370	4,232,873	1.0370	1.0370	300,307
Village of Norwood Court	General Revenue	3,388,110	0.0000	0.0000	0	0.0000	0.0000	184,790	0.0000	0.0000	647,650	0.0000	0.0000	0
City of Oakland	General Revenue	24,148,700	0.1940	0.1940	0	0.0000	0.0000	2,612,621	0.2500	0.2500	2,923,770	0.2370	0.2370	60,309
City of Olivette	General Revenue	155,647,420	0.6380	0.6380	0	0.0000	0.0000	54,182,502	0.7480	0.7480	27,028,383	0.7710	0.7710	1,606,705
	Pension	155,647,420	0.2310	0.2310	0	0.0000	0.0000	54,182,502	0.2500	0.2500	27,028,383	0.2500	0.2500	562,573
City of Overland	General Revenue	108,325,650	0.0990	0.0680	0	0.0000	0.0000	79,365,110	0.1000	0.0840	34,943,270	0.0970	0.0970	174,223
	Pension	108,325,650	0.1200	0.1200	0	0.0000	0.0000	79,365,110	0.1200	0.1200	34,943,270	0.1200	0.1200	267,161
City of Pagedale	General Revenue	11,261,330	0.2900	0.2900	0	0.0000	0.0000	11,200,978	0.3270	0.3270	5,386,968	0.3500	0.3500	88,139
City of Pasadena Hills	General Revenue	11,562,150	0.2660	0.2660	0	0.0000	0.0000	78,280	0.2750	0.2750	1,738,450	0.3100	0.3100	36,359
	Debt Service	11,562,150	0.8970	0.8970	0	0.8970	0.8970	78,280	0.8970	0.8970	1,738,450	0.8970	0.8970	120,008
Village of Pasadena Park	General Revenue	4,423,806	0.2770	0.2770	0	0.0000	0.0000	23,260	0.0000	0.0000	622,868	0.3090	0.3090	14,179
City of Pine Lawn	General Revenue	11,140,060	0.3000	0.3000	0	0.0000	0.0000	3,215,031	0.3000	0.3000	2,298,714	0.2570	0.2570	48,973
City of Richmond Heights	General Revenue	176,027,190	0.3360	0.2900	0	0.0000	0.0000	116,178,874	0.3390	0.2900	30,510,836	0.2980	0.2900	935,879
	Library	176,027,190	0.1770	0.1770	0	0.0000	0.0000	116,178,874	0.2270	0.2270	30,510,836	0.2120	0.2120	639,977
	Pension	176,027,190	0.3140	0.3140	0	0.0000	0.0000	116,178,874	0.3360	0.3200	30,510,836	0.3190	0.3190	1,021,827
Village of Riverview	General Revenue	11,951,130	0.3420	0.3420	0	0.0000	0.0000	2,096,922	0.2950	0.2950	2,228,999	0.3120	0.3120	54,013
City of Rock Hill	General Revenue	61,664,370	0.2850	0.2850	0	0.0000	0.0000	19,674,330	0.3360	0.3360	11,122,150	0.3400	0.3400	279,664
	Library	61,664,370	0.2850	0.2850	0	0.0000	0.0000	19,674,330	0.3550	0.3550	11,122,150	0.3550	0.3550	285,071
	Debt Service	61,664,370	0.3800	0.3800	0	0.3800	0.3800	19,674,330	0.3800	0.3800	11,122,150	0.3800	0.3800	351,351
City of St. Ann	General Revenue	85,682,490	0.2000	0.1900	0	0.0000	0.0000	26,811,912	0.2000	0.2000	17,196,969	0.1930	0.1930	249,611
City of St. John	General Revenue	39,378,160	0.4050	0.4050	0	0.0000	0.0000	4,265,597	0.5000	0.5000	9,781,183	0.4500	0.4500	224,825
City of Shrewsbury	General Revenue	72,719,200	0.4860	0.4860	0	0.0000	0.0000	27,726,670	0.4810	0.4810	15,049,020	0.5770	0.5770	573,613
	Debt Service	72,719,200	0.5000	0.5000	0	0.5000	0.5000	27,726,670	0.5000	0.5000	15,049,020	0.5000	0.5000	577,474
City of Sunset Hills	General Revenue	209,560,140	0.0560	0.0540	112,970	0.0780	0.0600	96,662,370	0.0600	0.0570	37,628,806	0.0600	0.0600	190,905
Village of Sycamore Hills	General Revenue	5,013,640	0.2120	0.2120	0	0.0000	0.0000	476,624	0.2490	0.2490	1,042,794	0.2530	0.2530	14,454
	Health	5,013,640	0.0980	0.0980	0	0.0000	0.0000	476,624	0.1160	0.1160	1,042,794	0.1180	0.1180	6,696
City of Town and Country	General Revenue	450,562,770	0.0000	0.0000	30,680	0.0000	0.0000	197,530,846	0.0000	0.0000	73,402,364	0.0000	0.0000	0
	Dispatch	450,562,770	0.0000	0.0000	30,680	0.0000	0.0000	197,530,846	0.0000	0.0000	73,402,364	0.0000	0.0000	0

APPENDIX VIII-A

2012 PROPERTY TAX RATES

LISTING OF 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
Village of Twin Oaks	General Revenue	5,179,810	0.0000	0.0000	0	0.0000	0.0000	8,622,205	0.3260	0.3260	1,336,980	0.0000	0.0000	28,108
City of University City	General Revenue	481,358,820	0.5640	0.5610	0	0.0000	0.0000	56,554,671	0.5780	0.5780	59,439,226	0.6800	0.6800	3,431,496
	Library	481,358,820	0.2480	0.2480	0	0.0000	0.0000	56,554,671	0.2540	0.2540	59,439,226	0.2800	0.2800	1,503,849
	Pension	481,358,820	0.1590	0.1580	0	0.0000	0.0000	56,554,671	0.1640	0.1640	59,439,226	0.1950	0.1950	969,203
	Debt Service	481,358,820	0.0340	0.0340	0	0.0340	0.0340	56,554,671	0.0340	0.0340	59,439,226	0.0340	0.0340	203,100
Village of Uplands Park	General Revenue	2,301,830	0.3460	0.3460	0	0.0000	0.0000	71,305	0.3930	0.3930	476,912	0.3910	0.3910	10,109
City of Valley Park	General Revenue	73,510,340	0.4550	0.4540	57,940	0.0000	0.0000	35,693,081	0.6830	0.6680	17,844,640	0.5700	0.5700	673,881
City of Velda City	General Revenue	6,107,838	0.3620	0.3620	0	0.0000	0.0000	68,350	0.5000	0.5000	1,124,693	0.3820	0.3820	26,748
	Debt Service	6,107,838	1.4212	1.4212	0	1.4212	1.4212	68,350	1.4212	1.4212	1,124,693	1.4212	1.4212	103,760
Village of Velda Village Hills	General Revenue	4,975,548	0.3270	0.3270	0	0.0000	0.0000	120,410	0.5000	0.5000	1,007,146	0.3780	0.3780	20,679
City of Vinita Park	General Revenue	8,036,320	0.2420	0.2420	0	0.0000	0.0000	28,800,450	0.2460	0.2460	5,624,619	0.2300	0.2300	103,234
	Debt Service	8,036,320	0.2690	0.2690	0	0.2690	0.2690	28,800,450	0.2690	0.2690	5,624,619	0.2690	0.2690	114,221
Village of Vinita Terrace	General Revenue	1,677,320	0.0440	0.0440	0	0.0000	0.0000	482,570	0.0500	0.0500	0	0.0000	0.0000	979
	Health	1,677,320	0.1300	0.1300	0	0.0000	0.0000	482,570	0.2000	0.2000	0	0.0000	0.0000	3,146
City of Warson Woods	General Revenue	50,763,970	0.3680	0.3680	0	0.0000	0.0000	7,159,759	0.4320	0.4320	6,078,397	0.0000	0.0000	217,741
City of Webster Groves	General Revenue	398,410,790	0.2330	0.2330	0	0.0000	0.0000	51,868,757	0.2310	0.2310	51,455,386	0.2800	0.2800	1,192,189
	Library	398,410,790	0.1500	0.1500	0	0.0000	0.0000	51,868,757	0.1480	0.1480	51,662,956	0.1800	0.1800	767,375
	Streets	398,410,790	0.1500	0.1500	0	0.0000	0.0000	51,868,757	0.1500	0.1500	51,455,386	0.1810	0.1810	768,553
	Pension	398,410,790	0.1200	0.1200	0	0.0000	0.0000	51,868,757	0.1190	0.1190	51,455,386	0.1450	0.1450	614,427
	Library-Temp	398,410,790	0.1350	0.1350	0	0.0000	0.0000	51,868,757	0.1340	0.1340	51,662,956	0.1350	0.1350	677,104
	Debt Service	398,410,790	0.2620	0.2600	0	0.2620	0.2600	51,868,757	0.2620	0.2600	51,662,956	0.2620	0.2600	1,305,051
City of Wellston	General Revenue	3,834,640	0.6000	0.5610	0	0.0000	0.0000	7,144,720	0.6000	0.4800	3,095,789	0.6000	0.6000	74,382
Village of Westwood	General Revenue	18,089,710	0.0580	0.0580	0	0.0000	0.0000	251,673	0.0930	0.0930	0	0.0000	0.0000	10,726
City of Winchester	General Revenue	14,675,120	0.1970	0.1970	0	0.0000	0.0000	3,020,892	0.1710	0.1710	2,557,108	0.2610	0.2610	40,750
City of Woodson Terrace	General Revenue	22,884,780	0.2880	0.2880	0	0.0000	0.0000	16,474,947	0.3450	0.3450	30,223,911	0.2510	0.2510	198,609
City of Chesterfield	Debt Service	0	0.0820	0.0300	0	0.0820	0.0300	0	0.0820	0.0300	1,779,780,344	0.0820	0.0300	533,934
Ferguson Municipal Pub Library Dist	General Revenue	113,615,170	0.2200	0.2200	8,220	0.0000	0.0000	43,549,143	0.2200	0.2200	35,465,722	0.2200	0.2200	423,786
Maplewood Public Library	General Revenue	71,791,240	0.2670	0.2670	0	0.0000	0.0000	54,703,837	0.2660	0.2660	20,906,954	0.3020	0.3020	400,334
	Debt Service	71,791,240	0.1730	0.1730	0	0.1730	0.1730	54,703,837	0.1730	0.1730	20,906,954	0.1730	0.1730	255,006
St. Louis County Library	General Revenue	11,445,870,680	0.1730	0.1730	4,701,580	0.2000	0.2000	4,931,049,031	0.1900	0.1900	2,997,828,920	0.1500	0.1500	33,676,495
Valley Park Community Library	General Revenue	33,115,351	0.1360	0.1360	16,490	0.0150	0.0150	12,989,440	0.1040	0.1040	10,119,040	0.1700	0.1700	75,750
Affton Fire Protection District	General Revenue	364,339,120	1.0196	1.0196 <sup>B</sup>	240	1.2500	1.2500 <sup>B</sup>	57,605,941	1.1149	1.1149 <sup>B</sup>	70,142,301	1.0856	1.0856 <sup>B</sup>	5,118,519
	Ambulance	364,339,120	0.1400	0.1400	240	0.0000	0.0000	57,605,941	0.1400	0.1400	70,142,301	0.1400	0.1400	688,922
	Pension	364,339,120	0.0580	0.0580	240	0.0000	0.0000	57,605,941	0.0670	0.0670	70,142,301	0.0640	0.0640	294,804
	Dispatch	364,339,120	0.0250	0.0250	240	0.0000	0.0000	57,605,941	0.0290	0.0290	70,142,301	0.0270	0.0270	126,729
Metro West Fire Protection District	General Revenue	1,324,286,440	0.4900	0.4900	745,120	0.5800	0.5800	220,812,548	0.5400	0.5400	206,675,528	0.5610	0.5610	8,845,164



APPENDIX VIII-A

2012 PROPERTY TAX RATES

LISTING OF 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
Metro West Fire Protection District	Ambulance	1,324,286,440	0.2530	0.2530	745,120	0.3000	0.3000	220,812,548	0.2730	0.2730	206,675,528	0.2900	0.2900	4,554,857
	Pension	1,324,286,440	0.0930	0.0930	745,120	0.1100	0.1100	220,812,548	0.1010	0.1010	206,675,528	0.1060	0.1060	1,674,503
	Dispatch	1,324,286,440	0.0430	0.0430	745,120	0.0480	0.0480	220,812,548	0.0450	0.0450	206,675,528	0.0480	0.0480	768,371
	Debt Service	1,324,286,440	0.1500	0.1500	745,120	0.1500	0.1500	220,812,548	0.1500	0.1500	206,675,528	0.1500	0.1500	2,628,780
Black Jack Fire Protection District	General Revenue	400,636,460	0.9910	0.9910	181,770	0.6990	0.6990	51,094,923	1.0000	1.0000	79,090,630	1.0000	1.0000	5,273,433
	Pension	400,636,460	0.1000	0.1000	181,770	0.1000	0.1000	51,094,923	0.1000	0.1000	79,090,630	0.1000	0.1000	531,004
	NCCFA System	400,636,460	0.0500	0.0500	181,770	0.0500	0.0500	51,094,923	0.0500	0.0500	79,090,630	0.0500	0.0500	265,501
	Debt Service	400,636,460	0.1200	0.0100	181,770	0.1200	0.0100	51,094,923	0.1200	0.0100	79,090,630	0.1200	0.0100	53,100
Monarch Fire Protection District	General Revenue	1,424,471,712	0.4760	0.4330	942,030	0.5300	0.4050	477,344,910	0.5300	0.5240	272,317,698	0.5300	0.5300	10,116,349
	Ambulance	1,424,471,712	0.2940	0.2720	942,030	0.3300	0.2520	477,344,910	0.3300	0.3150	272,317,698	0.3300	0.3300	6,279,221
	Pension	1,424,471,712	0.0880	0.0810	942,030	0.1000	0.0760	477,344,910	0.1000	0.0960	272,317,698	0.1000	0.1000	1,885,107
	Dispatch	1,424,471,712	0.0470	0.0430	942,030	0.0480	0.0370	477,344,910	0.0480	0.0480	272,317,698	0.0480	0.0480	972,710
Community Fire Protection District	General Revenue	274,988,020	0.9820	0.9820	0	0.0000	0.0000	161,262,626	1.0000	1.0000	120,112,618	1.0000	1.0000	5,514,134
	Ambulance	274,988,020	0.5000	0.5000	0	0.0000	0.0000	161,262,626	0.5000	0.5000	120,112,618	0.5000	0.5000	2,781,816
	Pension	274,988,020	0.2500	0.2500	0	0.0000	0.0000	161,262,626	0.2500	0.2500	120,112,618	0.2500	0.2500	1,390,909
	Dispatch	274,988,020	0.0290	0.0290	0	0.0000	0.0000	161,262,626	0.0300	0.0300	120,112,618	0.0300	0.0300	164,160
	Debt Service	274,988,020	0.2780	0.2700	0	0.2780	0.2700	161,262,626	0.2780	0.2700	120,112,618	0.2780	0.2700	1,502,181
Creve Coeur Fire Protection Dist	General Revenue	654,273,340	0.5400	0.5400	3,580	0.5310	0.5310	455,484,641	0.5400	0.5400	190,560,310	0.5400	0.5400	7,021,738
	Ambulance	654,273,340	0.1700	0.1700	3,580	0.1400	0.1400	455,484,641	0.1700	0.1700	190,560,310	0.1700	0.1700	2,210,547
	Pension	654,273,340	0.1400	0.1400	3,580	0.1400	0.1400	455,484,641	0.1440	0.1440	190,560,310	0.1500	0.1500	1,857,726
	Dispatch	654,273,340	0.0470	0.0470	3,580	0.0500	0.0500	455,484,641	0.0480	0.0480	190,560,310	0.0500	0.0500	621,423
Fenton Fire Protection District	General Revenue	432,914,980	0.5770	0.3500	82,720	0.6500	0.6500	287,094,703	0.6040	0.6040	127,360,884	0.5060	0.5060	3,894,238
	Ambulance	432,914,980	0.3000	0.1790	82,720	0.3000	0.3000	287,094,703	0.3000	0.3000	127,360,884	0.3000	0.3000	2,018,533
	Pension	432,914,980	0.1000	0.1000	82,720	0.1000	0.1000	287,094,703	0.1000	0.1000	127,360,884	0.1000	0.1000	847,454
	Dispatch	432,914,980	0.0500	0.0320	82,720	0.0500	0.0500	287,094,703	0.0500	0.0500	127,360,884	0.0500	0.0500	345,801
Florissant Valley Fire Prot Dist	General Revenue	523,747,290	0.6900	0.6900	154,540	0.6900	0.6900	137,667,638	0.6900	0.6900	113,783,270	0.6900	0.6900	5,349,934
	Ambulance	523,747,290	0.4370	0.4370	154,540	0.4400	0.4400	137,667,638	0.4390	0.4390	113,783,270	0.4400	0.4400	3,394,463
	Pension	523,747,290	0.1000	0.1000	154,540	0.1000	0.1000	137,667,638	0.1000	0.1000	113,783,270	0.1000	0.1000	775,353
	Dispatch	523,747,290	0.0300	0.0300	154,540	0.0300	0.0300	137,667,638	0.0300	0.0300	113,783,270	0.0300	0.0300	232,605
	Debt Service	523,747,290	0.2090	0.1200	154,540	0.2090	0.1200	137,667,638	0.2090	0.1200	113,783,270	0.2090	0.1200	930,423
Kinloch Fire Protection District	General Revenue	1,099,920	0.9000	0.8700	0	0.0000	0.0000	749,740	0.9000	0.8700	549,487	0.9000	0.8700	20,873
	Dispatch	1,099,920	0.0000	0.0300 <sup>D</sup>	0	0.0000	0.0000	749,740	0.0000	0.0300 <sup>D</sup>	549,487	0.0000	0.0300 <sup>D</sup>	720
Lemay Fire Protection District	General Revenue	117,950,680	0.8540	0.8540	1,280	0.1560	0.1560	88,961,297	0.8780	0.8780	57,177,056	0.9900	0.9900	2,354,434
	Ambulance	117,950,680	0.1830	0.1830	1,280	0.0780	0.0780	88,961,297	0.2110	0.2110	57,177,056	0.2500	0.2500	546,502
	Pension	117,950,680	0.0860	0.0860	1,280	0.0000	0.0000	88,961,297	0.0890	0.0890	57,177,056	0.1000	0.1000	237,791
	Central Alarm Fund	117,950,680	0.0420	0.0420	1,280	0.0000	0.0000	88,961,297	0.0450	0.0450	57,177,056	0.0500	0.0500	118,161

APPENDIX VIII-A

2012 PROPERTY TAX RATES

LISTING OF 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
West County EMS & Fire Prot Dist	General Revenue	521,855,720	0.4100	0.4100	243,260	0.4400	0.4400	130,964,283	0.4250	0.4250	90,813,881	0.4400	0.4400	3,096,857
	Ambulance	521,855,720	0.1740	0.1740	243,260	0.2000	0.2000	130,964,283	0.1780	0.1780	90,813,881	0.1940	0.1940	1,317,811
	Pension	521,855,720	0.0860	0.0860	243,260	0.1000	0.1000	130,964,283	0.0900	0.0900	90,813,881	0.0970	0.0970	654,996
	Dispatch	521,855,720	0.0440	0.0440	243,260	0.0490	0.0490	130,964,283	0.0440	0.0440	90,813,881	0.0490	0.0490	331,859
	Debt Service	521,855,720	0.3880	0.1820	243,260	0.3880	0.1820	130,964,283	0.3880	0.1820	90,813,881	0.3880	0.1820	1,353,856
Maryland Heights Fire Prot Dist	General Revenue	224,752,190	0.8000	0.8000	3,420	0.7900	0.7900	257,338,154	0.8000	0.8000	129,857,670	0.8000	0.8000	4,895,611
	Ambulance	224,752,190	0.3600	0.3600	3,420	0.3220	0.3220	257,338,154	0.3620	0.3620	129,857,670	0.3680	0.3680	2,218,559
	Pension	224,752,190	0.1300	0.1300	3,420	0.1170	0.1170	257,338,154	0.1300	0.1300	129,857,670	0.1300	0.1300	795,537
	Dispatch	224,752,190	0.0500	0.0500	3,420	0.0500	0.0500	257,338,154	0.0500	0.0500	129,857,670	0.0500	0.0500	305,976
Mehlville Fire Protection District	General Revenue	1,535,327,930	0.5760	0.5760	492,480	0.9580	0.9580	448,303,307	0.7010	0.7010	313,991,168	0.7570	0.7570	14,367,726
	Ambulance	1,535,327,930	0.0000	0.0000	492,480	0.0000	0.0000	448,303,307	0.0000	0.0000	313,991,168	0.0000	0.0000	0
	Pension	1,535,327,930	0.0350	0.0350	492,480	0.0600	0.0600	448,303,307	0.0380	0.0380	313,991,168	0.0560	0.0560	883,850
	Alarm Fund	1,535,327,930	0.0430	0.0430	492,480	0.0500	0.0500	448,303,307	0.0440	0.0440	313,991,168	0.0480	0.0480	1,008,406
Metro-North Fire Protection Dist	General Revenue	82,061,000	1.6098	1.6098	0	0.0000	0.0000	16,108,090	1.5399	1.5399	17,495,733	1.7410	1.7410	1,873,667
	Pension	82,061,000	0.2440	0.2440	0	0.0000	0.0000	16,108,090	0.2430	0.2430	17,495,733	0.2490	0.2490	282,936
	Dispatch	82,061,000	0.0520	0.0500 B	0	0.0200	0.0200 B	16,108,090	0.0520	0.0500 B	17,495,733	0.0510	0.0500 B	57,832
	Debt Service	82,061,000	0.3420	0.3400	0	0.3420	0.3400	16,108,090	0.3420	0.3400	17,495,733	0.3420	0.3400	393,260
Northeast Ambulance & FPD	General Revenue	133,470,880	1.5078	1.5078	5,780	1.5078	1.5078	27,855,350	1.5078	1.5078	35,577,969	1.5000	1.5000	2,966,234
	Ambulance	133,470,880	0.2900	0.2900	5,780	0.2900	0.2900	27,855,350	0.2900	0.2900	35,577,969	0.2900	0.2900	571,040
	Pension	133,470,880	0.1000	0.1000	5,780	0.1000	0.1000	27,855,350	0.1000	0.1000	35,577,969	0.1000	0.1000	196,910
	Dispatch	133,470,880	0.0420	0.0400	5,780	0.0500	0.0400	27,855,350	0.0420	0.0400	35,577,969	0.0400	0.0400	78,763
Pattonville Fire Protection Dist	General Revenue	126,876,940	0.9830	0.9830	383,620	0.9830	0.9830	414,690,357	0.9830	0.9830	278,005,534	0.9830	0.9830	8,060,171
	Ambulance	126,876,940	0.2500	0.2500	383,620	0.2500	0.2500	414,690,357	0.2500	0.2500	278,005,534	0.2500	0.2500	2,049,891
	Pension	126,876,940	0.1500	0.1500	383,620	0.1500	0.1500	414,690,357	0.1500	0.1500	278,005,534	0.1500	0.1500	1,229,934
	Dispatch	126,876,940	0.0500	0.0500	383,620	0.0500	0.0500	414,690,357	0.0500	0.0500	278,005,534	0.0500	0.0500	409,978
	Debt Service	126,876,940	0.3360	0.1700	383,620	0.3360	0.1700	414,690,357	0.3360	0.1700	278,005,534	0.3360	0.1700	1,393,926
Riverview Fire Protection District	General Revenue	97,545,390	1.4612	1.4612	2,400	1.4612	1.4612	16,603,477	1.4612	1.4612	20,447,167	1.4544	1.4544	1,965,362
	Pension	97,545,390	0.2500	0.2500	2,400	0.2500	0.2500	16,603,477	0.2500	0.2500	20,447,167	0.2500	0.2500	336,496
	Dispatch	97,545,390	0.0500	0.0500	2,400	0.0000	0.0000	16,603,477	0.0500	0.0500	20,447,167	0.0500	0.0500	67,299
	Debt Service	97,545,390	0.2210	0.2210	2,400	0.2210	0.2210	16,603,477	0.2210	0.2210	20,447,167	0.2210	0.2210	297,462
Robertson Fire Protection District	General Revenue	39,107,120	0.8900	0.8900	223,120	0.8900	0.8900	173,655,985	0.8900	0.8900	95,094,104	0.8900	0.8900	2,741,915
	Ambulance	39,107,120	0.6630	0.6630	223,120	0.7000	0.7000	173,655,985	0.6980	0.6980	95,094,104	0.7000	0.7000	2,138,620
	Pension	39,107,120	0.2000	0.2000	223,120	0.2000	0.2000	173,655,985	0.2000	0.2000	95,094,104	0.2000	0.2000	616,160
	Dispatch	39,107,120	0.0500	0.0500	223,120	0.0500	0.0500	173,655,985	0.0500	0.0500	95,094,104	0.0500	0.0500	154,041
	Debt Service	39,107,120	0.3520	0.2090	223,120	0.3520	0.2090	173,655,985	0.3520	0.2090	95,094,104	0.3520	0.2090	643,888
Spanish Lake Fire Protection Dist	General Revenue	111,103,900	1.4587	1.4587	83,380	1.5000	1.5000	25,922,792	1.3951	1.3951	24,795,097	1.5000	1.5000	2,355,499

APPENDIX VIII-A

2012 PROPERTY TAX RATES

LISTING OF 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
Spanish Lake Fire Protection Dist	Pension	111,103,900	0.1500	0.1500	83,380	0.1500	0.1500	25,922,792	0.1500	0.1500	24,795,097	0.1500	0.1500	242,858
	Dispatch	111,103,900	0.0500	0.0500	83,380	0.0500	0.0500	25,922,792	0.0500	0.0500	24,795,097	0.0500	0.0500	80,953
	Debt Service	111,103,900	0.2760	0.1640	83,380	0.2760	0.1640	25,922,792	0.2760	0.1640	24,795,097	0.2760	0.1640	265,524
Valley Park Fire Protection Dist	General Revenue	150,819,770	0.8010	0.8010	152,880	0.7730	0.7730	53,554,232	0.8460	0.8460	42,907,610	0.8800	0.8800	2,039,904
	Ambulance	150,819,770	0.2740	0.2740	152,880	0.2660	0.2660	53,554,232	0.2880	0.2880	42,907,610	0.3000	0.3000	696,612
	Pension	150,819,770	0.0920	0.0920	152,880	0.0890	0.0890	53,554,232	0.0960	0.0960	42,907,610	0.1000	0.1000	233,210
	Dispatch	150,819,770	0.0280	0.0280	152,880	0.0260	0.0260	53,554,232	0.0280	0.0280	42,907,610	0.0300	0.0300	70,137
Mid-County Fire Protection District	General Revenue	44,557,940	1.7507	1.7507	0	0.0000	0.0000	53,007,946	1.8304	1.8304	30,801,961	1.8500	1.8500	2,320,169
	Ambulance	44,557,940	0.1500	0.1500	0	0.0000	0.0000	53,007,946	0.1500	0.1500	30,801,961	0.1500	0.1500	192,552
	Pension	44,557,940	0.2500	0.2500	0	0.0000	0.0000	53,007,946	0.2500	0.2500	30,801,961	0.2500	0.2500	320,920
	Dispatch	44,557,940	0.0300	0.0300	0	0.0000	0.0000	53,007,946	0.0300	0.0300	30,801,961	0.0300	0.0300	38,510
	Debt Service	44,557,940	0.3430	0.2400	0	0.3430	0.2400	53,007,946	0.3430	0.2400	30,801,961	0.3430	0.2400	308,083
West Overland Fire Protection Dist	General Revenue	52,629,980	1.0438	1.0100 B	0	0.3000	0.0000 B	69,651,650	1.0737	1.0100 B	24,424,507	1.0403	1.0100 B	1,481,733
	Ambulance	52,629,980	0.6250	0.6250	0	0.0000	0.0000	69,651,650	0.6300	0.6300	24,424,507	0.6500	0.6500	926,501
	Pension	52,629,980	0.1500	0.1500	0	0.0000	0.0000	69,651,650	0.1500	0.1500	24,424,507	0.1500	0.1500	220,059
	Dispatch	52,629,980	0.0500	0.0500	0	0.0000	0.0000	69,651,650	0.0500	0.0500	24,424,507	0.0500	0.0500	73,353
	Debt Service	52,629,980	0.1820	0.1820	0	0.1820	0.1820	69,651,650	0.1820	0.1820	24,424,507	0.1820	0.1820	267,006
Black Creek Sewer	General Revenue	766,703,020	0.0860	0.0000	0	0.0000	0.0000	617,491,725	0.0930	0.0000	141,300,367	0.0950	0.0000	0
Clayton Central Sewer	General Revenue	59,409,090	0.0930	0.0000	0	0.0000	0.0000	276,983,246	0.0960	0.0000	38,916,844	0.0900	0.0000	0
Coldwater Creek Sewer	General Revenue	982,001,100	0.1000	0.1000	87,920	0.1000	0.1000	530,107,188	0.1000	0.1000	382,719,816	0.1000	0.1000	1,894,916
Creve Coeur-Frontenac Sewer	General Revenue	318,385,900	0.0750	0.0000	0	0.0000	0.0000	189,682,449	0.0730	0.0000	65,930,899	0.0760	0.0000	0
Deer Creek Sewer	General Revenue	2,539,551,510	0.0840	0.0840	227,570	0.0790	0.0790	1,078,639,029	0.0830	0.0830	394,580,744	0.0930	0.0930	3,395,633
Fountain Creek Sewer	General Revenue	92,032,370	0.1110	0.0000	0	0.0000	0.0000	21,634,167	0.1060	0.0000	18,557,185	0.1000	0.0000	0
Gravois Creek Sewer	General Revenue	988,100,770	0.0790	0.0790	151,910	0.1000	0.1000	432,562,658	0.0840	0.0840	205,377,245	0.0860	0.0860	1,320,729
Loretta-Joplin Sewer	General Revenue	21,182,250	0.0770	0.0770	0	0.0000	0.0000	1,912,632	0.0830	0.0830	4,198,493	0.0900	0.0900	21,676
Maline Creek Sewer	General Revenue	367,198,600	0.1000	0.1000	25,870	0.1000	0.1000	203,286,460	0.0890	0.0890	127,142,064	0.1000	0.1000	675,292
Meramec River Basin Sewer	General Revenue	2,080,612,900	0.0000	0.0000	911,200	0.0000	0.0000	864,877,563	0.0000	0.0000	416,204,816	0.0000	0.0000	0
Missouri River-Bonfils Sewer	General Revenue	134,789,710	0.0000	0.0000	122,970	0.0000	0.0000	545,910,177	0.0000	0.0000	181,572,340	0.0000	0.0000	0
North Affton Sewer	General Revenue	60,191,510	0.0790	0.0790	0	0.0000	0.0000	4,715,507	0.0790	0.0790	9,672,781	0.0850	0.0850	59,498
Seminary Branch RDP Sewer	General Revenue	228,954,570	0.0680	0.0680	0	0.0000	0.0000	45,254,643	0.0780	0.0780	40,960,914	0.0760	0.0760	222,118
Shrewsbury Branch RDP Sewer	General Revenue	21,414,530	0.0620	0.0620	0	0.0000	0.0000	4,478,909	0.0660	0.0660	3,796,404	0.0820	0.0820	19,346
Sugar Creek Sewer	General Revenue	288,989,220	0.0590	0.0590	130	0.0000	0.0000	101,755,808	0.0420	0.0420	40,244,722	0.0690	0.0690	241,010
University City Branch RDP Sewer	General Revenue	512,862,400	0.0850	0.0850	3,580	0.0000	0.0000	274,013,001	0.0940	0.0940	139,261,858	0.0940	0.0940	824,411
Watkins Creek Sewer	General Revenue	96,275,730	0.1000	0.1000	6,060	0.1000	0.1000	32,337,527	0.1000	0.1000	22,614,131	0.0990	0.0990	151,008
Wellston Sewer	General Revenue	13,766,270	0.1000	0.1000	0	0.0000	0.0000	13,016,298	0.1000	0.1000	7,716,605	0.1000	0.1000	34,499
Hancock Street Light Dist St. Louis	General Revenue	44,474,950	0.1570	0.1570	0	0.0000	0.0000	70,407,370	0.2000	0.2000	38,860,750	0.1700	0.1700	276,704

APPENDIX VIII-A

2012 PROPERTY TAX RATES

LISTING OF 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate				Agricultural Real Estate				Commercial Real Estate				Personal Property			Revenue
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	
Wheaton Cook Lyndhurst Light Dist	General Revenue	5,953,790	0.1990	0.1990		0	0.0000	0.0000		1,149,900	0.1960	0.1960		1,061,080	0.2000	0.2000	16,224
Castle Point Street Light District	General Revenue	0	0.0000	0.1900	D	0	0.0000	0.0000		0	0.0000	0.1900	D	0	0.0000	0.1850	0
Glasgow Village Street Light Dist	General Revenue	20,191,750	0.1600	0.1600		0	0.0000	0.0000		336,950	0.1600	0.1600		2,806,750	0.1580	0.1580	37,281
Elmwood Park Street Light District	General Revenue	2,114,620	0.0000	0.1000	D	0	0.0000	0.0000		99,160	0.0000	0.1000	D	395,460	0.0000	0.1000	2,609
Clayton Special Business District	General Revenue	51,099,260	0.1260	0.1210		0	0.0000	0.0000		273,332,970	0.1350	0.1310		0	0.0000	0.0000	419,896
Maplewood Special Business District	General Revenue	495,080	0.2090	0.1410		0	0.0000	0.0000		14,685,340	0.4120	0.3350		0	0.0000	0.0000	49,894
University City Spec Bus Dist BD57	General Revenue	1,026,860	0.5900	0.5900		0	0.0000	0.0000		6,753,400	0.5360	0.5360		0	0.0000	0.0000	42,256
Webster Groves-Old Webster Bus Di	General Revenue	517,400	0.1740	0.1740		0	0.0000	0.0000		11,772,120	0.3120	0.3120		0	0.0000	0.0000	37,629
Webster Groves-Old Orchard Bus Di	General Revenue	175,580	0.3690	0.3600		0	0.0000	0.0000		8,004,630	0.3780	0.3600		0	0.0000	0.0000	29,449
Kirkwood Special Business District	General Revenue	0	0.0000	0.0000		0	0.0000	0.0000		30,178,900	0.4540	0.4540		0	0.0000	0.0000	137,012
Jennings Special Business District	General Revenue	39,330	0.4300	0.4300		0	0.0000	0.0000		1,836,130	0.4300	0.4300		0	0.0000	0.0000	8,064
Productive Living Board	General Revenue	13,450,806,500	0.0840	0.0840		4,732,270	0.0900	0.0900		5,486,114,693	0.0900	0.0900		3,323,618,526	0.0900	0.0900	19,231,696
Parkview Gardens Spec Bus Dist BD	General Revenue	12,053,660	0.6270	0.6270		0	0.0000	0.0000		2,378,930	0.7220	0.7220		0	0.0000	0.0000	92,752
Crossroads Special Business Dist	General Revenue	0	0.0000	0.0000		0	0.0000	0.0000		4,114,730	0.3890	0.3890		0	0.0000	0.0000	16,006
Robinwood West Community Imp Di	General Revenue	14,705,920	0.7520	0.7520		0	0.0000	0.0000		0	0.0000	0.0000		0	0.0000	0.0000	110,589
	General Revenue-Temp	14,705,920	0.2800	0.2800		0	0.0000	0.0000		0	0.0000	0.0000		0	0.0000	0.0000	41,177
Crestwood Point Community Imp Di	Debt Service	0	5.0903	3.0000		0	5.0903	3.0000		1,805,400	5.0903	3.0000		0	5.0903	3.0000	54,162
Crossings Community Imp District	General Revenue	0	0.0000	0.0000		0	0.0000	0.0000		4,522,790	1.9528	1.9528		0	0.0000	0.0000	88,321
Crestwood Market Community Imp	Debt Service	0	6.1735	5.0000		0	6.1735	5.0000		1,491,040	6.1735	5.0000		0	6.1735	5.0000	74,552
Hazelwood R-I School District	Operating Funds-Schools	901,446,480	5.2804	5.2804	E	641,510	5.5500	5.5500	E	422,998,080	5.4277	5.4277	E	333,026,840	5.4050	5.4050	88,594,752
	Debt Service	901,446,480	1.5320	1.5320		641,510	1.5320	1.5320		422,998,080	1.5320	1.5320		333,026,840	1.5320	1.5320	25,402,290
Ferguson-Florissant R-II Sch Dist	Operating Funds-Schools	433,731,540	4.7400	4.7400	E	15,730	4.7400	4.7400	E	334,984,680	4.7400	4.7400	E	218,837,640	4.7400	4.7400	46,810,799
	Debt Service	433,731,540	0.3000	0.3000		15,730	0.3000	0.3000		334,984,680	0.3000	0.3000		218,837,640	0.3000	0.3000	2,962,709
Pattonville R-III School District	Operating Funds-Schools	402,991,660	4.1100	4.0313		186,700	4.1100	3.9568		586,047,180	4.1100	4.0865	C	386,536,550	3.9305	3.7773	54,802,653
	Debt Service	402,991,660	0.7590	0.4900		186,700	0.7590	0.4900		586,047,180	0.7590	0.4900		386,536,550	0.7590	0.4900	6,741,234
Kirkwood R-VII School District	Operating Funds-Schools	857,774,430	3.1871	3.1871	E	226,550	4.4118	4.4118	E	221,451,800	4.3778	4.3778	E	129,162,850	3.7875	3.7875	41,934,884
	Operating Funds-Temp	857,774,430	0.7320	0.7320		226,550	0.6570	0.6570		221,451,800	0.7320	0.7320		129,162,850	0.7320	0.7320	8,846,896
	Debt Service	857,774,430	0.3650	0.3650		226,550	0.3650	0.3650		221,451,800	0.3650	0.3650		129,162,850	0.3650	0.3650	4,411,447
Lindbergh R-VIII School District	Operating Funds-Schools	760,863,240	3.4579	3.4595	G	186,330	5.7261	5.7261	E	272,303,630	3.9337	3.9450	G	140,686,430	3.9096	3.9096	42,575,388
	Debt Service	760,863,240	0.4950	0.4950		186,330	0.4950	0.4950		272,303,630	0.4950	0.4950		140,686,430	0.4950	0.4950	5,811,496
Mehlville R-IX School District	Operating Funds-Schools	1,171,524,490	3.6174	3.6174	E	336,170	4.0600	4.0600	E	291,139,160	3.5396	3.5396	E	246,961,940	3.9761	3.9761	62,516,992
	Debt Service	1,171,524,490	0.0320	0.0320		336,170	0.0320	0.0320		291,139,160	0.0320	0.0320		246,961,940	0.0320	0.0320	547,189
Parkway C-2 School District	Operating Funds-Schools	2,659,275,230	3.8519	3.5961	E	687,270	5.1198	5.1198	E	1,064,371,430	4.1938	4.2115	G	531,602,650	3.7379	3.7379	160,362,162
	Debt Service	2,659,275,230	0.3400	0.3400		687,270	0.3400	0.3400		1,064,371,430	0.3400	0.3400		531,602,650	0.3400	0.3400	14,470,185
Aftton 101 School District	Operating Funds-Schools	266,893,660	5.3581	5.3523	E	0	0.0000	0.0000	E	59,482,120	5.6189	5.6189	E	55,438,090	5.5131	5.5131	20,683,547
Bayless School District	Operating Funds-Schools	111,971,390	4.2492	4.2492	H	0	0.9200	0.9200	H	12,114,030	4.4184	4.4184	H	21,423,720	4.9131	4.9131	6,345,703

APPENDIX VIII-A

2012 PROPERTY TAX RATES

LISTING OF 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property							
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue				
Bayless School District	Debt Service	111,971,390	0.7200	0.5240	0	0.7200	0.5240	12,114,030	0.7200	0.5240	21,423,720	0.7200	0.5240	762,468				
Brentwood School District	Operating Funds-Schools	146,299,230	3.4699	3.6729	C	0	0.0000	0.0000	97,345,680	4.0178	4.5757	C	36,645,330	3.3950	3.3383	C	11,051,001	
	Debt Service	146,299,230	0.5190	0.2800		0	0.5190	0.2800	97,345,680	0.5190	0.2800		36,645,330	0.5190	0.2800		784,813	
Clayton School District	Operating Funds-Schools	494,085,130	3.3718	3.3850	C	0	0.0000	0.0000	414,551,100	3.7052	3.6958	C	91,252,570	3.4615	3.3718		35,122,616	
	Debt Service	494,085,130	1.0161	0.6230		0	1.0161	0.6230	414,551,100	1.0161	0.6230		91,252,570	1.0161	0.6230		6,229,307	
Hancock Place School District	Operating Funds-Schools	43,763,490	3.2267	3.2267	E	0	0.0000	0.0000	E	70,359,860	3.7777	3.7777	E	38,734,060	4.3000	4.3000	E	5,735,666
	Debt Service	43,763,490	1.1945	1.0100		0	1.1945	1.0100		70,359,860	1.1945	1.0100		38,734,060	1.1945	1.0100		1,543,860
Jennings School District	Operating Funds-Schools	64,604,160	5.5500	5.5500	E	0	0.0000	0.0000	E	14,340,340	5.5500	5.5500	E	21,152,940	4.8034	4.8034	E	5,397,480
	Debt Service	64,604,160	1.4385	0.9900		0	1.4385	0.9900		14,340,340	1.4385	0.9900		21,152,940	1.4385	0.9900		990,964
Ladue School District	Operating Funds-Schools	1,085,665,810	3.3398	3.2400	B	4,690	3.3475	3.2400	B	229,540,900	3.3377	3.2400	B	130,712,420	3.3372	3.2400	B	46,847,931
	Debt Service	1,085,665,810	0.7810	0.3900		4,690	0.7810	0.3900		229,540,900	0.7810	0.3900		130,712,420	0.7810	0.3900		5,639,103
Maplewood-Richmond Heights SD	Operating Funds-Schools	166,680,170	4.2565	4.2603	G	0	0.0000	0.0000	E	62,631,880	4.3164	4.3267	G	31,083,000	4.9158	4.9158	E	11,338,947
	Debt Service	166,680,170	1.0600	1.0600		0	1.0600	1.0600		62,631,880	1.0600	1.0600		31,083,000	1.0600	1.0600		2,760,188
Normandy School District	Operating Funds-Schools	165,697,850	4.6600	4.6600	F	5,780	4.6540	4.6540	F	39,985,600	4.6600	4.6600	F	50,253,390	4.6600	4.6600	F	11,926,926
	Debt Service	165,697,850	2.2906	1.7314		5,780	2.2906	1.7314		39,985,600	2.2906	1.7314		50,253,390	2.2906	1.7314		4,431,391
Ritenour School District	Operating Funds-Schools	265,687,940	4.0211	4.0580	G	0	0.0000	0.0000	E	166,932,950	4.2864	4.3493	G	126,057,720	4.0492	4.0492	E	23,146,361
	Debt Service	265,687,940	1.5562	0.9100		0	1.5562	0.9100		166,932,950	1.5562	0.9100		126,057,720	1.5562	0.9100		5,083,975
Riverview Gardens School District	Operating Funds-Schools	178,008,650	4.3500	4.4140	G	2,400	4.3500	4.3500	E	20,590,660	4.3500	4.6161	G	35,355,510	4.1177	4.1177	E	10,263,725
	Debt Service	178,008,650	1.0816	1.0800		2,400	1.0816	1.0800		20,590,660	1.0816	1.0800		35,355,510	1.0816	1.0800		2,526,738
University City School District	Operating Funds-Schools	483,450,850	4.1291	4.0774	E	0	0.0000	0.0000	E	57,173,020	4.6409	4.5876	E	63,211,520	5.1824	5.1223	E	25,572,978
	Debt Service	483,450,850	0.7520	0.7380		0	0.7520	0.7380		57,173,020	0.7520	0.7380		63,211,520	0.7520	0.7380		4,456,305
Valley Park School District	Operating Funds-Schools	95,154,220	4.3562	4.3562	E	17,370	4.5423	4.5423	E	39,179,600	4.5106	4.5106	E	29,955,680	4.6500	4.6500	E	7,306,071
	Debt Service	95,154,220	1.0587	0.7025		17,370	1.0587	0.7025		39,179,600	1.0587	0.7025		29,955,680	1.0587	0.7025		1,154,256
Webster Groves School District	Operating Funds-Schools	548,120,530	5.1889	5.1889	E	0	0.0000	0.0000	E	79,388,820	5.6228	5.6228	E	75,772,470	5.9100	5.9100	E	37,383,454
	Debt Service	548,120,530	1.2393	0.5699		0	1.2393	0.5699		79,388,820	1.2393	0.5699		75,772,470	1.2393	0.5699		4,008,003
St. Louis County	General Revenue	13,450,760,470	0.2630	0.2000		4,716,310	0.3500	0.2000		5,477,719,003	0.2870	0.2000		3,323,618,526	0.2810	0.2000		44,513,629
	Parks & Recreation	13,450,760,470	0.0660	0.0500		4,716,310	0.0700	0.0500		5,477,719,003	0.0700	0.0500		3,323,618,526	0.0700	0.0500		11,128,407
	Road & Bridge	13,450,760,470	0.1690	0.1050		4,716,310	0.1800	0.1050		5,477,719,003	0.1800	0.1050		3,323,618,526	0.1800	0.1050		23,369,654
	Health	13,450,760,470	0.2250	0.1400		4,716,310	0.3000	0.1400		5,477,719,003	0.2470	0.1400		3,323,618,526	0.2410	0.1400		31,159,541
	Debt Service	13,450,760,470	0.1040	0.0280		4,716,310	0.1040	0.0280		5,477,719,003	0.1040	0.0280		3,323,618,526	0.1040	0.0280		6,231,908

APPENDIX VIII-A  
2012 PROPERTY TAX RATES  
LISTING OF 2012 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
Total Revenue													\$	1,278,175,011

LEGEND:

- \* Levy was not certified due to insufficient substantiating data; however, it does not appear that a rate was levied.  
\*\* Levy did not exist.  
A A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy. No newly approved tax rates were passed in St. Louis County in 2012 and therefore none are listed in this appendix.  
B A voter approved increase or decrease to an existing levy.  
C Levy includes a recoupment rate authorized by state law.  
D Levied a tax rate in excess of the legally permissible tax levy as provided by state law, see the Results Section for the 2012 levies.  
E School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.000 and levy up to its calculated tax rate ceiling.  
F School district has a partial Proposition C (sales tax) waiver which allows the school district to waive a portion of its required Proposition C reduction to the extent necessary to collect \$2.7500 or the amount stated on the ballot.  
G Levy includes a recoupment rate authorized by state law. School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.0000 and levy up to its calculated tax rate ceiling.  
H A voter approved increase or decrease to an existing levy. School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.000 and levy up to its calculated tax rate ceiling.

NOTES:

This Appendix contains levy information for political subdivisions wholly in St. Louis County and the City of Gladstone in Clay County. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Political subdivisions partially in St. Louis County and partially in another county(ies) were also required by previous legislation to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi rate calculation. See Appendix VII for a listing of 2012 and 2011 taxing authorities that calculated a single tax rate to apply to all property.

All rates in the levied column represent the rate extended and certified to the State Auditor's office by both taxing authority and the county or counties in which the tax rate is levied.

Assessed Value column presents only the assessed valuation the property tax is levied against.

The revenue generated is computed by dividing the assessed valuation by 100 and multiplying the quotient by the tax rate levied.

APPENDIX VIII-B

2012 PROPERTY TAX RATES

LISTING OF 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
<b><u>Clay</u></b>													
City of Gladstone	General Revenue	240,926,430	0.9290	0.9290	519,040	0.9290	0.9290	58,338,511	0.9290	0.9290	50,543,720	0.9290	0.9290
<b><u>St. Louis</u></b>													
City of Bellefontaine Neighbors	General Revenue	61,648,110	0.2450	0.2450	70	0.0000	0.0000	10,732,659	0.1800	0.1800	12,218,528	0.2360	0.2360
	Debt Service	61,648,110	0.5440	0.0000	70	0.5440	0.0000	10,732,659	0.5440	0.0000	12,218,528	0.5440	0.0000
Village of Bellerive Acres	General Revenue	3,288,160	0.8000	0.8000	0	0.0000	0.0000	341,920	0.0000	0.0000	1,008,443	0.7670	0.7670
Village of Bel Nor	General Revenue	17,101,741	0.4960	0.4960	0	0.0000	0.0000	425,820	0.4630	0.4630	2,312,934	0.5530	0.5530
Village of Bel Ridge	General Revenue	9,208,670	0.3500	0.3500	0	0.0000	0.0000	5,447,823	0.3500	0.3500	3,166,264	0.0000	0.0000
	Debt Service	9,208,670	0.1510	0.1510	0	0.1510	0.1510	5,447,823	0.1510	0.1510	3,166,264	0.1510	0.1510
City of Berkeley	General Revenue	39,610,410	0.7790	0.7790	3,850	1.0000	1.0000	114,521,304	0.8230	0.8230	48,578,798	0.9200	0.9200
	Pension	39,610,410	0.1100	0.1100	3,850	0.1100	0.1100	114,521,304	0.1100	0.1100	48,578,798	0.1100	0.1100
	Debt Service	39,610,410	0.1900	0.1900	3,850	0.1900	0.1900	114,521,304	0.1900	0.1900	48,578,798	0.1900	0.1900
City of Beverly Hills	General Revenue	2,548,260	0.2330	0.2330	0	0.0000	0.0000	1,228,241	0.2330	0.2330	633,559	0.2320	0.2320
City of Black Jack	Debt Service	52,575,130	0.5950	0.5950	2,880	0.5950	0.5950	2,220,110	0.5950	0.5950	11,580,601	0.5950	0.5950
City of Breckenridge Hills	General Revenue	21,340,870	0.2130	0.2100	0	0.0000	0.0000	8,888,916	0.2160	0.2100	4,170,529	0.0000	0.0000
City of Brentwood	General Revenue	140,987,730	0.0000	0.0000	0	0.0000	0.0000	99,972,271	0.2150	0.1860	31,200,819	0.2070	0.2070
	Library	140,987,730	0.1570	0.1500	0	0.0000	0.0000	99,972,271	0.1880	0.1660	31,200,819	0.1790	0.1790
	Pension	140,987,730	0.3650	0.3530	0	0.0000	0.0000	99,972,271	0.4110	0.4110	31,200,819	0.3850	0.3850
	Debt Service	140,987,730	0.1650	0.1100	0	0.1650	0.1100	99,972,271	0.1650	0.1100	31,200,819	0.1650	0.1100
City of Bridgeton	General Revenue	102,995,480	0.2500	0.1600	118,570	0.0000	0.0000	271,102,745	0.2420	0.2420	75,633,053	0.0000	0.0000
Village of Calverton Park	General Revenue	8,743,500	0.2680	0.2150	0	0.0000	0.0000	534,760	0.2370	0.2150	1,454,436	0.2150	0.2150
City of Charlack	General Revenue	6,964,900	0.2150	0.2150	0	0.0000	0.0000	2,761,160	0.2180	0.2180	1,653,842	0.2570	0.2570
City of Clarkson Valley	General Revenue	96,172,020	0.1200	0.1200	4,100	0.1950	0.1950	15,094,850	0.1010	0.1010	10,130,780	0.1530	0.1530
City of Clayton	General Revenue	461,116,400	0.6350	0.6260	0	0.0000	0.0000	339,228,065	0.6810	0.6810	76,869,253	0.7070	0.7070
	Police	461,116,400	0.1251	0.0000 A	0	0.1251	0.0000 A	339,228,065	0.1251	0.0000 A	76,869,253	0.1251	0.0000 A
	Debt Service	461,116,400	0.1160	0.0910	0	0.1160	0.0910	339,228,065	0.1160	0.0910	76,869,253	0.1160	0.0910
City of Cool Valley	General Revenue	6,582,880	0.2170	0.2170	0	0.0000	0.0000	6,065,167	0.3500	0.3500	2,900,651	0.1650	0.1650
City of Country Club Hills	General Revenue	4,321,290	0.7830	0.7830	0	0.0000	0.0000	893,630	0.8050	0.8050	1,151,230	0.7300	0.7300
	Parks & Recreation	4,321,290	0.3620	0.3620	0	0.0000	0.0000	893,630	0.3500	0.3500	1,151,230	0.3340	0.3340
	Health	4,321,290	0.2000	0.2000	0	0.0000	0.0000	893,630	0.2000	0.2000	1,151,230	0.1880	0.1880
Village of Country Life Acres	General Revenue	6,342,960	0.3730	0.3730	240	0.0000	0.0000	75,235	0.4130	0.4130	471,002	0.4200	0.4200
City of Crestwood	General Revenue	170,158,790	0.2410	0.2410	150	0.0000	0.0000	64,703,945	0.3830	0.3830	26,483,545	0.2790	0.2790
	General Revenue-Temp	170,158,790	0.2000	0.2000	150	0.0000	0.0000	64,703,945	0.2000	0.2000	26,483,545	0.2000	0.2000

APPENDIX VIII-B

2012 PROPERTY TAX RATES

LISTING OF 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
City of Creve Coeur	General Revenue	447,716,770	0.0870	0.0840	2,270	0.1000	0.0910	357,004,329	0.0800	0.0790	0	0.0000	0.0000
City of Crystal Lake Park	General Revenue	14,813,290	0.6700	0.6700	0	0.0000	0.0000	151,907	0.3180	0.3170	1,198,380	0.8080	0.8080
City of Dellwood	General Revenue	25,724,990	0.2220	0.2210	0	0.0000	0.0000	7,654,760	0.2270	0.1850	6,878,754	0.2350	0.2350
City of Des Peres	General Revenue	214,512,110	0.0000	0.0000	223,090	0.0000	0.0000	139,549,850	0.0000	0.0000	40,168,780	0.0000	0.0000
	Debt Service	214,512,110	0.9020	0.0000	223,090	0.9020	0.0000	139,549,850	0.9020	0.0000	40,168,780	0.9020	0.0000
City of Edmundson	General Revenue	4,415,500	0.0000	0.0000	0	0.0000	0.0000	21,255,240	0.4880	0.4880	8,735,572	0.0000	0.0000
City of Ellisville	General Revenue	144,559,660	0.4070	0.1500	610	0.1640	0.1500	102,325,904	0.4060	0.1500	0	0.0000	0.0000
City of Eureka	General Revenue	132,805,010	0.4630	0.3900	105,590	0.4520	0.3900	56,260,225	0.4550	0.3900	32,059,086	0.3900	0.3900
City of Ferguson	General Revenue	113,589,100	0.4490	0.4490	8,220	0.4500	0.4500	38,381,770	0.4500	0.4500	32,755,000	0.4500	0.4500
	Parks & Recreation	113,589,100	0.1940	0.1940	8,220	0.2000	0.2000	38,381,770	0.1950	0.1950	32,755,000	0.1980	0.1980
	Debt Service	113,589,100	0.3790	0.3790	8,220	0.3790	0.3790	38,381,770	0.3790	0.3790	32,755,000	0.3790	0.3790
City of Flordell Hills	General Revenue	2,883,480	0.5310	0.5310	0	0.0000	0.0000	804,930	1.0000	1.0000	0	0.0000	0.0000
City of Florissant	General Revenue	366,115,260	0.0000	0.0000	25,450	0.0000	0.0000	128,716,371	0.0000	0.0000	72,633,730	0.0000	0.0000
City of Frontenac	General Revenue	175,034,390	0.4890	0.4890	0	0.0000	0.0000	41,367,320	0.5340	0.5340	16,526,850	0.5530	0.5530
Village of Glen Echo Park	General Revenue	1,163,190	0.4480	0.4480	0	0.0000	0.0000	7,460	0.5000	0.5000	186,220	0.5000	0.5000
City of Glendale	General Revenue	134,339,510	0.4220	0.4220	0	0.0000	0.0000	4,948,168	0.4700	0.4700	13,374,922	0.5190	0.5190
	Pension	134,339,510	0.0810	0.0810	0	0.0000	0.0000	4,948,168	0.0940	0.0940	13,374,922	0.1000	0.1000
Town of Grantwood Village	General Revenue	20,433,410	0.2300	0.2300	46,740	0.4920	0.4920	1,402,763	0.1560	0.1560	2,458,514	0.2610	0.2610
City of Greendale	General Revenue	5,243,500	0.5190	0.5180	0	0.0000	0.0000	253,560	0.4430	0.4420	0	0.0000	0.0000
Village of Hanley Hills	General Revenue	9,972,140	0.5000	0.5000	0	0.0000	0.0000	286,030	0.4190	0.4190	1,895,021	0.4500	0.4500
City of Hazelwood	General Revenue	189,530,970	0.7670	0.7670	379,780	0.5450	0.5450	203,294,461	0.7700	0.7700	106,232,895	0.7540	0.7540
	Debt Service	189,530,970	0.2220	0.2220	379,780	0.2220	0.2220	203,294,461	0.2220	0.2220	106,232,895	0.2220	0.2220
Village of Hillsdale	General Revenue	3,844,797	0.5000	0.5000	0	0.0000	0.0000	2,237,730	0.5000	0.5000	1,876,740	0.5000	0.5000
City of Huntleigh	General Revenue	38,846,810	0.2020	0.2020	5,900	0.2880	0.2880	392,555	0.2710	0.2710	2,773,838	0.2190	0.2190
City of Jennings	General Revenue	56,448,850	1.0000	1.0000	0	0.0000	0.0000	15,090,457	1.0000	1.0000	13,202,543	1.0000	1.0000
	Pension	56,448,850	0.2450	0.2450	0	0.0000	0.0000	15,090,457	0.2450	0.2450	13,202,543	0.2450	0.2450
City of Kinloch	General Revenue	918,020	1.0000	1.0000	0	0.0000	0.0000	1,421,330	0.7290	0.7860	559,660	1.0000	1.0000
City of Kirkwood	General Revenue	520,942,110	0.2950	0.2760	0	0.0000	0.0000	106,477,570	0.2950	0.2730	66,541,299	0.2760	0.2760
	Parks & Recreation	520,942,110	0.1390	0.1300	0	0.0000	0.0000	106,477,570	0.1400	0.1290	66,541,299	0.1300	0.1300
	Library	514,669,320	0.1910	0.1820	0	0.0000	0.0000	93,923,650	0.2260	0.2240	64,810,039	0.2350	0.2350
	Pension	520,942,110	0.1300	0.1190	0	0.0000	0.0000	106,477,570	0.1410	0.1360	66,541,299	0.1720	0.1720
	Library-Temp	514,669,320	0.1200	0.1200	0	0.0000	0.0000	93,923,650	0.1200	0.1200	64,810,039	0.1200	0.1200
	Debt Service	514,669,320	0.0800	0.0780	0	0.0800	0.0780	93,923,650	0.0800	0.0780	64,810,039	0.0800	0.0780
City of Ladue	General Revenue	539,866,910	0.7100	0.7100	1,110	0.9910	0.9910	42,400,788	0.7440	0.7440	40,281,791	0.7560	0.7560
City of Lakeshire	General Revenue	14,587,060	0.3750	0.3750	0	0.0000	0.0000	203,530	0.3750	0.3750	0	0.0000	0.0000
Village of Mackenzie	General Revenue	1,593,150	0.1580	0.1580	0	0.0000	0.0000	56,348	0.1560	0.1560	239,614	0.1850	0.1850



APPENDIX VIII-B

2012 PROPERTY TAX RATES

LISTING OF 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
City of Manchester	General Revenue	242,522,350	0.0550	0.0450	0	0.0000	0.0000	62,062,470	0.0570	0.0450	39,281,630	0.0500	0.0500
	Debt Service	242,522,350	0.1610	0.1610	0	0.1610	0.1610	62,062,470	0.1610	0.1610	39,281,630	0.1610	0.1610
City of Maplewood	General Revenue	74,923,870	0.3450	0.2460	0	0.0000	0.0000	53,154,345	0.5350	0.5350	19,077,449	0.5670	0.5670
	Pension	74,923,870	0.3920	0.3920	0	0.0000	0.0000	53,154,345	0.4470	0.4470	19,077,449	0.4450	0.4450
	Solid Waste	74,923,870	0.1600	0.1530	0	0.0000	0.0000	53,154,345	0.1820	0.1820	19,077,449	0.2180	0.2180
Village of Marlborough	General Revenue	13,484,560	0.1080	0.1080	0	0.0000	0.0000	8,663,325	0.1020	0.1020	3,887,203	0.1110	0.1110
City of Normandy	General Revenue	18,332,190	0.4000	0.4000	0	0.0000	0.0000	3,849,780	0.4000	0.4000	4,084,150	0.4000	0.4000
City of Northwoods	General Revenue	20,496,430	0.4060	0.4060	0	0.0000	0.0000	4,784,094	0.2690	0.2690	3,953,267	0.3600	0.3600
	Debt Service	20,496,430	1.5135	1.5135	0	1.5135	1.5135	4,784,094	1.5135	1.5135	3,953,267	1.5135	1.5135
Village of Norwood Court	General Revenue	3,532,273	0.0000	0.0000	0	0.0000	0.0000	184,790	0.0000	0.0000	664,226	0.0000	0.0000
City of Oakland	General Revenue	24,003,250	0.1920	0.1920	0	0.0000	0.0000	2,602,281	0.2460	0.2460	3,037,282	0.2370	0.2370
City of Olivette	General Revenue	155,642,360	0.6360	0.6360	0	0.0000	0.0000	57,940,582	0.6990	0.6990	24,372,051	0.7710	0.7710
	Pension	155,642,360	0.2280	0.2160	0	0.0000	0.0000	57,940,582	0.2390	0.2380	24,372,051	0.2500	0.2500
City of Overland	General Revenue	108,943,430	0.0910	0.0680	0	0.0000	0.0000	81,861,431	0.1000	0.0840	24,143,831	0.0970	0.0970
	Pension	108,943,430	0.1200	0.1200	0	0.0000	0.0000	81,861,431	0.1200	0.1200	34,143,831	0.1200	0.1200
City of Pagedale	General Revenue	11,428,630	0.2680	0.2690	0	0.0000	0.0000	11,669,390	0.3180	0.3180	5,901,706	0.3500	0.3500
City of Pasadena Hills	General Revenue	11,655,700	0.2640	0.2640	0	0.0000	0.0000	100,230	0.2150	0.2150	1,598,050	0.3100	0.3100
	Debt Service	11,655,700	1.1008	1.1008	0	1.1008	1.1008	100,230	1.1008	1.1008	1,598,050	1.1008	1.1008
Village of Pasadena Park	General Revenue	4,425,699	0.2770	0.2770	0	0.0000	0.0000	23,260	0.0000	0.0000	594,371	0.3090	0.3090
City of Pine Lawn	General Revenue	11,207,030	0.3000	0.3000	0	0.0000	0.0000	3,211,156	0.2930	0.2930	2,340,903	0.2570	0.2570
City of Richmond Heights	General Revenue	176,474,590	0.3350	0.2900	0	0.0000	0.0000	114,520,835	0.3350	0.2900	26,489,784	0.2980	0.2900
	Library	176,474,590	0.1780	0.1780	0	0.0000	0.0000	114,520,835	0.2250	0.2250	26,489,784	0.2120	0.2120
	Pension	176,474,590	0.3140	0.2990	0	0.0000	0.0000	114,520,835	0.3320	0.3200	26,489,784	0.3200	0.3200
Village of Riverview	General Revenue	12,206,710	0.3340	0.3340	0	0.0000	0.0000	2,077,103	0.2940	0.2940	2,128,621	0.3120	0.3120
City of Rock Hill	General Revenue	61,774,300	0.2660	0.2660	0	0.0000	0.0000	25,430,669	0.2820	0.2820	10,588,607	0.3400	0.3400
	Library	61,774,300	0.2700	0.2700	0	0.0000	0.0000	25,430,669	0.2890	0.2890	10,609,577	0.3550	0.3550
	Debt Service	61,774,300	0.3800	0.3800	0	0.3800	0.3800	25,430,669	0.3800	0.3800	10,588,607	0.3800	0.3800
City of St. Ann	General Revenue	85,657,970	0.1900	0.1770	0	0.0000	0.0000	29,169,856	0.2000	0.2000	16,060,320	0.0000	0.0000
City of St. John	General Revenue	39,905,720	0.3470	0.3470	0	0.0000	0.0000	7,550,020	0.4900	0.4820	10,417,416	0.4500	0.4500
City of Shrewsbury	General Revenue	74,960,730	0.4860	0.4860	0	0.0000	0.0000	27,703,095	0.4810	0.4810	14,054,265	0.5770	0.5770
	Debt Service	74,960,730	0.4730	0.4730	0	0.4730	0.4730	27,703,095	0.4730	0.4730	14,054,265	0.4730	0.4730
City of Sunset Hills	General Revenue	209,561,480	0.0550	0.0540	115,260	0.0760	0.0600	101,201,740	0.0570	0.0570	35,970,895	0.0600	0.0600
Village of Sycamore Hills	General Revenue	5,018,110	0.2120	0.2120	0	0.0000	0.0000	480,949	0.2470	0.2470	971,909	0.2530	0.2530
	Health	5,018,110	0.0980	0.0980	0	0.0000	0.0000	480,949	0.1150	0.1150	971,909	0.1180	0.1180
City of Town and Country	General Revenue	450,181,310	0.0000	0.0000	31,160	0.0000	0.0000	195,662,913	0.0000	0.0000	71,519,723	0.0000	0.0000
	Dispatch	450,181,310	0.0000	0.0000	31,160	0.0000	0.0000	195,662,913	0.0000	0.0000	71,519,723	0.0000	0.0000

APPENDIX VIII-B

2012 PROPERTY TAX RATES

LISTING OF 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
Village of Twin Oaks	General Revenue	5,194,260	0.0000	0.0000	0	0.0000	0.0000	8,896,992	0.3160	0.3160	1,525,151	0.0000	0.0000
City of University City	General Revenue	483,729,790	0.5610	0.5610	0	0.0000	0.0000	48,703,960	0.6680	0.6680	53,032,170	0.6800	0.6800
	Library	483,729,790	0.2410	0.2410	0	0.0000	0.0000	48,703,960	0.2800	0.2800	53,032,170	0.2800	0.2800
	Pension	483,729,790	0.1580	0.1580	0	0.0000	0.0000	48,703,960	0.1900	0.1900	53,032,170	0.1950	0.1950
	Debt Service	483,729,790	0.0340	0.0340	0	0.0340	0.0340	48,703,960	0.0340	0.0340	53,032,170	0.0340	0.0340
Village of Uplands Park	General Revenue	2,324,410	0.3430	0.3430	0	0.0000	0.0000	72,488	0.3860	0.3860	445,840	0.3910	0.3910
City of Valley Park	General Revenue	73,572,680	0.4480	0.4480	17,270	0.0000	0.0000	33,118,980	0.7410	0.6570	16,390,550	0.5700	0.5700
City of Velda City	General Revenue	6,124,362	0.3610	0.3610	0	0.0000	0.0000	68,350	0.5000	0.5000	1,079,187	0.3820	0.3820
	Debt Service	6,124,362	0.4540	0.4540	0	0.4540	0.4540	68,350	0.4540	0.4540	1,079,187	0.4540	0.4540
Village of Velda Village Hills	General Revenue	4,868,740	0.3330	0.3210	0	0.0000	0.0000	257,610	0.2650	0.4860	946,025	0.3780	0.3780
City of Vinita Park	General Revenue	8,077,850	0.2390	0.2080	0	0.0000	0.0000	29,807,863	0.2380	0.2290	5,640,812	0.2300	0.2300
	Debt Service	8,077,850	0.2020	0.2020	0	0.2020	0.2020	29,807,863	0.2020	0.2020	5,640,812	0.2020	0.2020
Village of Vinita Terrace	General Revenue	1,695,170	0.0440	0.0440	0	0.0000	0.0000	482,570	0.0500	0.0500	0	0.0000	0.0000
	Health	1,695,170	0.1290	0.1290	0	0.0000	0.0000	482,570	0.2000	0.2000	0	0.0000	0.0000
City of Warson Woods	General Revenue	50,814,250	0.3670	0.3670	0	0.0000	0.0000	7,167,682	0.4310	0.4310	5,333,204	0.0000	0.0000
City of Webster Groves	General Revenue	398,269,720	0.2330	0.2330	0	0.0000	0.0000	52,474,505	0.2290	0.2290	48,909,073	0.2800	0.2800
	Library	398,269,720	0.1500	0.1500	0	0.0000	0.0000	52,474,505	0.1470	0.1470	49,164,393	0.1800	0.1800
	Streets	398,269,720	0.1500	0.1500	0	0.0000	0.0000	52,474,505	0.1480	0.1480	48,909,073	0.1810	0.1810
	Pension	398,269,720	0.1200	0.1200	0	0.0000	0.0000	52,474,505	0.1180	0.1180	48,909,073	0.1450	0.1450
	Library-Temp	398,269,720	0.1350	0.1350	0	0.0000	0.0000	52,474,505	0.1340	0.1340	49,164,393	0.1350	0.1350
	Debt Service	398,269,720	0.2920	0.2600	0	0.2920	0.2600	52,474,505	0.2920	0.2600	48,909,073	0.2920	0.2600
City of Wellston	General Revenue	3,820,950	0.6000	0.5610	0	0.0000	0.0000	8,267,939	0.5770	0.4800	3,282,312	0.6000	0.6000
Village of Westwood	General Revenue	18,382,810	0.0570	0.0570	0	0.0000	0.0000	255,097	0.0920	0.0920	0	0.0000	0.0000
City of Winchester	General Revenue	14,685,130	0.1980	0.1980	0	0.0000	0.0000	3,025,296	0.1720	0.1720	2,352,600	0.2610	0.2610
City of Woodson Terrace	General Revenue	22,980,870	0.2790	0.2790	0	0.0000	0.0000	16,817,586	0.3360	0.3360	24,910,288	0.2510	0.2510
City of Chesterfield	Debt Service	0	0.0620	0.0300	0	0.0620	0.0300	0	0.0620	0.0300	0	0.0620	0.0300
Ferguson Municipal Pub Library Dist	General Revenue	113,589,100	0.2200	0.2200	8,220	0.0000	0.0000	43,518,826	0.2200	0.2200	33,970,740	0.2200	0.2200
Maplewood Public Library	General Revenue	73,659,490	0.2600	0.2600	0	0.0000	0.0000	51,283,365	0.2760	0.2760	22,202,539	0.3020	0.3020
	Debt Service	73,659,490	0.1680	0.1680	0	0.1680	0.1680	51,283,365	0.1680	0.1680	22,202,539	0.1680	0.1680
St. Louis County Library	General Revenue	11,433,449,570	0.1710	0.1630	4,826,680	0.2000	0.2000	4,910,331,716	0.1900	0.1900	2,788,631,125	0.1500	0.1500
Valley Park Community Library	General Revenue	31,428,353	0.1360	0.1360	1,040	0.1700	0.1700	8,773,590	0.1440	0.1440	10,416,173	0.1700	0.1700
Affton Fire Protection District	General Revenue	364,046,220	0.7270	0.7270	240	0.7940	0.7940	59,434,623	0.7890	0.7890	66,695,427	0.7940	0.7940
	Ambulance	364,046,220	0.1400	0.1400	240	0.0000	0.0000	59,434,623	0.1400	0.1400	66,695,427	0.1400	0.1400
	Pension	364,046,220	0.0580	0.0580	240	0.0000	0.0000	59,434,623	0.0650	0.0650	66,695,427	0.0640	0.0640
	Dispatch	364,046,220	0.0250	0.0250	240	0.0000	0.0000	59,434,623	0.0280	0.0280	66,695,427	0.0270	0.0270
Metro West Fire Protection District	General Revenue	1,320,706,280	0.4900	0.4900	740,760	0.5800	0.5800	222,903,400	0.5300	0.5300	191,900,274	0.5610	0.5610

APPENDIX VIII-B

2012 PROPERTY TAX RATES

LISTING OF 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
Metro West Fire Protection District	Ambulance	1,320,706,280	0.2540	0.2540	740,760	0.3000	0.3000	222,903,400	0.2680	0.2680	191,900,274	0.2900	0.2900
	Pension	1,320,706,280	0.0930	0.0930	740,760	0.1100	0.1100	222,903,400	0.0990	0.0990	191,900,274	0.1060	0.1060
	Dispatch	1,320,706,280	0.0430	0.0430	740,760	0.0480	0.0480	222,903,400	0.0440	0.0440	191,900,274	0.0480	0.0480
	Debt Service	1,320,706,280	0.1500	0.1500	740,760	0.1500	0.1500	222,903,400	0.1500	0.1500	191,900,274	0.1500	0.1500
Black Jack Fire Protection District	General Revenue	401,739,880	0.9910	0.9910	121,630	1.0000	1.0000	52,521,496	1.0000	1.0000	74,748,042	1.0000	1.0000
	Pension	401,739,880	0.1000	0.1000	121,630	0.1000	0.1000	52,521,496	0.1000	0.1000	74,748,042	0.1000	0.1000
	NCCFA System	401,739,880	0.0500	0.0500	121,630	0.0500	0.0500	52,521,496	0.0500	0.0500	74,748,042	0.0500	0.0500
	Debt Service	401,739,880	0.1540	0.0780	121,630	0.1540	0.0780	52,521,496	0.1540	0.0780	74,748,042	0.1540	0.0780
Monarch Fire Protection District	General Revenue	1,421,880,955	0.4710	0.4330	948,620	0.5300	0.4050	483,825,830	0.5300	0.5240	273,060,043	0.5300	0.5300
	Ambulance	1,421,880,955	0.2920	0.2720	948,620	0.3300	0.2520	483,825,830	0.3300	0.3150	273,060,043	0.3300	0.3300
	Pension	1,421,880,955	0.0870	0.0810	948,620	0.1000	0.0760	483,825,830	0.1000	0.0960	273,060,043	0.1000	0.1000
	Dispatch	1,421,880,955	0.0460	0.0430	948,620	0.0480	0.0370	483,825,830	0.0480	0.0480	273,060,043	0.0480	0.0480
	Debt Service	1,421,880,955	0.0130	0.0130	948,620	0.0130	0.0130	483,825,830	0.0130	0.0130	273,060,043	0.0130	0.0130
Community Fire Protection District	General Revenue	276,281,100	0.9810	0.9810	0	0.0000	0.0000	160,173,259	1.0000	1.0000	110,265,750	1.0000	1.0000
	Ambulance	276,281,100	0.5000	0.5000	0	0.0000	0.0000	160,173,259	0.5000	0.5000	110,265,750	0.5000	0.5000
	Pension	276,281,100	0.2500	0.2500	0	0.0000	0.0000	160,173,259	0.2500	0.2500	110,265,750	0.2500	0.2500
	Dispatch	276,281,100	0.0290	0.0290	0	0.0000	0.0000	160,173,259	0.0300	0.0300	110,265,750	0.0300	0.0300
	Debt Service	276,281,100	0.2410	0.0930	0	0.2410	0.0930	160,173,259	0.2410	0.0930	110,265,750	0.2410	0.0930
Creve Coeur Fire Protection Dist	General Revenue	653,981,300	0.5400	0.5400	3,580	0.5400	0.5400	459,533,074	0.5400	0.5400	186,089,777	0.5400	0.5400
	Ambulance	653,981,300	0.1700	0.1700	3,580	0.1700	0.1700	459,533,074	0.1700	0.1700	186,089,777	0.1700	0.1700
	Pension	653,981,300	0.1400	0.1400	3,580	0.1500	0.1500	459,533,074	0.1420	0.1420	186,089,777	0.1500	0.1500
	Dispatch	653,981,300	0.0470	0.0430	3,580	0.0500	0.0350	459,533,074	0.0470	0.0430	186,089,777	0.0500	0.0500
Fenton Fire Protection District	General Revenue	428,866,430	0.5770	0.3500	85,130	0.6500	0.6500	288,662,284	0.6000	0.6000	121,253,026	0.5140	0.5140
	Ambulance	428,866,430	0.3000	0.1790	85,130	0.3000	0.3000	288,662,284	0.3000	0.3000	121,253,026	0.3000	0.3000
	Pension	428,866,430	0.1000	0.1000	85,130	0.1000	0.1000	288,662,284	0.1000	0.1000	121,253,026	0.1000	0.1000
	Dispatch	428,866,430	0.0500	0.0320	85,130	0.0500	0.0500	288,662,284	0.0500	0.0500	121,253,026	0.0500	0.0500
Florissant Valley Fire Prot Dist	General Revenue	523,375,110	0.6900	0.6900	154,540	0.6900	0.6900	136,592,599	0.6900	0.6900	105,783,509	0.6900	0.6900
	Ambulance	523,375,110	0.4370	0.4370	154,540	0.4400	0.4400	136,592,599	0.4390	0.4390	105,783,509	0.4400	0.4400
	Pension	523,375,110	0.1000	0.1000	154,540	0.1000	0.1000	136,592,599	0.1000	0.1000	105,783,509	0.1000	0.1000
	Dispatch	523,375,110	0.0300	0.0300	154,540	0.0300	0.0300	136,592,599	0.0300	0.0300	105,783,509	0.0300	0.0300
	Debt Service	523,375,110	0.1000	0.0150	154,540	0.1000	0.0150	136,592,599	0.1000	0.0150	105,783,509	0.1000	0.0150
Kinloch Fire Protection District	General Revenue	1,501,800	0.8430	0.9000	0	0.0000	0.0000	710,970	0.9000	0.9000	1,115,709	0.9000	0.9000
	Dispatch	1,501,800	0.0000	0.0000	0	0.0000	0.0000	710,970	0.0000	0.0000	1,115,709	0.0000	0.0000
Lemay Fire Protection District	General Revenue	118,125,030	0.8490	0.8490	1,280	0.1560	0.1560	89,443,298	0.8640	0.8640	57,848,898	0.9900	0.9900
	Ambulance	118,125,030	0.1820	0.1820	1,280	0.0780	0.0780	89,443,298	0.2080	0.2080	57,848,898	0.2500	0.2500
	Pension	118,125,030	0.0860	0.0860	1,280	0.0000	0.0000	89,443,298	0.0880	0.0880	57,848,898	0.1000	0.1000

APPENDIX VIII-B

2012 PROPERTY TAX RATES

LISTING OF 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
Lemay Fire Protection District	Central Alarm Fund	118,125,030	0.0420	0.0420	1,280	0.0000	0.0000	89,443,298	0.0440	0.0440	57,848,898	0.0500	0.0500
West County EMS & Fire Prot Dist	General Revenue	522,158,920	0.4100	0.4100	243,260	0.4400	0.4400	130,661,655	0.4250	0.4250	85,464,820	0.4400	0.4400
	Ambulance	522,158,920	0.1730	0.1730	243,260	0.2000	0.2000	130,661,655	0.1780	0.1780	85,464,820	0.1940	0.1940
	Pension	522,158,920	0.0860	0.0860	243,260	0.1000	0.1000	130,661,655	0.0900	0.0900	85,464,820	0.0970	0.0970
	Dispatch	522,158,920	0.0440	0.0440	243,260	0.0490	0.0490	130,661,655	0.0440	0.0440	85,464,820	0.0490	0.0490
	Debt Service	522,158,920	0.3860	0.1850	243,260	0.3860	0.1850	130,661,655	0.3860	0.1850	85,464,820	0.3860	0.1850
Maryland Heights Fire Prot Dist	General Revenue	224,032,730	0.8000	0.8000	3,420	0.7900	0.7900	259,425,251	0.8000	0.8000	122,400,478	0.8000	0.8000
	Ambulance	224,032,730	0.3600	0.3600	3,420	0.3220	0.3220	259,425,251	0.3620	0.3620	122,400,478	0.3680	0.3680
	Pension	224,032,730	0.1300	0.1300	3,420	0.0880	0.0880	259,425,251	0.1300	0.1300	122,400,478	0.1300	0.1300
	Dispatch	224,032,730	0.0500	0.0500	3,420	0.0500	0.0500	259,425,251	0.0500	0.0500	122,400,478	0.0500	0.0500
Mehlville Fire Protection District	General Revenue	1,531,356,190	0.5770	0.5770 B	494,330	0.9580	0.9580 B	449,555,869	0.7010	0.7010 B	293,633,621	0.7570	0.7570 B
	Ambulance	1,531,356,190	0.0000	0.0000 B	494,330	0.0000	0.0000 B	449,555,869	0.0000	0.0000 B	293,633,621	0.0000	0.0000 B
	Pension	1,531,356,190	0.0350	0.0350	494,330	0.0600	0.0600	449,555,869	0.0380	0.0380	293,633,621	0.0560	0.0560
	Alarm Fund	1,531,356,190	0.0430	0.0330	494,330	0.0500	0.0400	449,555,869	0.0430	0.0330	293,633,621	0.0480	0.0380
Metro-North Fire Protection Dist	General Revenue	82,792,650	1.6098	1.6098	0	0.0000	0.0000	16,291,540	1.5399	1.5399	17,368,931	1.7410	1.7410
	Pension	82,792,650	0.2440	0.2440	0	0.0000	0.0000	16,291,540	0.2430	0.2430	17,368,931	0.2490	0.2490
	Dispatch	82,792,650	0.0300	0.0300	0	0.0000	0.0000	16,291,540	0.0300	0.0300	17,368,931	0.0300	0.0300
	Debt Service	82,792,650	0.2870	0.2870	0	0.2870	0.2870	16,291,540	0.2870	0.2870	17,368,931	0.2870	0.2870
Northeast Ambulance & FPD	General Revenue	134,529,070	1.5078	1.5078	5,780	1.5078	1.5078	27,447,154	1.5078	1.5078	33,343,198	1.5000	1.5000
	Ambulance	134,529,070	0.2900	0.2900	5,780	0.2900	0.2900	27,447,154	0.2900	0.2900	33,343,198	0.2900	0.2900
	Pension	134,529,070	0.1000	0.1000	5,780	0.1000	0.1000	27,447,154	0.1000	0.1000	33,343,198	0.1000	0.1000
	Dispatch	134,529,070	0.0420	0.0400	5,780	0.0500	0.0400	27,447,154	0.0420	0.0400	33,343,198	0.0400	0.0400
Pattonville Fire Protection Dist	General Revenue	123,861,250	0.9830	0.9830	380,660	0.9830	0.9830	420,213,368	0.9830	0.9830	172,129,729	0.9830	0.9830
	Ambulance	123,861,250	0.2500	0.2500	380,660	0.2500	0.2500	420,213,368	0.2500	0.2500	172,129,729	0.2500	0.2500
	Pension	123,861,250	0.1500	0.1500	380,660	0.1500	0.1500	420,213,368	0.1500	0.1500	172,129,729	0.1500	0.1500
	Dispatch	123,861,250	0.0500	0.0500	380,660	0.0500	0.0500	420,213,368	0.0500	0.0500	172,129,729	0.0500	0.0500
	Debt Service	123,861,250	0.3090	0.1750	380,660	0.3090	0.1750	420,213,368	0.3090	0.1750	172,129,729	0.3090	0.1750
Riverview Fire Protection District	General Revenue	98,818,400	1.4612	1.4612	2,400	1.4612	1.4612	16,583,526	1.4612	1.4612	19,199,754	1.4544	1.4544
	Pension	98,818,400	0.2500	0.2500	2,400	0.2500	0.2500	16,583,526	0.2500	0.2500	19,199,754	0.2500	0.2500
	Dispatch	98,818,400	0.0500	0.0500	2,400	0.0420	0.0420	16,583,526	0.0500	0.0500	19,199,754	0.0500	0.0500
	Debt Service	98,818,400	0.2630	0.2630	2,400	0.2630	0.2630	16,583,526	0.2630	0.2630	19,199,754	0.2630	0.2630
Robertson Fire Protection District	General Revenue	39,194,570	0.8900	0.8900	224,790	0.8900	0.8900	181,081,426	0.8900	0.8900	89,718,889	0.8900	0.8900
	Ambulance	39,194,570	0.6630	0.6630	224,790	0.7000	0.7000	181,081,426	0.6980	0.6980	89,718,889	0.7000	0.7000
	Pension	39,194,570	0.2000	0.2000	224,790	0.2000	0.2000	181,081,426	0.2000	0.2000	89,718,889	0.2000	0.2000
	Dispatch	39,194,570	0.0500	0.0500	224,790	0.0500	0.0500	181,081,426	0.0500	0.0500	89,718,889	0.0500	0.0500
	Debt Service	39,194,570	0.2940	0.2090	224,790	0.2940	0.2090	181,081,426	0.2940	0.2090	89,718,889	0.2940	0.2090

APPENDIX VIII-B

2012 PROPERTY TAX RATES

LISTING OF 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
Spanish Lake Fire Protection Dist	General Revenue	111,927,730	1.4587	1.4587	83,540	1.5000	1.5000	26,048,762	1.3951	1.3951	24,174,654	1.5000	1.5000
	Pension	111,927,730	0.1500	0.1500	83,540	0.1500	0.1500	26,048,762	0.1500	0.1500	24,174,654	0.1500	0.1500
	Dispatch	111,927,730	0.0500	0.0500	83,540	0.0500	0.0500	26,048,762	0.0500	0.0450	24,174,654	0.0500	0.0500
	Debt Service	111,927,730	0.1640	0.1640	83,540	0.1640	0.1640	26,048,762	0.1640	0.1640	24,174,654	0.1640	0.1640
Valley Park Fire Protection Dist	General Revenue	151,060,000	0.8020	0.7590	137,390	0.8380	0.8380	53,562,805	0.8400	0.8400	41,973,418	0.8800	0.8800
	Ambulance	151,060,000	0.2750	0.2750	137,390	0.2880	0.2880	53,562,805	0.2860	0.2860	41,973,418	0.3000	0.3000
	Pension	151,060,000	0.0920	0.0920	137,390	0.0960	0.0960	53,562,805	0.0950	0.0950	41,973,418	0.1000	0.1000
	Dispatch	151,060,000	0.0270	0.0270	137,390	0.0280	0.0280	53,562,805	0.0280	0.0280	41,973,418	0.0300	0.0300
Mid-County Fire Protection District	General Revenue	44,676,980	1.7507	1.7507	0	0.0000	0.0000	53,613,693	1.8304	1.8304	30,757,317	1.8500	1.8500
	Ambulance	44,676,980	0.1500	0.1500	0	0.0000	0.0000	53,613,693	0.1500	0.1500	30,757,317	0.1500	0.1500
	Pension	44,676,980	0.2500	0.2500	0	0.0000	0.0000	53,613,693	0.2500	0.2500	30,757,317	0.2500	0.2500
	Dispatch	44,676,980	0.0300	0.0300	0	0.0000	0.0000	53,613,693	0.0300	0.0300	30,757,317	0.0300	0.0300
	Debt Service	44,676,980	0.2940	0.2400	0	0.2940	0.2400	53,613,693	0.2940	0.2400	30,757,317	0.2940	0.2400
West Overland Fire Protection Dist	General Revenue	52,802,690	0.7100	0.7100	0	0.0000	0.0000	71,887,909	0.7100	0.7100	22,556,709	0.7100	0.7100
	Ambulance	52,802,690	0.6250	0.6250	0	0.0000	0.0000	71,887,909	0.6300	0.6300	22,556,709	0.6500	0.6500
	Pension	52,802,690	0.1500	0.1500	0	0.0000	0.0000	71,887,909	0.1500	0.1500	22,556,709	0.1500	0.1500
	Dispatch	52,802,690	0.0500	0.0500	0	0.0000	0.0000	71,887,909	0.0500	0.0500	22,556,709	0.0500	0.0500
	Debt Service	52,802,690	0.3000	0.3000	0	0.3000	0.3000	71,887,909	0.3000	0.3000	22,556,709	0.3000	0.3000
Black Creek Sewer	General Revenue	767,727,480	0.0860	0.0000	0	0.0000	0.0000	615,906,255	0.0920	0.0000	136,858,106	0.0950	0.0000
Clayton Central Sewer	General Revenue	59,741,360	0.0910	0.0000	0	0.0000	0.0000	277,162,992	0.0960	0.0000	41,523,477	0.0900	0.0000
Coldwater Creek Sewer	General Revenue	982,330,730	0.1000	0.1000	208,880	0.0320	0.0320	528,362,735	0.1000	0.1000	369,542,293	0.1000	0.1000
Creve Coeur-Frontenac Sewer	General Revenue	317,907,480	0.0750	0.0000	0	0.0000	0.0000	190,572,672	0.0730	0.0000	61,791,356	0.0760	0.0000
Deer Creek Sewer	General Revenue	2,541,766,220	0.0840	0.0840	227,570	0.0790	0.0790	1,079,894,760	0.0820	0.0820	376,425,068	0.0930	0.0930
Fountain Creek Sewer	General Revenue	92,361,330	0.1110	0.0000	0	0.0000	0.0000	22,109,196	0.1030	0.0000	17,452,270	0.1000	0.0000
Gravois Creek Sewer	General Revenue	987,074,590	0.0800	0.0800	151,910	0.1000	0.0120	438,228,801	0.0820	0.0820	195,532,297	0.0860	0.0860
Loretta-Joplin Sewer	General Revenue	21,238,860	0.0770	0.0740	0	0.0000	0.0000	1,974,396	0.0800	0.0800	3,868,568	0.0900	0.0900
Maline Creek Sewer	General Revenue	369,173,920	0.1000	0.1000	25,870	0.1000	0.1000	217,313,471	0.0800	0.0800	114,709,465	0.1000	0.1000
Meramec River Basin Sewer	General Revenue	2,073,139,110	0.0000	0.0000	885,030	0.0000	0.0000	868,289,293	0.0000	0.0000	392,660,050	0.0000	0.0000
Missouri River-Bonfils Sewer	General Revenue	133,619,830	0.0000	0.0000	124,520	0.0000	0.0000	550,503,241	0.0000	0.0000	170,239,424	0.0000	0.0000
North Affton Sewer	General Revenue	60,213,420	0.0790	0.0790	0	0.0000	0.0000	4,716,157	0.0790	0.0790	8,961,193	0.0850	0.0850
Seminary Branch RDP Sewer	General Revenue	231,008,510	0.0670	0.0670	0	0.0000	0.0000	45,796,763	0.0770	0.0770	39,250,535	0.0760	0.0760
Shrewsbury Branch RDP Sewer	General Revenue	21,464,280	0.0620	0.0620	0	0.0000	0.0000	4,485,961	0.0660	0.0660	3,478,798	0.0820	0.0820
Sugar Creek Sewer	General Revenue	272,810,940	0.0590	0.0590	130	0.0000	0.0000	101,673,563	0.0420	0.0420	37,393,857	0.0690	0.0690
University City Branch RDP Sewer	General Revenue	514,291,420	0.0850	0.0850	3,580	0.0000	0.0000	272,983,651	0.0940	0.0940	134,325,010	0.0940	0.0940
Watkins Creek Sewer	General Revenue	96,799,650	0.1000	0.1000	6,060	0.1000	0.1000	33,763,812	0.1000	0.1000	21,501,988	0.0990	0.0990
Wellston Sewer	General Revenue	13,954,270	0.1000	0.1000	0	0.0000	0.0000	12,883,189	0.1000	0.1000	8,020,635	0.1000	0.1000

APPENDIX VIII-B

2012 PROPERTY TAX RATES

LISTING OF 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
Hancock Street Light Dist St. Louis	General Revenue	44,632,070	0.1560	0.1560	0	0.0000	0.0000	70,835,930	0.2000	0.2000	40,147,760	0.1700	0.1700
Wheaton Cook Lyndhurst Light Dist	General Revenue	6,050,791	0.1930	0.1930	0	0.0000	0.0000	1,199,630	0.1850	0.1850	1,168,430	0.2000	0.2000
Castle Point Street Light District	General Revenue	9,445,210	0.1900	0.1900	0	0.0000	0.0000	283,560	0.1900	0.1900	1,509,850	0.1850	0.1850
Glasgow Village Street Light Dist	General Revenue	20,591,020	0.1590	0.1590	0	0.0000	0.0000	336,950	0.0930	0.0930	2,551,320	0.1580	0.1580
Elmwood Park Street Light District	General Revenue	2,114,100	0.0000	0.4000	0	0.0000	0.0000	27,000	0.0000	0.4000	352,490	0.0000	0.4000
Clayton Special Business District	General Revenue	52,034,210	0.1220	0.1100	0	0.0000	0.0000	283,020,730	0.1310	0.1310	0	0.0000	0.0000
Maplewood Special Business District	General Revenue	481,730	0.2350	0.2350	0	0.0000	0.0000	18,715,900	0.3220	0.3220	0	0.0000	0.0000
University City Spec Bus Dist BD57	General Revenue	1,026,860	0.5900	0.5900	0	0.0000	0.0000	6,576,570	0.5360	0.5360	0	0.0000	0.0000
Webster Groves-Old Webster Bus Dis	General Revenue	517,400	0.1660	0.1660	0	0.0000	0.0000	11,872,930	0.3090	0.3090	0	0.0000	0.0000
Webster Groves-Old Orchard Bus Dis	General Revenue	175,580	0.3770	0.3600	0	0.0000	0.0000	8,029,210	0.3770	0.3600	0	0.0000	0.0000
Kirkwood Special Business District	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	27,556,800	0.4820	0.4560	0	0.0000	0.0000
Jennings Special Business District	General Revenue	39,330	0.4300	0.4300	0	0.0000	0.0000	1,846,820	0.4300	0.4300	0	0.0000	0.0000
Productive Living Board	General Revenue	13,426,480,910	0.0840	0.0840	4,857,070	0.0900	0.0900	5,504,727,756	0.0900	0.0900	3,082,039,198	0.0900	0.0900
Parkview Gardens Spec Bus Dist BD3	General Revenue	11,657,260	0.6260	0.6260	0	0.0000	0.0000	2,378,930	0.7220	0.7220	0	0.0000	0.0000
Crossroads Special Business Dist	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	4,221,770	0.3790	0.3790	0	0.0000	0.0000
Robinwood West Community Imp Dis	General Revenue	14,718,950	0.7490	0.7490	0	0.0000	0.0000	0	0.0000	0.0000	0	0.0000	0.0000
	General Revenue-Temp	14,718,950	0.2800	0.2800	0	0.0000	0.0000	0	0.0000	0.0000	0	0.0000	0.0000
Crestwood Point Community Imp Dist	Debt Service	0	5.0903	3.0000	0	5.0903	3.0000	1,805,400	5.0903	3.0000	0	5.0903	3.0000
Crossings Community Imp District	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	4,298,790	1.9947	1.9947	0	0.0000	0.0000
Crestwood Market Community Imp D	Debt Service	0	6.9914	5.0000	0	6.9914	5.0000	1,491,040	6.9914	5.0000	0	6.9914	5.0000
Hazelwood R-I School District	Operating Funds-School	904,168,560	5.2804	5.2804	E	765,880	5.5500	5.5500	E	424,041,850	5.4277	5.4277	E
	Debt Service	904,168,560	1.0585	0.9400		765,880	1.0585	0.9400		424,041,850	1.0585	0.9400	
Ferguson-Florissant R-II Sch Dist	Operating Funds-School	433,210,840	4.7400	4.7400	E	15,770	4.7400	4.7400	E	338,815,210	4.6961	4.6961	E
	Debt Service	433,210,840	0.2800	0.2800		15,770	0.2800	0.2800		338,815,210	0.2800	0.2800	
Pattonville R-III School District	Operating Funds-School	398,709,280	4.1100	3.9345		185,060	4.1100	3.9345		596,560,400	4.1100	3.9345	D
	Debt Service	398,709,280	0.5150	0.4900		185,060	0.5150	0.4900		596,560,400	0.5150	0.4900	
Kirkwood R-VII School District	Operating Funds-School	840,742,450	3.1908	3.1908	E	226,550	4.4176	4.4176	E	218,752,190	4.2005	4.3097	E
	Operating Funds-Temp	840,742,450	0.7320	0.7320		226,550	0.7320	0.7320		218,752,190	0.7320	0.7320	
	Debt Service	840,742,450	0.3650	0.3650		226,550	0.3650	0.3650		218,752,190	0.3650	0.3650	
Lindbergh R-VIII School District	Operating Funds-School	759,820,120	3.5769	3.5769	B	188,680	5.7261	4.7978	B	273,955,810	3.8906	3.8906	B
	Debt Service	759,820,120	0.4850	0.4850		188,680	0.4850	0.4850		273,955,810	0.4850	0.4850	
Mehlville R-IX School District	Operating Funds-School	1,167,547,990	3.6304	3.6304	E	338,080	4.0567	4.0567	E	291,695,780	3.5187	3.4042	E
	Debt Service	1,167,547,990	0.0330	0.0330		338,080	0.0330	0.0330		291,695,780	0.0330	0.0330	
Parkway C-2 School District	Operating Funds-School	2,657,453,360	3.3361	3.3361	E	673,970	5.1200	5.1200	E	1,073,003,790	4.0460	4.0460	E
	Debt Service	2,657,453,360	0.5350	0.3400		673,970	0.5350	0.3400		1,073,003,790	0.5350	0.3400	
Affton 101 School District	Operating Funds-School	268,706,890	5.3189	5.2974	E	0	0.0000	0.0000	E	60,874,090	5.6189	5.6189	E

APPENDIX VIII-B

2012 PROPERTY TAX RATES

LISTING OF 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
Bayless School District	Operating Funds-School	111,958,780	3.2083	3.2083 E	0	0.0000	0.0000 E	12,225,860	3.3227	3.3227 E	20,398,100	3.8500	3.8500 E
	Debt Service	111,958,780	0.7440	0.5240	0	0.7440	0.5240	12,225,860	0.7440	0.5240	20,398,100	0.7440	0.5240
Brentwood School District	Operating Funds-School	146,210,580	3.2635	3.3169	0	0.0000	0.0000	97,832,080	4.0317	4.2785 C	36,121,410	3.3447	3.2707
	Debt Service	146,210,580	0.7130	0.2800	0	0.7130	0.2800	97,832,080	0.7130	0.2800	36,121,410	0.7130	0.2800
Clayton School District	Operating Funds-School	494,584,050	3.3276	3.2759 C	0	0.0000	0.0000	413,128,740	3.6842	3.6664 C	87,816,430	3.4726	3.4060
	Debt Service	494,584,050	1.0191	0.6230	0	1.0191	0.6230	413,128,740	1.0191	0.6230	87,816,430	1.0191	0.6230
Hancock Place School District	Operating Funds-School	43,920,610	3.1767	3.1767 E	0	0.0000	0.0000 E	70,788,420	3.7169	3.7169 E	40,025,930	4.3000	4.3000 E
	Debt Service	43,920,610	1.0501	1.0100	0	1.0501	1.0100	70,788,420	1.0501	1.0100	40,025,930	1.0501	1.0100
Jennings School District	Operating Funds-School	63,251,550	5.5500	5.5000 E	0	0.0000	0.0000 E	13,989,280	5.5500	5.5500 E	19,653,550	4.8034	4.8034 E
	Debt Service	63,251,550	0.9900	0.9900	0	0.9900	0.9900	13,989,280	0.9900	0.9900	19,653,550	0.9900	0.9900
Ladue School District	Operating Funds-School	1,081,106,880	2.7500	2.7500	4,690	2.7500	2.7500	229,384,090	2.7500	2.7500	124,241,130	2.7500	2.7500
	Debt Service	1,081,106,880	0.7700	0.3500	4,690	0.7700	0.3500	229,384,090	0.7700	0.3500	124,241,130	0.7700	0.3500
Maplewood-Richmond Heights SD	Operating Funds-School	168,397,290	4.2410	4.2410 E	0	0.0000	0.0000 E	59,208,270	4.3500	4.3500 E	32,567,090	4.9158	4.9158 E
	Debt Service	168,397,290	1.1100	1.0200	0	1.1100	1.0200	59,208,270	1.1100	1.0200	32,567,090	1.1100	1.0200
Normandy School District	Operating Funds-School	166,796,200	4.6600	4.5443 F	5,780	4.6600	4.5443 F	40,740,670	4.6600	4.5443 F	49,125,100	4.6600	4.5443 F
	Debt Service	166,796,200	1.8839	1.7314	5,780	1.8839	1.7314	40,740,670	1.8839	1.7314	49,125,100	1.8839	1.7314
Ritenour School District	Operating Funds-School	267,487,540	3.9964	4.0732 G	0	0.0000	0.0000 E	168,075,340	4.2295	4.3319 G	113,262,280	4.0492	4.0492 E
	Debt Service	267,487,540	1.4767	0.9100	0	1.4767	0.9100	168,075,340	1.4767	0.9100	113,262,280	1.4767	0.9100
Riverview Gardens School District	Operating Funds-School	179,975,540	4.3500	4.3500 E	2,400	4.3500	4.3500 E	20,448,030	4.3500	4.3500 E	33,627,600	4.1177	4.1177 E
	Debt Service	179,975,540	1.0347	1.0300	2,400	1.0347	1.0300	20,448,030	1.0347	1.0300	33,627,600	1.0347	1.0300
University City School District	Operating Funds-School	485,821,820	3.9730	3.9730 E	0	0.0000	0.0000 E	56,720,520	4.4742	4.4742 E	58,931,320	4.9884	4.9884 E
	Debt Service	485,821,820	0.8100	0.7380	0	0.8100	0.7380	56,720,520	0.8100	0.7380	58,931,320	0.8100	0.7380
Valley Park School District	Operating Funds-School	95,371,720	4.3875	4.2975 E	17,370	4.5690	4.5690 E	39,194,800	4.4809	4.4809 E	29,809,400	4.6500	4.6500 E
	Debt Service	95,371,720	0.7580	0.6460	17,370	0.7580	0.6460	39,194,800	0.7580	0.6460	29,809,400	0.7580	0.6460
Webster Groves School District	Operating Funds-School	548,317,500	5.1865	5.1865 E	0	0.0000	0.0000 E	78,454,150	5.6165	5.6165 E	71,497,390	5.9100	5.9100 E
	Debt Service	548,317,500	0.5690	0.5690	0	0.5690	0.5690	78,454,150	0.5690	0.5690	71,497,390	0.5690	0.5690
St. Louis County	General Revenue	13,426,480,910	0.2820	0.2000	4,841,410	0.3500	0.2000	5,452,300,266	0.2860	0.2000	3,100,918,258	0.2000	0.2000
	Parks & Recreation	13,426,480,910	0.0700	0.0500	4,841,410	0.0680	0.0500	5,452,300,266	0.0700	0.0500	3,100,918,258	0.0500	0.0500
	Road & Bridge	13,426,480,910	0.1800	0.1050	4,841,410	0.1800	0.1050	5,452,300,266	0.1800	0.1050	3,100,918,258	0.1050	0.1050
	Health	13,426,480,910	0.2470	0.1400	4,841,410	0.3000	0.1400	5,452,300,266	0.2500	0.1400	3,100,918,258	0.1400	0.1400
	Debt Service	13,426,480,910	0.1000	0.0280	4,841,410	0.1000	0.0280	5,452,300,266	0.1000	0.0280	3,100,918,258	0.1000	0.0280

APPENDIX VIII-B  
 2012 PROPERTY TAX RATES  
 LISTING OF 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied

- LEGEND:
- \* Levy was not certified due to insufficient substantiating data; however, it does not appear that a rate was levied.
  - \*\* Levy did not exist.
  - A A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy.
  - B A voter approved increase or decrease to an existing levy.
  - C Levy includes a recoupment rate authorized by state law.
  - D Levied a tax rate in excess of the legally permissible tax levy as provided by state law, see Report No. 2011-118, Review of 2011 Property Tax Rates.
  - E School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.000 and levy up to its calculated tax rate ceiling.
  - F School district has a partial Proposition C (sales tax) waiver which allows the school district to waive a portion of its required Proposition C reduction to the extent necessary to collect \$2.7500 or the amount stated on the ballot.
  - G Levy includes a recoupment rate authorized by state law. School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.000 and levy up to its calculated tax rate ceiling.

NOTES:

This Appendix contains levy information for political subdivisions wholly in St. Louis County and the City of Gladstone in Clay County. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Political subdivisions partially in St. Louis County and partially in another county(ies) were also required by previous legislation to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi rate calculation. See Appendix VII for a listing of 2012 and 2011 taxing authorities that calculated a single tax rate to apply to all property.

All rates in the levied column represent the rate extended and certified to the State Auditor's office by both taxing authority and the county or counties in which the tax rate is levied.

Assessed Value column presents only the assessed valuation the property tax is levied against.





# Thomas A. Schweich

Missouri State Auditor

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## Barton County

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January 2013  
Report No. 2013-13



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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of Barton County

Drug Buy Monies	The Sheriff cannot account for \$945 of undercover drug buy monies. The Sheriff maintains exclusive control of the drug buy monies, and records maintained by the Sheriff were inadequate and incomplete. As a result, there is no assurance all drug buy monies were handled and accounted for properly.
Sheriff Controls and Procedures	Accounting duties are not adequately segregated, and procedures for handling inmate monies are not adequate. Procedures are not in place to identify month-end liabilities and compare these liabilities to the reconciled account balance, some manual receipt slips issued for inmate monies could not be located, and inmate jail records were incomplete. The Sheriff has not prepared a budget for the Federal Forfeiture Fund and disbursements of this fund are not made through the County Commission's normal disbursement process. Some forfeiture monies were deposited into the Sheriff's office fee account and used to pay operating expenses. Supporting documentation was not retained for some disbursements and some invoices were not paid in a timely manner. The Sheriff maintains a Drug Abuse Resistance Education bank account outside the county treasury and the only records of monies received are deposit slips. Also, monthly bank reconciliations are not performed and the authorized check signers are no longer employed by the county. Crime reports and equitable sharing agreements and certifications are not submitted as required. The Sheriff failed to periodically back-up information maintained on the computerized seized property and evidence log and all information was lost when the computer system failed in November 2011.
County Sales Tax	Property tax reductions were not sufficient to offset 50 percent of sales tax monies received, and property tax reduction amounts were not accurately calculated. Additional or increased property tax levy rollbacks will be required in future years to offset this \$655,000 liability.
Law Enforcement Sales Tax Fund	The County Commission subsidized the Law Enforcement Sales Tax (LEST) Fund from the General Revenue Fund to avoid budget deficit conditions, and a loan to the LEST from the Special Road and Bridge Fund has not been repaid. Neither the county nor the Sheriff solicited bids for prisoner medical services and meal supplies.
Property Tax System Controls and Procedures	Access to the property tax system was not adequately restricted, and as a result there is an increased risk that unsupported or unauthorized changes can be made. The initial addition and abatement information is not compared to the actual changes made in the property tax system. Court orders for additions and abatements were not reviewed and approved by the County Commission and County Clerk in a timely manner. The back tax aggregate abstract and the County Collector-Treasurer's annual settlement was not prepared timely.
Payroll and Related Matters	The county considers some individuals to be independent contractors rather than employees, but the reasons were not documented, and the county failed to withhold and report payroll and income taxes on payments to these workers. The county did not properly handle overtime related to grant activities, did not compensate law enforcement personnel in accordance with county policy, and did not update the county's written policy to reflect changes made. Timesheets and payroll forms were not always properly signed, and timesheets were not

prepared and submitted to the County Commission by the Emergency Management Director.

County Procedures	The county did not require general contractors to furnish performance bonds on four construction projects, as required by state law, and controls and procedures over fuel use and purchases need improvement. The county did not always enter into written contracts and did not establish the Sheriff Revolving Fund for concealed weapon permit fees as required by state law. The county's budget preparation procedures do not ensure the budget documents for some county funds reasonably reflect the county's anticipated financial activity and cash balances.
Prosecuting Attorney Controls and Procedures	Duties are not adequately segregated. The office manager receives, records, deposits, and disburses monies and reconciles the bank account without adequate, documented reviews. The office also needs to improve receipting and depositing procedures, as receipt slips are not always issued for monies received, and receipts are not always deposited timely and intact.
Public Administrator Fees	The Public Administrator charged some wards annual fees in advance of services performed without the Associate Circuit Judge's approval, and the Probate Division has not established procedures to review the accuracy of fees paid to the Public Administrator.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Poor**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The county was awarded a \$10,563 Recovery Act: Edward Byrne Memorial Justice Assistance Grant for purchasing law enforcement equipment, all of which was received and expended. The county also received \$41,500 through the Homeless Prevention and Rapid Re-Housing Program Grant, all of which was expended on programs which provide homelessness prevention assistance and rapid re-housing assistance.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Barton County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Barton County

We have audited certain operations of Barton County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock & Associates, Certified Public Accountants, was engaged to audit the financial statements of Barton County for the 2 years ended December 31, 2011. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2011. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Barton County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
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	Connie James
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	Rebekah Seabaugh

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# Barton County

## Management Advisory Report

### State Auditor's Findings

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#### **1. Drug Buy Monies**

The Sheriff cannot account for \$945 of drug buy monies. The Sheriff maintains exclusive control of the drug buy monies, and records maintained to account for these monies were inadequate and incomplete. As a result of these numerous control weaknesses, there is no assurance all drug buy monies were handled and accounted for properly.

##### **1.1 Unaccounted for funds**

Checks totaling \$5,500 were issued to the Sheriff from January 1, 2010, through June 16, 2012, and were cashed and used for drug buys. While the Sheriff did not maintain a ledger to account for the receipt, disbursement, and balance of drug buy monies, he did maintain some "receipt for confidential funds" forms issued to informants for drug buys and incident reports dated from January 1, 2010, through June 16, 2012. Receipt forms and incident reports could not be provided for drug buy monies of \$945. These unaccounted for funds went undetected due to numerous control weaknesses including inadequate segregation of duties.

##### **1.2 Segregation of duties**

Duties are not adequately segregated. The Sheriff maintains exclusive control of drug buy monies obtained from the Federal Forfeiture Fund. He cashed all drug buy checks received; issued receipt forms to informants for drug buys; received recovered drug buy monies during investigations and arrests; and maintained incident reports, evidence records, evidence obtained from the drug buys, and lab reports of drugs purchased.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving and disbursing drug buy monies from recordkeeping duties, or requiring someone independent to review the records.

##### **1.3 Drug buy records**

Records maintained by the Sheriff for drug buys were inadequate and incomplete.

- The Sheriff did not maintain a ledger to account for the receipt, disbursement, and balance of drug buy monies.
- While the Sheriff issued some receipt for confidential funds forms to informants for drug buy monies, the forms were not prenumbered, and receipt forms were not located for four drug buys totaling \$460 (which were identified through incident reports provided by the Sheriff). In addition, drug buy monies recovered during arrests and investigations totaling \$691 (identified on incident reports and other records provided by the Sheriff) were not adequately documented as a receipt back into drug buy monies on hand or into evidence.
- Receipt for confidential funds forms were not always signed by the informant receiving the drug buy monies as required by the form. Of 40 drug buy receipt forms reviewed, 22 receipt forms (55 percent) totaling



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Barton County  
Management Advisory Report - State Auditor's Findings

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\$2,726 were not signed by the informant receiving the monies. In addition, the receipt form requires the informant's number or name to be recorded; however, the Sheriff failed to record this information on four of these receipt forms totaling \$100. Further, while the drug buy receipt form requires a witness to the distribution of drug buy monies to informants to sign the receipt form, 39 of 40 (98 percent) receipt forms reviewed totaling \$4,726 did not include a witness signature.

- Incident reports, which detail the events of the drug buy, were not located for 12 of 40 (30 percent) drug buy receipt forms reviewed totaling \$1,686. In addition, a drug buy incident report indicated the Sheriff borrowed \$40 from bond monies collected by his office in 2012 for a drug buy. The monies were subsequently returned and deposited into the Sheriff's fee account. Further, lab reports on drugs purchased were not located for 32 of 40 (80 percent) drug buy receipt forms reviewed totaling \$3,681.
- Inconsistencies in information contained on drug buy receipt forms, incident reports, and lab reports were identified. For example, case numbers recorded on the receipt form did not always match the case numbers recorded on the related incident report provided by the Sheriff. In another example, some information was added to a copy of the original drug buy receipt form so that it matched the related lab reports provided by the Sheriff.

To ensure all receipts and disbursements are accounted for properly and reduce the risk of loss, theft, or misuse of funds, adequate records of drug buy monies need to be maintained.

The prior audit indicated the former Sheriff could not account for \$2,500 of drug buy monies. While numerous control weaknesses including inadequate segregation of duties have been noted in both audits, procedures and improvements in the records have not been made to ensure all drug buy monies are accounted for properly.

## Recommendations

- 1.1 The County Commission request the Sheriff to perform additional follow up related to unaccounted for monies and consider working with law enforcement officials regarding possible investigation and repayment if appropriate.
- 1.2 The Sheriff segregate accounting duties to the extent possible, or ensure an adequate independent or supervisory review of accounting records is performed and documented.
- 1.3 The Sheriff maintain a ledger to record receipts and disbursements of drug buy monies, and reconcile the ledger monthly to the balance of drug buy monies on hand. The Sheriff should also issue





Barton County  
Management Advisory Report - State Auditor's Findings

prenumbered receipt forms for all drug buy monies disbursed, adequately document the amount and disposition of drug buy monies recovered, ensure the informant and a witness to the distribution of drug buy monies sign the drug buy receipt forms, and discontinue using bond monies for drug buys. In addition, the Sheriff should ensure adequate supporting documentation including incident reports, evidence records, and lab reports are retained for all drug buys.

## Auditee's Response

*The Sheriff provided the following written responses:*

- 1.1 During this time period I hurried through cases and did not document some of the expenses the money was used for such as purchasing batteries, and or fuel for vehicles, or payment for information or drug buys. I was going back through the different cases and I believe that the number shown being the \$945 is being very high for not being accounted for. I wish I would have documented more of the expenses; however, I don't have any written receipts for those such expenses. It will be my position that I will only keep \$100 in my safe for drug buys, and if I need to get more money later I will do that. The Sheriff will work to resolve any issues with the drug account.*
- 1.2 It is going to be my doing that the drug account duties will be segregated with a second person to assist me on the monies used. I am planning to have my secretary go over all transactions and initial or sign off on what goes on with the account.*
- 1.3 It is going to be my doing that a ledger or receipt book will be kept at both the Sheriff's office and at the Treasurer's office. I am going to put into effect a policy that any drug monies used will have a numbered receipt and a narcotic form filled out for both my office and the Treasurer's office. It is my idea that I will take a notebook over to the Treasurer's office to keep these items. I will work hard in trying not to rush through the cases and get signatures from the informants who are working these cases.*

*The County Commission provided the following written response:*

- 1.1 We will write a letter to the Prosecuting Attorney requesting him to investigate the \$945 of unaccounted for Federal Drug Forfeiture Funds being used for drug buy money and review all records for remaining drug buys for propriety.*



Barton County  
Management Advisory Report - State Auditor's Findings

## 2. Sheriff Controls and Procedures

Weaknesses exist in accounting controls and procedures in the Sheriff's office. The Sheriff's office received monies for civil and criminal fees, carry and conceal permits, jail phone commissions, bonds, and other miscellaneous receipts totaling approximately \$54,000 for the year ended December 31, 2011, and \$67,000 for the year ended December 31, 2010. These monies are handled through the Sheriff's fee account. Inmate receipts and disbursements totaled approximately \$16,000 for the year ended December 31, 2011, and \$11,000 for the year ended December 31, 2010. These monies are handled through the Sheriff's inmate account.

### 2.1 Segregation of duties

The duties of receiving, recording, depositing, and disbursing monies and reconciling the Sheriff's bank accounts are not adequately segregated. A bookkeeper performs all of these duties. While the Sheriff initials monthly reports, he indicated he did not reconcile receipt slips to deposits.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Sheriff should implement a documented independent or supervisory review to ensure the bank records are in agreement with the accounting records.

### 2.2 Inmate bank account and records

Upon incarceration, monies in the custody of an inmate are receipted and deposited into the inmate bank account. Inmate monies are refunded to the inmate upon release.

- Procedures are not in place to properly identify month-end liabilities and compare these liabilities to the reconciled bank account balance. In addition, while the Sheriff's office utilizes a computerized software system to track inmate balances, it is not accurate. For example, a listing of all inmate account balances on hand at December 31, 2011, was generated at our request and totaled \$15,216, but the reconciled bank balance was only \$70. The jailer responsible for the computerized inmate records indicated the records had been incorrect since a software conversion performed in September 2010, and very little effort to correct the system had been made. Because of concerns with the computerized records, we requested a manual list of liabilities be prepared, which agreed to the reconciled bank balance at December 31, 2011.

Monthly lists of liabilities should be prepared and reconciled to cash balances to ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient cash is available for the payment of all liabilities.

- Manual one-write receipt slips issued for inmate monies received from October 11, 2010, through November 14, 2010, could not be located. Record retention is necessary to ensure the validity of transactions and



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provide an audit trail. Section 109.270, RSMo, states all records made or received by officials in the course of their public duties are public property and are not to be disposed of except as provided by law.

- Inmate jail records did not always include the inmate's cash on hand at the time of arrest and were not always signed by the inmate at the time of arrest and release. An inmate's jail record is to be completed and signed by the inmate when booked. The inmate jail record requires cash and personal items in the inmate's possession at the time of arrest be documented and for the inmate to sign the jail record at the time of release indicating personal items and cash returned to the inmate. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, documentation of the collection and release of inmate funds should be properly completed and maintained.

### 2.3 Federal Forfeiture Fund

Improvement is needed in the handling of the Federal Forfeiture Fund, which is maintained in a separate bank account in the county treasury. According to the County Collector-Treasurer's accounting records, receipts of \$95 and disbursements of \$31,720 were processed through this account during the period January 1, 2010, through June 30, 2012. Of the total \$31,720 disbursed, \$16,745 was comprised of checks written to the Sheriff and deposited into the fee account maintained by the Sheriff's office. The Sheriff spent \$16,095 from the fee account for operating expenses of his office. The following concerns were noted related to the Federal Forfeiture Fund and fee account disbursements:

- The Sheriff has not prepared a budget for the Federal Forfeiture Fund. Disbursements of this fund are not made through the County Commission's normal disbursement process and are only authorized by the Sheriff. Checks are signed by the County Collector-Treasurer. The budget process provides a means to allocate and monitor financial resources, and disbursements should be made through the County Commission's normal disbursement process.
- There is no statutory authority for the Sheriff to expend these monies except as provided for in the official county budget. (See section 2.4.)
- Supporting documentation was not retained for three checks issued from the fee account totaling \$1,113. In addition, the payee was left blank on one of these checks issued for \$592, and as a result, there is no assurance these monies were spent appropriately. Also, the Sheriff indicated he prepared the invoice and signed the vendor's name for the purchase of a drug dog for \$400. All disbursements should be supported by a vendor invoice or other related supporting documentation to ensure the obligation was actually incurred.



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- Invoices related to some fee account disbursements were not paid in a timely manner. An invoice dated May 13, 2009, totaling \$1,245 was not paid until June 2010, another invoice dated February 15, 2010, totaling \$995 was not paid until May 11, 2010, and freight due on an invoice dated July 13, 2009, was not paid until June 10, 2010. Good business practices require timely payments of invoices. Failure to make timely payments could result in unnecessary penalties and interest.
- The Sheriff did not include equipment purchased with forfeiture monies totaling \$11,965 on the general capital asset listing submitted to the county and only listed the value of a vehicle purchased for \$11,495 as \$2,800 on the listing. To improve accountability over capital assets, accurate records should be maintained.

### 2.4 DARE bank account

The Sheriff maintains a Drug Abuse Resistance Education (DARE) bank account for donations outside the county treasury. According to bank records, receipts of \$1,659 and disbursements of \$835 were processed through this account during the 2 years ended December 31, 2011. In addition, receipt slips or other records of donations received are not maintained. The only records of monies received are deposit slips. Also, monthly bank reconciliations are not performed, and the three authorized check signers on the account are no longer employed by the county.

There is no statutory authority allowing the Sheriff to maintain this account outside the county treasury. Attorney General's Opinion No. 45, 1992 to Henderson, states sheriffs are not authorized to maintain a bank account for law enforcement purposes separate from the county treasury. Records and proper reconciliations are needed to establish an adequate audit trail, ensure accounting records are in agreement with bank records, identify errors in a timely manner, and reduce the possibility of loss, theft, or misuse of funds. Failure to update authorized check signers on bank accounts exposes the county to risk of loss.

### 2.5 Reporting

The Sheriff's office has not submitted Uniform Crime Reports (UCR) to the Department of Public Safety (DPS) since December 2010, and did not submit an equitable sharing agreement and certification detailing the equitable sharing (federal forfeiture) funds spent each year as required by the U.S. Department of Justice, Asset Forfeiture and Money Laundering Section. Sections 43.505.3 and 43.505.4, RSMo, require law enforcement agencies to submit UCRs to the DPS, and any law enforcement agency that violates this section may be ineligible to receive state or federal funds which would otherwise be paid to such agency for law enforcement, safety or criminal justice purposes.

### 2.6 Seized property and evidence

While the Sheriff maintained a computerized seized property and evidence log, he failed to periodically back-up information maintained on the system, and the Sheriff indicated all information maintained on the system was lost



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when the computer system failed in November 2011. In addition, manual case files documenting seized property and evidence are not accurate or complete. For example, only one of three items listed in the manual case files reviewed was located in the evidence room, and manual case files could not be located for two of three items reviewed and maintained in the evidence room. Also, the Sheriff's office has not conducted a physical inventory of all seized property and evidence. Further, the Sheriff's office has not implemented procedures to periodically review cases and dispose of related seized property items which date back to the 1980s.

Considering the often sensitive nature of seized property and evidence, adequate internal controls are essential and would significantly reduce the risk of theft or misuse of the stored items. Computerized records are at risk of loss due to equipment failure or other electronic disaster. Backup records should be periodically prepared to provide a means of recreating destroyed master records. Backup records should be stored off-site to provide increased assurance that any lost data can be recreated. Complete and accurate inventory control records should be maintained and periodic physical inventories should be performed and the results compared to the inventory records to ensure seized property and evidence are accounted for properly. In addition, proper disposal of such items would eliminate the significant risks of unauthorized access, use, or theft, and the related potential liability of the county.

Similar conditions  
previously reported

Similar conditions to sections 2.1, 2.2, and 2.6 were noted in our prior audit report.

## Recommendations

The Sheriff:

- 2.1 Segregate accounting duties to the extent possible or ensure adequate supervisory reviews of accounting records are performed and documented.
- 2.2 Investigate and resolve any inaccuracies in the computerized inmate records and perform monthly reconciliations between the computerized list of liabilities and the bank balance. The Sheriff should retain financial records in a secure location, and ensure the collection and return of funds to the inmates are recorded on the inmate's jail record.
- 2.3 Work with the County Commission to adopt a budget for the Federal Forfeiture Fund, make all purchases through the county expenditure process, require adequate supporting documentation be maintained, ensure invoices are paid in a timely manner, and maintain accurate capital asset records.



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- 2.4 Turn all DARE monies over to the County Treasurer, and ensure receipt slips or other records of donations received are maintained.
- 2.5 Ensure UCR and equitable sharing agreements are prepared and submitted as required.
- 2.6 Maintain a complete and accurate seized property and evidence inventory control log, periodically prepare backup records and store them at an off-site location, and perform periodic physical inventories. In addition, the Sheriff should develop procedures to periodically review cases and dispose of related seized property.

## Auditee's Response

*The Sheriff provided the following written responses:*

- 2.1 *It will be put into place a policy in which all records are reviewed by both my secretary and myself. Monies also taken in will be deposited by more than one person.*
- 2.2 *My secretary and I are looking into a policy involving a more accurate way of keeping inmate monies records. I am looking into getting a second person authorized to sign checks to be released to the inmates at the time of their release so no monies are left behind. A policy on monies that are left behind will be put into place to send into the State Treasurer of Missouri as unclaimed funds or monies.*
- 2.3 *I will adopt a budget for the Federal Forfeiture Fund to show all expenditures. The documentation will be maintained at both the courthouse and at the Sheriff's office. If during the year it has to be amended, an amended budget will be added.*
- 2.4 *All monies have been turned over to the County Treasurer on the DARE account.*
- 2.5 *I have received training on the UCR reporting and have been working on getting the reports caught up in a timely manner.*
- 2.6 *I am working on a new policy involving the documenting of evidence and seized property. The computer software we currently have has the ability to show the locations of all seized property and we are looking into purchasing a scanner and label printer or writer.*

*The County Commission provided the following written response:*

- 2.3 *We will formally request the Sheriff to prepare a budget for the Federal Forfeiture Funds. While we do not want the Sheriff to make*



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*this fund's purchases through the county expenditure process, considering the Commissioners have no authority in this area and will wait for the elected State Auditor to take appropriate action when violations are discovered, we will request monthly documentation to account for the expenditures of this fund. We will monitor the Sheriff's expenditures.*

## Auditor's Comment

- 2.3 It is the duty of the County Commission to monitor county budgets and disbursements and question transactions when appropriate. The County Commission should not wait for the State Auditor to identify concerns.

## 3. County Sales Tax

Property tax reductions were not sufficient to offset 50 percent of sales tax monies received by approximately \$655,000 at December 31, 2011, and property tax reduction amounts were not accurately calculated. Additional or increased property tax levy rollbacks will be required in future years to offset this liability.

Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected. Barton County voters enacted a one-half cent sales tax with a provision to reduce property taxes by 50 percent of sales taxes collected. The county is required to estimate the annual property tax levy to meet a 50 percent reduction requirement and in the following year calculate any excess property taxes collected based upon actual sales tax collection. The county is required to certify to the State Auditor's office the annual property tax levy including the amount the levy is required to be reduced for sales tax collections, as well as any voluntary reductions. Property tax levy reductions made by the county were comprised of two components (a sales tax reduction and a voluntary reduction). A significant portion of the county's rollback was classified as a voluntary reduction rather than as a sales tax reduction; however, the voluntary portion of the reduction in property taxes collected cannot be used to satisfy the required sales tax reduction. The following table presents the cumulative liability resulting from the insufficient sales tax reductions.

For Sales Tax Reductions		Year Ended December 31,		
		2011	2010	2009
Required property tax revenue reduction	\$	256,295	253,888	243,001
Actual property tax revenue reduction		92,961	4,908	2,597
Amount not sufficiently reduced		163,334	248,980	240,404
Prior years insufficient reduction		491,774	242,794	2,390
Total insufficient property tax revenue reduction	\$	655,108	491,774	242,794



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For 2008 through 2011, the county certified the tax rate ceiling, sales tax reduction, voluntary reduction, and actual tax levy for the General Revenue Fund as follows:

	2011	2010	2009	2008
Tax rate ceiling	0.0567	0.2062	0.2062	0.2839
Sales tax reduction	0.0567	0.0028	0.0015	0.1351
Voluntary reduction	0.0000	0.1534	0.1547	0.0988
Actual tax levy	0.0000	0.0500	0.0500	0.0500

The County Clerk indicated she placed the decimal incorrectly in her sales tax reduction calculation for the years ended December 31, 2010, and 2009, and reduced the general revenue property tax levy to 5 cents in each of these years through a combination of sales tax and voluntary reductions. In addition, due to Section 137.073.5(4), RSMo, a voluntary reduction taken in a non-reassessment year (even year), results in a reduced tax rate ceiling during the subsequent reassessment year. The General Revenue Fund ceiling was significantly lowered for 2011, limiting the county's ability to correct for insufficient reductions from prior years. After identifying these errors made by the county, the county passed Resolution No. 2012-4 to reinstate the county's tax rate ceiling for 2012.

To ensure property tax levies are properly set and property tax ceilings are maintained, the County Clerk should ensure property tax levies are adequately reduced by 50 percent of sales tax revenue and are accurately reported as such.

## Recommendation

The County Commission and County Clerk adequately reduce property tax levies for 50 percent of sales tax revenue, review and accurately classify the property tax levy reductions, and develop a plan to correct for the accumulation of prior years' insufficient property tax levy reductions.

## Auditee's Response

*The County Commission provided the following written response:*

*The \$655,000 was never collected because of the county's voluntary reduction in the levy. Calculations were adjusted and voluntarily rolled back, but since the forms could not be resubmitted at the time our error was found, the calculation could not be corrected. Actual property tax collections for 2009, 2010, and 2011 were \$103,365, \$104,280 and \$82,726, respectively.*

## Auditor's Comment

Property tax collections were reduced through a combination of sales tax and voluntary reductions. However, voluntary reductions cannot be considered as part of the required sales tax reduction calculation.





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## 4. Law Enforcement Sales Tax Fund

### 4.1 Financial condition

The Law Enforcement Sales Tax (LEST) Fund is in poor financial condition, and neither the county nor the Sheriff solicited bids for some purchases made from the LEST Fund.

Due to a deficit balance in the LEST Fund on December 31, 2008, the County Commission approved a \$88,084 loan from the Special Road and Bridge Fund to the LEST Fund in 2009, with plans for these restricted funds to be repaid as the LEST Fund allowed. However, receipts of the LEST Fund declined during 2010 and 2011, while spending remained fairly constant. As a result, the County Commission subsidized the LEST Fund from the General Revenue Fund to avoid budget deficit conditions in the LEST Fund, and the loan from the Special Road and Bridge Fund has not been repaid. Special Road and Bridge Fund monies are restricted by Section 137.555, RSMo, to be used only for improving and maintaining county roads and bridges.

In addition, LEST Fund invoices totaling \$50,088 due in December 2010, were held and not paid until January 2011, and invoices totaling \$54,422, due in December 2009, were held and not paid until January 2010, because the LEST Fund did not have sufficient funds to pay these bills. In 2012, the County Commission established the Law Enforcement Allocation Fund to better monitor law enforcement expenditures by allocating funds from the Sheriff's Discretionary and LEST Funds to this fund at the beginning of the budget year to ensure monies are reserved and available to pay for health and property insurance, which are due in December of each year.

The County Commission and Sheriff should continue to take steps to improve the financial condition of the LEST Fund and establish a plan to repay the Special Road and Bridge Fund loan. Long-term financial planning, including reducing discretionary spending where possible, evaluating management practices to ensure efficient use of resources, and attempting to maximize receipts from all sources should be performed.

### 4.2 Bidding

Neither the county nor the Sheriff solicited bids for prisoner medical services and meal supplies costing approximately \$57,500 and \$39,000, respectively, during the 2 years ended December 31, 2011, or for a law enforcement vehicle purchased in 2012 costing \$16,500.

Section 50.660, RSMo, provides bidding requirements. Routine use of a competitive procurement process for major purchases ensures the county has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in county business. Documentation of the various proposals received, the county's selection process, and criteria should be retained to demonstrate compliance with applicable laws or regulations and support decisions made.



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A similar condition was noted in our prior audit report.

## Recommendation

The County Commission and Sheriff:

- 4.1 Take action to improve the financial condition of the LEST Fund, develop a plan to repay the Special Road and Bridge Fund, and ensure invoices are paid timely. In addition, the county should refrain from interfund borrowing from restricted funds.
- 4.2 Perform a competitive procurement process for all major purchases and maintain documentation of decisions made.

## Auditee's Response

*The County Commission provided the following written responses:*

- 4.1 *We will work with the Sheriff to implement this recommendation. We anticipate the LEST Fund to repay some funds to the Special Road and Bridge Fund in 2013.*
- 4.2 *We will include major jail purchases in the county's annual bidding process.*

*The Sheriff provided the following written responses:*

- 4.1 *I will be working with the County Commission to work on and resolve this financial issue. I do believe repayment will take a lot of time.*
- 4.2 *I will work with vendors and get bids on any items purchased to show the competitive procurement process.*

## 5. Property Tax System Controls and Procedures

Controls and procedures over the property tax system need improvement. As a result of the significant control weaknesses identified, there is less assurance property tax monies have been accounted for properly.

The county implemented a new property tax system during the tax year ended February 29, 2012, and county officials indicated various problems related to untimely approval of additions and abatements and preparation of the aggregate abstract and annual settlement were due to problems encountered with this implementation.

### 5.1 Computer access

Access to the property tax system was not adequately restricted. Employees of the County Assessor's office have access to make changes to the property tax system after the Board of Equalization has met and approved the property taxes for the year. As a result, there is an increased risk that unsupported or unauthorized changes can be made to the property tax system after property taxes have been approved for the year. In addition, the



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County Collector-Treasurer and her deputy also have access to the property tax system to make changes throughout the tax year. Because the County Collector-Treasurer and her deputy are responsible for collecting tax monies, good internal controls require they not have system access rights to be able to alter or delete tax rates, assessed values, and property tax billings.

To prevent unauthorized changes to the property tax records, access should be limited based on user needs. Unrestricted access can result in the deletion or alteration of data files and programs.

**5.2 Additions and abatelements** A comparison of the initial addition and abatement information prepared by the County Assessor and the actual changes made in the property tax system by the County Assessor and the County Collector-Treasurer and her deputy is not performed.

Additionally, court orders for additions and abatelements made in November 2011 through February 2012, were not reviewed and approved by the County Commission and County Clerk until August 2012, and adequate supporting documentation for some of these additions and abatelements was not retained.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission. If it is not feasible for the County Clerk to make corrections to the tax books, periodic reviews and timely approvals of court orders, along with a comparison of approved additions and abatelements to actual changes made to the property tax system, would help ensure changes are proper.

**5.3 Aggregate abstracts** The back tax aggregate abstract was not prepared until September 18, 2012, for 2011, although the information needed to prepare the aggregate abstract should be available at the beginning of March. Section 137.295, RSMo, provides for the County Clerk to prepare this report and forward it to the Department of Revenue (DOR) and State Tax Commission (STC).

**5.4 Annual settlement** The County Collector-Treasurer's annual settlement for the year ended February 29, 2012, was not prepared and filed until September 4, 2012. Section 139.160, RSMo, requires the County Collector-Treasurer to annually settle with the County Commission the accounts of all monies received from taxes and other sources. To help ensure the validity of tax book charges, collections, and credits, and for the County Clerk and County Commission to properly verify these amounts, it is imperative the County Collector-Treasurer file annual settlements on a timely basis.

Similar condition  
previously reported

A condition similar to section 5.3 was noted in our prior audit report.



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## Recommendations

- 5.1 The County Commission ensure property tax system access is limited to only what is needed for the users to perform their job duties and responsibilities.
- 5.2 The County Clerk and the County Commission should ensure a comparison of approved additions and abatements to actual changes made to the property tax system is performed, review and approve additions and abatements in a timely manner, and ensure supporting documentation is maintained to support the changes made.
- 5.3 The County Clerk prepare and file back tax aggregate abstracts with the DOR and STC in a timely manner.
- 5.4 The County Collector-Treasurer file annual settlements in a timely manner.

## Auditee's Response

*The County Clerk and the County Commission provided the following written responses:*

- 5.1 *Access to the property tax system will be reviewed and any needed restrictions will be considered for implementation if feasible, as of April 1, 2013.*
- 5.2 *We will attempt to implement this in the next tax year.*
- 5.3 *This will be implemented.*

*The County Collector-Treasurer provided the following written response:*

- 5.4 *Of course I acknowledge the importance of preparing my annual settlement as soon as possible following the end of February. It is my goal to do so each year. I always come within a very small dollar amount of balancing the receipts with the expenditures almost immediately. The problem arises in my attempts to find the reason for the difference. Obviously, there is a flaw in my record keeping. We have initiated an excel program which should solve the problem. I will make it a priority to submit the annual settlement as required by Missouri Statute.*

## 6. Payroll and Related Matters

Controls and procedures over payroll disbursements and other related matters need improvement.

### 6.1 Employment classification

The county did not document reasons for classifying some workers as independent contractors instead of as county employees. In addition, the county failed to withhold and report payroll and income taxes on payments



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to these workers. These payments were reported to the Internal Revenue Service (IRS) on 1099 forms. Payments to independent contractors totaled \$30,212 during the year ended December 31, 2011, and \$22,556 during the year ended December 31, 2010.

The county considers some individuals hired by the Sheriff's office and Public Administrator's office, and for maintenance purposes to be independent contractors; however, these individuals are supervised and trained by county personnel, submit timesheets, and utilize county owned equipment to perform their duties, so it appears these individuals should be considered county employees. Additionally, the independent contractors hired by the Sheriff's office performed the same duties as other Sheriff's office employees, and some Sheriff's office independent contractors were originally paid as employees and later as contractors when no significant changes were made to job duties and responsibilities. Written contracts were also not entered into with some of these independent contractors. Further, the County Commission indicated some new hires are allowed to choose their own compensation method (employee versus independent contractor).

Section 105.300, RSMo, defines an elected or appointed officer or employee of a political subdivision as an employee for Social Security and Medicare tax purposes. For employees, the IRS requires employers to report employee compensation on W-2 forms and withhold and remit income and payroll taxes. Similarly, Chapter 143, RSMo, includes requirements for reporting wages and withholding state income taxes. State and federal laws require employers to pay the employer's share of Social Security and Medicare on the compensation paid to employees. Proper classification of employees is necessary to ensure compliance with various state and federal laws and regulations. The failure to withhold and properly report payroll and income taxes for county employees makes the county potentially subject to additional tax liabilities along with penalties and interest.

## 6.2 Overtime grants and compensatory time

The county did not properly handle overtime related to grant activities, and the county is not compensating law enforcement personnel in accordance with county policy.

- The Sheriff's office received several grants in 2010 to fund overtime incurred to enforce highway safety. Time worked related to these grant activities was not recorded on deputies' timesheets and deputies were compensated at their overtime rate (time and a half), without considering overall hours worked (regular and grant duties). We noted instances where combined hours did not exceed 171 hours in a 28 day period, and therefore, overtime was not due. In addition, these payments were not processed through the county's payroll system and reported on the deputies' W-2 forms, and payroll deductions were not withheld from the payments.



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- The county did not compensate law enforcement personnel in accordance with county policy. The county's current personnel policy provides for law enforcement personnel to accrue compensatory leave at time and a half for any time worked over 171 hours during a 28 consecutive day period; however, the county provided compensatory time at time and a half to law enforcement personnel, who worked more than 40 hours per week. While the County Commission indicated they approved this change, the county's written policy was not updated.

The Internal Revenue Code generally indicates individuals treated as employees should have all compensation reported on W-2 forms. In addition, to ensure compliance with the Fair Labor Standards Act of 1938 (FLSA) and ensure propriety of payments made, time worked should be properly recorded on the monthly timesheets and paid through the regular county payroll process. To ensure employees are treated equitably and are properly compensated, strict compliance with personnel policies is necessary, and the personnel policy should be updated to reflect any changes in the accrual of compensatory time.

### 6.3 Timesheets and payroll forms

Timesheets and payroll forms were not always properly signed and timesheets were not prepared and submitted to the County Commission by the Emergency Management (EM) Director.

Timesheets prepared by employees and independent contractors of the Sheriff's office were not always signed by the employee/independent contractor and the Sheriff. In addition, new hire/change of position/termination forms, which document employment dates, rate of pay, and how the employee is going to be paid (through payroll or as an independent contractor), were not always signed by the employee/independent contractor and the Sheriff. Sometimes, the Sheriff allowed his bookkeeper to sign his name to timesheets and payroll forms.

Further, while the EM Director has a written contract with the county to serve as EM Director and be paid \$9,600 annually, he does not prepare and submit a timesheet or other records documenting work performed.

Timesheets and payroll forms should be reviewed and signed by the employee and the employee's supervisor to indicate their agreement to the actual time reported each month. To ensure the legitimacy of contract payments, the County Commission should require a timesheet or other records of work performed be prepared and submitted by the EM Director.

Similar conditions  
previously reported

Similar conditions to sections 6.2 and 6.3 were noted in our prior audit report.



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## Recommendations

### The County Commission:

- 6.1 Ensure all persons hired are properly classified as employees or independent contractors in compliance with state and federal laws and regulations, and all compensation paid is subject to income and payroll taxes and properly reported.
- 6.2 Ensure all time worked is recorded on the employee timesheets, and overtime is paid in compliance with county policy and the FLSA. In addition, the County Commission and Sheriff should ensure all salary payments and wages are subject to payroll withholdings and reported on W-2 forms. Prior years' W-2 forms should be amended if applicable. Also, the County Commission should ensure compliance with the county's personnel policies, and revise the county personnel policy to reflect changes in the accrual of compensatory time.
- 6.3 Ensure time sheets and payroll forms are signed by the employee and the employee's supervisor. Additionally, the County Commission should ensure the EM Director prepares and submits a timesheet or other documentation of worked performed.

## Auditee's Response

### *The County Commission provided the following written responses:*

- 6.1 *Payroll procedures will be reviewed. All wages paid to persons performing duties for the county are accounted for through the issue of a W-2 or 1099.*
- 6.2 *We have elected to not include grant wages through the county's payroll system; however, we will review overtime eligibility when payments are made. We will update our personnel policies as needed.*
- 6.3 *We will request the Sheriff to ensure employee and supervisor signatures are included on all timesheets. We will request the Emergency Management Director to submit a timesheet on a monthly basis.*

### *The Sheriff provided the following written responses:*

- 6.2 *I will work with the County Commission on getting each and every employee subjected to payroll and withholdings.*
- 6.3 *I will not allow other employees to sign my name. I will designate others to be able to sign off on the time sheets or other reports that need to be signed off on.*



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## 7. County Procedures

Weaknesses were noted in the controls and procedures over disbursements, the Sheriff Revolving Fund was not established as required by state law, and the County Commission significantly overestimated disbursements of several county funds.

### 7.1 Performance bonds

The county did not require general contractors to furnish performance bonds on four construction projects completed during 2011 and 2010. The cost of the four construction projects totaled over \$204,000, and the cost for each project exceeded \$25,000. Section 107.170, RSMo, requires all public entities to obtain a performance bond for public works contracts with costs estimated to exceed \$25,000. Performance bonds provide assurance for proper completion of such projects and relieve the county from any potential liability to subcontractors upon default by the general contractor.

### 7.2 Fuel procedures

Controls and procedures over fuel use and purchases need improvement. According to accounting records, the county purchased fuel for the road and bridge department costing \$47,000 and the Sheriff's office costing \$82,000 during the 2 years ended December 31, 2011.

The road and bridge department and the Sheriff's office purchase unleaded fuel at local fuel stations. The road and bridge department also purchases bulk diesel fuel from a local vendor. The county has a bulk diesel fuel tank located at the road and bridge department building and a mobile tank in the back of a road and bridge department truck, which is used to haul fuel from the road and bridge department building to equipment.

- Bulk and mobile tank fuel use logs are not maintained by the road and bridge department, and as a result, fuel use is not reconciled to fuel purchases. In addition, while road and bridge department employees document the odometer reading on vehicles and the number of gallons purchased at the time unleaded fuel is purchased and this information is submitted to the road and bridge department secretary periodically, fuel use is not reconciled to fuel purchases.
- While daily mileage records are maintained by the Sheriff's office employees, fuel use is not reconciled to fuel purchases. In addition, our review of the August 2012 fuel bill totaling \$4,263, identified 19 fuel card invoices totaling \$1,304 could not be located.

Procedures for reviewing fuel use and reconciling use to purchases are necessary to ensure the reasonableness and propriety of fuel use and disbursements. In addition, fuel use logs are necessary to document the appropriate use of equipment and vehicles to support fuel charges. Further, all disbursements should be supported by a vendor invoice to ensure the obligation was actually incurred. Failure to account for fuel purchases could result in theft and misuse going undetected.





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### 7.3 Written contracts

The county did not always enter into written contracts defining services provided and benefits received.

- The county did not enter into a written contract for economic development funding provided to the Barton County Community Development Corporation totaling \$50,000 during the 2 years ended December 31, 2011.
- The county did not enter into a written contract with Jasper County regarding the rate to be charged for housing Jasper County prisoners in the Barton County jail. While several bills have been sent for payment, as of September 2012, over \$7,000 in prisoner board billings incurred during the 2 years ended December 31, 2011, is due from Jasper County.
- The county did not enter into a written contract with the Barton County Ambulance District for dispatching services provided.

Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

### 7.4 Sheriff Revolving Fund

The Sheriff Revolving Fund was not established as required by state law, and the fees collected for processing concealed weapon permit applications or renewals were disbursed to the LEST Fund, which is held by the County Collector-Treasurer. By not separately tracking concealed weapon permit fees collected and disbursed, the county cannot determine what portion of the LEST Fund represents restricted concealed weapon monies or demonstrate compliance with statutorily allowed uses. The Sheriff's office collected approximately \$5,400 for concealed weapon permit applications during the 2 years ended December 31, 2011. Section 571.101, RSMo, authorizes the Sheriff to charge non-refundable fees for processing a first time application and a renewal for a concealed weapon permit which shall be paid to the county treasury to the credit of the Sheriff Revolving Fund. Section 50.535.2, RSMo, restricts the use of these funds for the purchase of equipment, to provide training, and to make necessary expenditures to process applications for concealed carry endorsements or renewals.

### 7.5 Budgets

County budget preparation procedures do not ensure the budget documents of some county funds reasonably reflect the anticipated financial activity and cash balances, and reduce the effectiveness of the budget as a tool for monitoring or controlling disbursements. As noted in the table below, the County Commission significantly overestimated disbursements for various funds, and as a result the actual ending cash balances were much higher than the projected ending cash balances at December 31, 2011.



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Management Advisory Report - State Auditor's Findings

The County Commission also overestimated disbursements in these funds in 2012 and 2010. Additionally, some disbursement categories that were significantly overestimated each year such as capital improvements in the General Revenue Fund, construction projects in the Special Road and Bridge Fund, and training and computer/software upgrades in the Emergency 911 Fund, would require formal planning and bidding, and no evidence of any formal plans or bids for these significant projects was documented by the county.

		General Revenue Fund	Special Road and Bridge Fund	Emergency 911 Fund
Budgeted disbursements	\$	1,729,789	1,397,010	582,350
Actual disbursements		1,143,129	611,364	105,447
Budgeted over actual disbursements	\$	586,660	785,646	476,903
Projected ending cash balance	\$	5,444	8,961	1,014
Actual ending cash balance		587,102	786,519	494,071
Actual over projected ending cash balance	\$	581,658	777,558	493,057

Realistic projections of the county's uses of funds are essential for the efficient management of finances and for communicating accurate financial data to county residents. Significantly overestimating anticipated disbursements is misleading to the public and prevents an accurate estimate of the county's financial condition.

Similar conditions  
previously reported

Similar conditions to sections 7.2 and 7.3 were noted in our prior audit report.

## Recommendations

The County Commission:

- 7.1 Ensure performance bonds are obtained for construction projects as required by state law.
- 7.2 Require fuel use logs be maintained, and ensure these logs are reviewed for accuracy and reconciled to fuel purchases. Any significant discrepancies should be investigated. In addition, the County Commission should require supporting documentation for all fuel purchases be maintained.
- 7.3 Enter into written contracts defining services provided and benefits received and continue to pursue collection of amounts due.



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- 7.4 Require the County Collector-Treasurer to establish the Sheriff Revolving Fund to ensure monies are only expended as allowed by state law.
- 7.5 Ensure budgets provide reasonable estimates of anticipated disbursements and ending cash balances.

## Auditee's Response

*The County Commission provided the following written responses:*

- 7.1 *Payments to contractors are made only upon the completion and inspection of each project, but we will review the requirements of the law and will consider requiring a performance bond.*
- 7.2 *We will make every attempt to implement a reconciliation process by purchasing and installing a meter on our pump to track fuel used in a log book. We have also discussed the requirement of submitting documentation for fuel purchases monthly with the Sheriff and his deputies.*
- 7.3 *We will put these agreements in writing. The County Commission will continue to recommend that the Sheriff enter into written contracts with surrounding county Sheriff's and send additional notices in an attempt to collect amounts past due.*
- 7.4 *A Sheriff's Revolving Fund has been established.*
- 7.5 *We will review our current budgeting procedures and consider more reasonable estimates of the county's budget.*

*The Sheriff provided the following response:*

- 7.3 *I will get a written agreement defining services provided by other Sheriff's offices in regards to the holding and care of inmates. This will aid in the collection of amounts due to the county.*

*The County Collector-Treasurer provided the following written response:*

- 7.4 *I have established a Sheriff's Revolving Fund and am transferring the misdirected funds to that account.*

## 8. Prosecuting Attorney Controls and Procedures

Duties are not adequately segregated, and receipting and depositing procedures need improvement. The Prosecuting Attorney's office collected bad check restitution and fees and court-ordered restitution totaling approximately \$23,000 and \$39,000 during the years ended December 31, 2011 and 2010, respectively.



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Management Advisory Report - State Auditor's Findings

## 8.1 Segregation of duties

The duties of receiving, recording, depositing, disbursing monies, and reconciling the Prosecuting Attorney's bank account are not adequately segregated. The office manager performs all of these duties. While the Prosecuting Attorney indicated he reviewed monthly bank reconciliations, his review was not always documented, and he indicated he does not reconcile receipt slips issued to deposits.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Prosecuting Attorney should implement a documented independent or supervisory review to ensure the bank records are in agreement with the accounting records.

## 8.2 Receipting and depositing procedures

Receipt slips are not issued for some monies received, and monies received are not always deposited intact and in a timely manner. For example, a receipt slip was not issued for two money orders dated February 16, 2010, totaling \$1,328, that were deposited into the Prosecuting Attorney's trust bank account on February 18, 2010. Additionally, a deposit on June 4, 2012, included receipt slip number 45585 issued on May 29, 2012, while receipt slip numbers 45586 and 45587 were issued and deposited on June 1, 2012. In another example, a \$60 money order received on June 12, 2012, was held and not deposited until July 17, 2012. In addition, the original copies of voided receipt slips are not always maintained.

Failure to implement adequate receipting and depositing procedures increases the risk that loss or misuse of monies received and errors will go undetected.

A similar condition was noted in our prior audit report.

## Recommendations

The Prosecuting Attorney:

- 8.1 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.
- 8.2 Require receipt slips be issued for all monies received, ensure original copies of voided receipt slips are retained, and deposit all monies received intact and in a timely manner.

## Auditee's Response

*The Prosecuting Attorney provided the following written responses:*

- 8.1 *I will try and review and document monthly reconciliations.*



Barton County  
Management Advisory Report - State Auditor's Findings

8.2 *My office will try to ensure receipt slips are issued for all monies, voided receipt slips are retained, and monies are deposited intact and in a timely manner.*

## 9. Public Administrator Fees

The Public Administrator charged some wards \$360 in annual fees in advance of services being performed without the Associate Circuit Judge's approval. For example, on April 4, 2012, the Public Administrator charged a ward \$360 in annual fees for the time period May 2012 to April 2013; however, the ward passed away in May 2012. In another example, on May 12, 2011, the Public Administrator charged a ward \$360 in annual fees for the time period May 2011 to June 2012; however in June 2012, the Public Administrator failed to reduce her billing for additional fees to the ward for the \$360 already charged and collected. In addition, the Probate Division has not established procedures to review the accuracy of fees paid to the Public Administrator. The Associate Circuit Judge has approved the Public Administrator to charge a \$30 monthly fee on all estates to perform routine monthly record keeping, and an additional fee of \$45 per hour can be charged for any services performed in addition to normal monthly record keeping.

To ensure fees are paid correctly, the Public Administrator should charge fees in accordance with the fee schedule approved by the Associate Circuit Judge and after the services are performed. Failure to adequately review fees paid to the Public Administrator by the Probate Division increases the risk that errors or misuse of funds could go undetected.

A similar condition was noted in our prior audit report.

## Recommendation

The Public Administrator should discontinue the practice of charging fees in advance, and the Associate Circuit Judge should ensure the Probate Division has established procedures to review the accuracy of fees paid to the Public Administrator.

## Auditee's Response

*The Public Administrator provided the following written response:*

*For clarification, fees since January 2009 are paid to the County of Barton based on the time expended by the Public Administrator's office unlike your previous audit when fees had not been collected in a timely manner and were payable to the Public Administrator as a fee-based office. Those cases mentioned were not collected to prevent a hardship to the protectees.*

*In your first case noted, my authority ends upon the death of a ward/protectee thus not allowing the credit of pre-paid fees to be taken until a later petition in the decedent estate. The court authorized this credit filed on the final petition on August 1, 2012.*



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Barton County  
Management Advisory Report - State Auditor's Findings

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*The second case noted was indeed an error that occurred and noted by your office before our check-and-balance caught the error. It was corrected immediately.*

*Discontinuing the practice of collecting the county's fees in advance when the annual income is available following receipt of the Missouri property tax credit tax refunds would likely cause the inability to collect the fees at a later date due to funds becoming depleted. After conference with the Associate Circuit Judge, the Court's order allowing the \$30 monthly assessment will be amended to include payment in advance and/or when funds are available. Our office will continue to track and account for the fees and allow for any credit that might be due the ward/protectee.*

*The Associate Circuit Judge indicated he reviewed and approved the Public Administrator's response and did not feel he needed to provide an additional response.*

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# Barton County

## Organization and Statistical Information

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Barton County is a township-organized, third-class county. The county seat is Lamar.

Barton County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 23 full-time employees and 18 part-time employees on December 31, 2011. The townships maintain county roads.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2012	2011
Mike Davis, Presiding Commissioner	\$	29,060
Dennis Wilson, Associate Commissioner		27,060
Bonda Rawlings, Associate Commissioner		27,060
Kathleen Dimond, Recorder of Deeds		41,000
Kristina Crockett, County Clerk		41,000
Steven H. Kaderly, Prosecuting Attorney		49,000
Mitchell (Mitch) Shaw, Sheriff		45,000
C. Tucker Joustra, County Coroner		13,000
Teresa E. Moore, Public Administrator		41,000
Frances Cato, County Collector-Treasurer, year ended March 31,	41,000	
Ivan Frieden, County Assessor, year ended August 31,		41,000

### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

According to county personnel, the county was awarded the following American Recovery and Reinvestment Act of 2009 funding during the 2 years ended December 31, 2011.

A \$10,563 Recovery Act: Edward Byrne Memorial Justice Assistance Grant was awarded by the U.S. Department of Justice for purchasing law enforcement equipment for the Sheriff's office. During the 2 years ended December 31, 2011, \$10,563 was received and expended by the Sheriff's office related to this grant.



## Barton County Organization and Statistical Information

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A Homeless Prevention and Rapid Re-Housing Program Grant was awarded by the U.S. Department of Housing and Urban Development to the Missouri Department of Social Services and \$41,500 was passed through to Barton County. The county spent \$41,500 during the 2 years ended December 31, 2011, on this program which provides homelessness prevention assistance to households that would have otherwise become homeless and rapid re-housing assistance to persons who were homeless.





**Thomas A. Schweich**  
Missouri State Auditor

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## Fortieth Judicial Circuit

### City of Pineville Municipal Division

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February 2013  
Report No. 2013-14



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# CITIZENS SUMMARY

## Findings in the audit of the Fortieth Judicial Circuit, City of Pineville Municipal Division

Background	On June 7, 2012, the Office of the State Auditor received substantial, credible evidence from the McDonald County Prosecuting Attorney alleging missing monies at the City of Pineville Municipal Division. Because of the severity of the allegations, the State Auditor activated the Auditor's Swift Assessment Program to gather evidence and ensure its preservation.
Missing Monies	Between June 2010 and May 2012, cash receipts totaling at least \$19,648 were received but not deposited. In addition, some essential records documenting amounts received and case and ticket dispositions could not be located. These problems along with correspondence with several defendants indicated additional funds totaling at least \$1,648 could also be missing.
Accounting Controls and Procedures	Money handling duties were not adequately segregated from recording transactions, and there was no independent supervisory review of the former Court Clerk's work. There was no independent review to ensure manual receipt slips were properly entered in the Justice Information System (JIS) and subsequently deposited, receipts were not recorded timely or deposited timely and intact, and manual receipt slips were not always issued in numerical sequence. The method of payment was not always recorded on manual receipts slips and did not always match the JIS. Receipt slips were not issued for 52 checks and money orders totaling \$11,006 on hand on June 7, 2012, although dates on these items ranged from December 2005 to May 2012. The former Court Clerk did not always issue warrants in accordance with the Municipal Judge's procedures and did not generate a list of unpaid fines and costs for the Judge's review. The former Court Clerk adjusted the amount of fines and costs in the JIS without obtaining independent approval, and some adjustments were not adequately documented. A monthly list of all cases heard was not prepared and filed with the city, as required by state law.
Municipal Division Procedures	Neither the city Marshal's office nor the municipal division adequately accounted for the numerical sequence and ultimate disposition of traffic tickets issued, and some tickets issued were not recorded in the JIS. Procedures were not in place to ensure ticket information entered in the JIS was always approved by the City Prosecutor. Audit staff identified 48 instances in which ticket information entered in the JIS by the former Court Clerk did not agree with the information in the defendant's case file or with the City Prosecutor's list of amended and dismissed tickets. The former Court Clerk did not consistently or accurately document the final disposition of each case on the court dockets in the JIS, and the Municipal Judge did not review and document his approval of some court dockets. The municipal division and the city do not have adequate ongoing procedures to track tickets issued on state or federal highways located in the city, and the related fines and court costs collected, to determine whether excess revenues should be remitted to the state in accordance with state law.

In the areas audited, the overall performance of this entity was **Poor**.\*

American Recovery and  
Reinvestment Act  
(Federal Stimulus)

The Fortieth Judicial Circuit, City of Pineville Municipal Division did not receive any federal stimulus monies during the audited time period.

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Fortieth Judicial Circuit

## City of Pineville Municipal Division

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Presiding Judge  
Fortieth Judicial Circuit  
and  
Municipal Judge  
and  
Honorable Mayor  
and  
Members of the Board of Aldermen  
City of Pineville, Missouri

We have audited certain operations of the City of Pineville Municipal Division of the Fortieth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. A request for an audit was received from the Presiding Circuit Judge after city officials provided credible evidence of missing municipal division monies. The State Auditor evaluated the information provided and determined the concerns met the criteria for activating the Auditor's Swift Assessment Program. The scope of our audit included, but was not necessarily limited to, the 6 months ended June 30, 2012, and the 2 years ended December 31, 2011. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's compliance with certain legal provisions.
3. Determine the extent of monies missing from the municipal division.
4. Evaluate the city's compliance with Section 302.341.2, RSMo, which restricts the amount of fines and court costs that may be retained by municipalities from traffic violations occurring on state and federal highways.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) missing monies totaling at least \$19,648, and (4) no instances of noncompliance with Section 302.341.2, RSMo. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Pineville Municipal Division of the Fortieth Judicial Circuit.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Pamela Allison Tillery, CPA
In-Charge Auditor:	Natalie B. McNish, CGAP

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# Fortieth Judicial Circuit

## City of Pineville Municipal Division

### Introduction

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#### **Background**

On June 7, 2012, the Office of the State Auditor received substantial, credible evidence from the McDonald County Prosecuting Attorney alleging missing monies at the City of Pineville Municipal Division. As a result, the State Auditor immediately activated the Auditor's Swift Assessment Program (ASAP).<sup>1</sup>

On June 7, 2012, the State Auditor's office met with the Presiding Circuit Judge, McDonald County Prosecuting Attorney, and City Prosecuting Attorney. At this time, the Presiding Circuit Judge formally requested an audit of the municipal division. After this meeting, auditors conducted interviews with the City Clerk and Mayor; gathered and secured municipal division records including manual receipt books and printed reports from the Justice Information System (JIS), the Missouri Courts automated case management system; and documented a cash count of 52 checks on hand dated between December 15, 2005, and May 24, 2012, totaling \$11,006.

According to the City Clerk, the former Court Clerk was hired by the city on May 3, 2010, to serve in the position of Court Clerk and Water Clerk. In November 2011, the duties of Water Clerk were reassigned to another city employee. On June 1, 2012, the former Court Clerk was terminated for reasons not related to the suspected missing monies. On June 4, 2012, the City Clerk, began preparing for a June 19, 2012, court session, and found case files in disarray, undeposited checks payable to the municipal division dated months prior, and instances where tickets had never been entered into the JIS. On June 5, 2012, the City Clerk identified monies receipted using manual receipt slips which did not appear to be recorded in the JIS or deposited. After further review of municipal division records, city officials contacted the McDonald County Prosecuting Attorney.

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<sup>1</sup> The State Auditor activates the ASAP when there is substantial, credible evidence to believe there is:

- (1) Fraud, violations of state or federal law, rule or regulation, or significant misappropriation, mismanagement, or waste of public resources; or
- (2) Significant risk of loss of confidence of the people in their government due to fiscal abuse or mismanagement; and
- (3) The need for immediate action to preserve relevant evidence and/or prevent continued harm.

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# Fortieth Judicial Circuit

## City of Pineville Municipal Division

### Management Advisory Report - State Auditor's Findings

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#### **1. Missing Monies**

Between June 2010 and May 2012 municipal division cash receipts totaling at least \$19,648 were received but not deposited. In addition, some essential records documenting amounts received and case and ticket dispositions could not be located by the municipal division. These problems with records, along with correspondence with various defendants, indicate additional funds totaling at least \$1,648 could also be missing. See the Supporting Documentation for Missing Cash Receipts section at the end of this report for details regarding undeposited cash receipts and possible additional missing monies. The former Court Clerk was primarily responsible for receipting, recording, and depositing all monies received by the municipal division; however, in her absence, other city employees would issue manual receipt slips for monies received and hold those monies for recording and depositing by the former Court Clerk upon her return.

#### Undeposited cash receipts

Cash receipts totaling \$19,142 recorded on 104 manual receipt slips issued by various personnel of the city and the former Court Clerk for fines and court costs were not recorded in the Justice Information System (JIS), the Missouri Courts automated case management system, or deposited.

In addition to this amount, the former Court Clerk issued 6 manual receipt slips totaling \$2,118; however, only \$1,612 of this amount was recorded in the JIS and deposited. The remaining \$506 was not deposited and is missing.

#### Possible additional missing monies

A review of available court records showed the handling of various tickets was contrary to established court procedure, records were incomplete, and case activity was unusual. Defendants of these cases were sent confirmation letters requesting case information and documentation of any payments made. The resulting oral and written correspondence with various defendants identified cash payments totaling at least \$1,648 in fines and costs which may have been made, but were not receipted using manual receipt slips, recorded in the JIS, or deposited.

- A defendant indicated a \$182 cash payment was made in January 2011; however, our audit work indicated the related ticket was not recorded by the former Court Clerk in the JIS and the monies were not deposited. A photocopy of the ticket was located in court records and was stamped paid. The stamp used was also utilized by the city to record water payments received. The stamp indicates the method of payment (cash or check), "PAID", the date of payment, and the "City of Pineville". The former Court Clerk was also responsible for the collection of water payments during this time period.

We identified a photocopy of a different ticket was also stamped "PAID" using this same stamp. The stamp showed a received date of January 2010; however, the ticket was issued in December 2010, with a court date in January 2011. This payment was not recorded by the





Fortieth Judicial Circuit  
City of Pineville Municipal Division  
Management Advisory Report - State Auditor's Findings

former Court Clerk in the JIS. The fine and court cost schedule indicated \$140 was due for the related offense; however, we were unable to contact the defendant to confirm if payment was made or trace these monies to a deposit.

- A defendant indicated a \$140 cash payment was made in December 2010, but no receipt slip was provided to the defendant by the municipal division. Our review of manual receipt slips indicated manual receipt number 7869 was issued by the former Court Clerk on December 14, 2010, to this defendant for \$140; however, the word "void" was written in blue ink on the duplicate copy of the manual receipt, the original copy of the manual receipt slip was not retained, and the receipt was not recorded in the JIS or deposited.

Additionally, during our review of other manual receipt slips, another manual receipt slip was "voided" in this same manner. Receipt number 7766 was issued by the former Court Clerk on September 10, 2010, to a defendant for \$182 cash, and the duplicate copy of the manual receipt slip had been marked void in blue ink. This receipt was also not recorded in the JIS or deposited. However, we were unable to contact the defendant to confirm whether payment was made.

- Two other defendants indicated cash payments totaling \$304 were made on tickets dated April 22, 2011, and August 17, 2010; however, the defendants could not provide any documentation of payment. The ticket dated April 22, 2011, was not recorded in the JIS and the ticket dated August 17, 2010, was suspended in the JIS in May 2011 by canceling future court activity. When case activity is suspended, the case no longer appears on the docket.
- Another defendant indicated a \$700 cash payment was made on April 19, 2011, the same date the JIS indicates the related case activity was suspended. The defendant (an out of state resident) also provided documentation showing \$700 in cash was withdrawn from personal bank accounts at a bank branch in the City of Pineville on April 19, 2011; however, the defendant was unable to provide a paid receipt. This payment was to be applied to fines and costs due for three separate tickets issued to the defendant.

The lack of segregation of duties, inadequate controls, and the absence of proper oversight, as discussed in the remainder of this report, resulted in the failure to detect missing monies on a timely basis.

## Recommendation

The City of Pineville Municipal Division work with law enforcement officials regarding any possible criminal prosecution related to the missing funds, including restitution. In addition, an attempt should be made to locate



Fortieth Judicial Circuit  
City of Pineville Municipal Division  
Management Advisory Report - State Auditor's Findings

or recover the missing court records and documents to determine whether additional monies are missing.

## Auditee's Response

*The City of Pineville Municipal Judge provided the following written response:*

*I can assure you that all parties involved with the City of Pineville through my position, the clerk, the mayor's office, and the law enforcement within the city will cooperate fully with any investigation with the prosecutor's office for criminal proceedings, and we will provide any assistance, testimony, or input required by the prosecutor's office or the state to bring this matter to a rightful conclusion.*

## 2. Accounting Controls and Procedures

Significant weaknesses were identified with accounting controls and procedures of the municipal division. According to the JIS, fines and costs collected during the 6 months ended June 30, 2012, and the years ended December 31, 2011, and 2010, were approximately \$112,000, \$308,000, and \$312,000, respectively.

### 2.1 Segregation of duties

The duties of receiving and depositing monies were not adequately segregated from recording transactions. The former Court Clerk was primarily responsible for all duties related to the collection of monies, posting fines and court costs received into the JIS, and deposit preparation. Neither the Municipal Judge nor other city officials independent of the cash custody and record keeping functions provided any supervision or review of the work performed by the former Court Clerk.

To reduce the risk of possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, a documented independent review of work performed by the Court Clerk is necessary.

### 2.2 Receipting, recording, and depositing procedures

Receipting, recording, and depositing procedures were inadequate. Manual receipt slips were often issued for monies paid to the court; however, no formal written policy has been established documenting when the use of manual receipt slips is appropriate and a separate receipt book was not maintained for municipal division monies received. The city located five receipt books, originally containing 1,255 receipt slips. We determined 455 of these manual receipt slips related to municipal division activity. The remainder were issued for city receipts, some were not used at all, and both copies of some were torn from the book leaving no documentation of their use. The manual receipt slips used for municipal division activity were dated between February 16, 2010 and June 28, 2012.



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City of Pineville Municipal Division  
Management Advisory Report - State Auditor's Findings

Fines and court costs were usually collected, recorded in the JIS, and deposited into the municipal division bank account by the former Court Clerk. The former Court Clerk often used manual receipt slips to initially record collections. When the former Court Clerk was not available, fines and court costs were collected by city personnel including the City Clerk and Deputy Clerk, who wrote manual receipt slips and transmitted the monies to the former Court Clerk for recording in the JIS and deposit.

- There was no independent review to ensure manual receipt slips were properly recorded in the JIS and subsequently deposited. At least 110 manual receipt slips totaling \$19,648 were either not recorded or were not accurately recorded in the JIS and deposited. Had a review been performed, the missing monies may have been detected.
- Manual receipt slips were not recorded in the JIS on a timely basis or deposited timely or intact. Of the 455 manual receipt slips reviewed, only 345 had date of receipt documented; of which, 65 (19 percent) were not recorded in the JIS for 2 or more days. In addition, while the average time between receipt and recording was 4 days, and receipt and deposit was 5 days, we noted examples where timeframes for processing and depositing monies far exceeded these averages. For example, one manual receipt slip issued for cash on October 10, 2010, was not recorded in the JIS and deposited until February 15, 2011, 137 days later. In another example, a manual receipt slip issued for cash on June 21, 2011, was not recorded in the JIS and deposited until August 16, 2011, 56 days later.
- Generic rediform manual receipt slips, instead of official receipt slips, were issued for monies received, manual receipt slips were not always issued in numerical sequence, and the same series of manual receipt slips were used to receipt both municipal division and city monies. For example, receipt number 265584 was issued on August 2, 2011, for city monies and receipt number 265585 was issued on May 12, 2011, for municipal division monies.
- The method of payment was not recorded on 70 of the 455 manual receipt slips reviewed, and the method of payment recorded on manual receipt slips did not agree to the method of payment recorded in the JIS for 8 of the 455 receipt slips reviewed. In addition, the payee was not always documented on manual receipt slips; the duplicate copy of some manual receipt slips had been altered to change the amount paid, date paid, method of payment, and payor; and some duplicate copies were not readable.
- Receipt slips were not accounted for properly. In addition to the 455 manual receipt slips reviewed, we noted both copies of 60 manual receipt slips were torn from the receipt books and not retained. Of the



Fortieth Judicial Circuit  
City of Pineville Municipal Division  
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455 manual receipt slips reviewed, the top copy of 8 blank manual receipt slips were torn from the receipt books and not retained, and the top copy of 10 voided manual receipt slips were torn from the receipt books and not retained. Also, manual receipt slips issued prior to February 16, 2010, could not be located by the municipal division, and the numerical sequence of the JIS receipt slips issued was not accounted for properly.

- Neither manual nor JIS receipt slips had been issued for 52 checks and money orders totaling \$11,006 on hand during a cash count conducted on June 7, 2012. In addition, the checks and money orders were dated between December 15, 2005, and May 24, 2012, and had not been restrictively endorsed.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, procedures should be established to account for all monies received. The use of manual receipt slips should be limited; however, when their use is necessary, official, prenumbered manual receipt slips should be utilized and processes implemented to account for the numerical sequence and proper and timely recording in the JIS.

## 2.3 Unpaid fines and costs

The Municipal Judge indicated procedures for processing and collecting monies due on tickets were established and orally communicated to the former Court Clerk. However, described procedures were not followed by the former Court Clerk. According to the Municipal Judge, if a defendant is a Missouri resident and meets the Judge's criteria for living locally (based upon the distance between the address of a defendant and the City of Pineville) but has failed to pay amounts due or appear in court, he orders a warrant be issued. However, a warrant had not been issued for 11 of 13 Missouri residents who met this criteria and had failed to pay amounts due or appear in court. These 11 cases were suspended by the former Court Clerk in the JIS (see MAR finding number 3).

In addition, while a list of unpaid fines and costs is maintained in the JIS, the former Court Clerk did not generate this report for the Municipal Judge's review. At our request, the Office of State Courts Administrator (OSCA) provided a report of unpaid fines and costs which totaled \$54,550 as of July 25, 2012.

To ensure proper and timely follow-up action is taken on unpaid fines and costs, the municipal division should establish procedures and confirm procedures are followed. This helps maximize municipal division collections and provides equitable treatment for those citizens who are paying fines and court costs when due.



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## 2.4 Adjustments

Adjustments in the JIS were not properly documented or reviewed by someone independent of receipting, recording and depositing duties. The former Court Clerk adjusted the amount of fines and costs due in the JIS without obtaining independent approval, and adequate documentation of such adjustments was not retained. Some of the missing monies identified in MAR finding number 1 were concealed by adjustments made in the JIS. To reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance adjustments are accounted for properly. Adjustments should be supported by adequate documentation and reviewed and approved by someone independent of cash custody and record keeping functions to ensure such adjustments are appropriate.

## 2.5 Report of cases heard

A monthly list of all cases heard was not prepared and filed with the city. Without such a report, the city cannot effectively monitor municipal division activity and ensure monies are properly remitted.

Section 479.080.3, RSMo, requires the Court Clerk to prepare a monthly list of all cases heard in the municipal division, including the names of the defendants and fines and court costs imposed, and the list to be verified by the Court Clerk or Municipal Judge and filed with the city.

## Recommendations

The City of Pineville Municipal Division:

- 2.1 Segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.
- 2.2 Establish procedures to ensure all manual receipt slips are subsequently posted to the JIS, and ensure all monies are deposited timely and intact. The use of manual receipt slips should be limited. In addition, the composition of receipt slips should be reconciled to the composition of deposits, and checks and money orders should be restrictively endorsed upon receipt.
- 2.3 Develop adequate procedures to account for and follow up on unpaid fines and costs.
- 2.4 Require an independent review and approval of all adjustments made in the JIS, and retain adequate documentation to support adjustments.
- 2.5 Ensure a monthly list of cases heard in the municipal division is prepared and filed with the city in accordance with state law.



## Auditee's Response

*The City of Pineville Municipal Judge provided the following written response:*

*I have in general terms reviewed the newly implemented procedures through employees and Municipal Court Division in the City of Pineville with the Mayor, the City Clerk and new court personnel. I would certainly urge and encourage all parties to comply with your suggestions and recommendations under 2.1 through 2.5, and if those procedures have not already been implemented or are in place, follow up to make sure they are complied with and continued to be complied with in the future, and that all those suggestions are appropriate and would lead to regular assurance that the incidences which caused this investigation not re-occur in the future.*

*The City Clerk of Pineville provided the following written responses:*

- 2.1 Due to a limited availability of staff, duties could not be further segregated; however, we have established documented supervisory reviews to ensure transactions are properly recorded.*
- 2.2 We have purchased pre-printed official manual receipt slips to use when necessary and have established procedures to reconcile the composition and amount of monies recorded on manual receipt slips to JIS batch reports and daily deposits. We now restrictively endorse all checks and money orders upon receipt.*
- 2.3 We have established procedures to ensure all follow up activity, including the issuance of warrants, is completed in a timely manner.*
- 2.4 We will ensure supporting documentation is maintained for all adjustments made in the future and will discuss options for review and approval of adjustments made in the JIS system with OSCA.*
- 2.5 We have implemented procedures to file a monthly report with the city as required.*

## 3. Municipal Division Procedures

Municipal division procedures related to ticket accountability, amended and dismissed charges on tickets, case dispositions, and monitoring of excess revenues need improvement.

### 3.1 Ticket accountability

Neither the city Marshal's office nor the municipal division adequately accounted for the numerical sequence and ultimate disposition of traffic tickets issued. Although the Marshal's office maintains a log to account for ticket books assigned to police officers, some ticket books assigned to officers were not posted to the log. In addition, neither copies of tickets nor a list of all tickets issued or voided by the Marshal's office was maintained. The Marshal submitted the tickets to the Court Clerk and the Court Clerk



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Management Advisory Report - State Auditor's Findings

recorded the tickets issued in the JIS. The ticket number is recorded as the case number in the JIS. The failure to account for all tickets issued helped conceal the missing funds noted in MAR finding number 1.

During our review of tickets, we identified 65 tickets issued during the period June 2010 through June 2012 by the Marshal's office which were not recorded in the JIS. Of these 65 tickets, the municipal division copy of 30 tickets could not be located, and 19 tickets were filed with an inaccurate case number. The remaining 16 tickets were filed with the Associate Circuit Court, voided, or dismissed by the City Prosecutor. Using the police officer copy of tickets issued, we were able to identify 9 of the 30 missing tickets involved missing funds noted in MAR finding number 1.

Without a proper accounting of the numerical sequence and ultimate disposition of tickets issued, the municipal division and the Marshal's office cannot be assured all tickets issued are properly submitted for processing.

### 3.2 Amended and dismissed charges on tickets

Procedures were not in place to ensure ticket information entered in the JIS was always approved by the City Prosecutor (such as amended charges, changes in fines and costs, and dismissals). We identified 48 instances in which ticket information entered in the JIS by the former Court Clerk did not agree with the information in the defendant's case file or with the City Prosecutor's list of amended and dismissed tickets.

- For 17 tickets shown as amended in the JIS, there was no evidence the City Prosecutor approved the amendments. According to reports generated by the OSCA, the former Court Clerk entered the amended charges into the JIS for 16 of these 17 tickets.
- For 3 tickets, the amended fine and cost documented on the ticket (approved by the City Prosecutor) or on the City Prosecutor's list of amended tickets did not agree to the fine and cost amount entered in the JIS.
- For 13 tickets, amended charges approved by the City Prosecutor were not recorded in the JIS.
- For 15 tickets shown as dismissed in the JIS, there was no evidence the City Prosecutor approved the dismissal.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, a procedure should be established to ensure amended charges, changes in fines and costs, and dismissals are approved by the City Prosecutor and properly recorded in the JIS.

### 3.3 Case disposition

The former Court Clerk did not consistently or accurately document the final disposition of each case on the court dockets in the JIS. In addition, the



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Municipal Judge does not review and document his approval of court dockets for traffic tickets paid at the violation bureau, and the Municipal Judge does not review or document his approval of other court dockets after case dispositions are recorded in the JIS.

It is the standard procedure of the municipal division to suspend case activity in the JIS for any traffic violation issued to out of state residents, and Missouri residents meeting the Judge's criteria of distance between the defendant's address and the City of Pineville, because the Judge will not issue warrants for these defendants. When case activity is suspended, the case no longer appears on the docket. Neither the City Prosecutor nor the Municipal Judge provided adequate oversight or documented their approval of this process to ensure tickets were handled properly.

We obtained case disposition reports from the OSCA which identified at least 84 cases that were suspended because the former Court Clerk did not enter case activity in the JIS and at least 206 cases that were suspended because the former Court Clerk canceled a future court date and did not reschedule a new court date. At least 23 of these cases had missing monies noted in MAR finding number 1.

The municipal division should establish procedures to ensure the proper disposition of all cases has been entered in the JIS and has been reviewed and approved by the Municipal Judge and the City Prosecutor.

### 3.4 Monitoring of excess revenues

The municipal division and the city do not have adequate ongoing procedures to track tickets issued on state or federal highways located in the city, and the related fines and court costs collected, to determine whether excess revenues should be distributed to the Department of Revenue (DOR). Section 302.341.2, RSMo, requires municipalities deriving more than 35 percent of annual general operating revenue from fines and court costs for traffic violations occurring on a state or federal highway to remit the excess to the DOR, to be distributed to schools of the county.

During the year ended December 31, 2011, the city's total general operating revenue decreased nearly \$670,000 because the DOR withheld local option use tax monies collected between May and December 2011 to pay a refund of approximately \$1 million due to a specific company. The city evaluated if excess revenues had been collected and determined no excess revenues were payable to the DOR. The city's audited financial statements for 2011 indicate fines and court costs totaled \$271,834, representing approximately 35.5 percent of the city's general operating revenues of \$764,938. However, fines and court costs included violations which did not occur on state or federal highways. Therefore, it is important the city and the municipal division work together to monitor for excess revenues.





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Procedures to monitor the location of each traffic violation and the related fines and costs are necessary to ensure compliance with Section 302.341.2, RSMo.

## Recommendations

The City of Pineville Municipal Division:

- 3.1 Work with the city Marshal's office to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.
- 3.2 Develop procedures to ensure all amended and dismissed tickets, and tickets for which fines and costs have been adjusted, are approved by the City Prosecutor and properly posted to the JIS.
- 3.3 Ensure the proper disposition of cases is documented. The Municipal Judge should review and document his approval of the recorded disposition of all cases. In addition, the City Prosecutor or Municipal Judge should review and document their approval of suspended out of state or area resident tickets recorded.
- 3.4 Work with the City of Pineville to track the collection of fines and court costs for traffic violations on the state and federal highways to ensure compliance with the excess revenue state law.

## Auditee's Response

*The City of Pineville Municipal Judge provided the following written response:*

*I believe these are all good ideas, and I have already had informal communication with the Marshal's office, employees of the city, new court personnel, and the mayor's personnel to make sure these safeguards are in place and that all recommended and mandatory procedures concerning the operation of the municipal court, and particularly record keeping and notification to the proper local, state, and out of state authorities is implemented.*

*The City Clerk of Pineville provided the following written responses:*

- 3.1 *The Marshal's office and the court have both established ticket logs to account for the numerical sequence of tickets issued and filed with the court. The disposition of every ticket is tracked on the court's log and any breaks in the numerical sequence will be followed up on immediately.*
- 3.2 *We are working to establish new procedures with the city Prosecuting Attorney to ensure all amendments, dismissals, and adjustments are properly approved and recorded in the JIS.*



Fortieth Judicial Circuit  
City of Pineville Municipal Division  
Management Advisory Report - State Auditor's Findings

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- 3.3 *We now ensure the Municipal Judge documents the disposition and his approval on all court dockets including suspended cases.*
- 3.4 *We will continue to monitor the collection of fines and costs for traffic violations and ensure compliance with the excess revenue state law.*

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# Fortieth Judicial Circuit

## City of Pineville Municipal Division

### Organization and Statistical Information

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The City of Pineville Municipal Division is in the Fortieth Judicial Circuit, which consists of Newton and McDonald Counties. The Honorable Timothy W. Perigo serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

#### Personnel

At June 30, 2012, the municipal division employees were as follows:

Title	Name
Municipal Judge	James Paul
Interim Court Clerk (1)	Melissa Ziemianin

(1) Andrea Faidley served as Court Clerk from May 3, 2010, until her termination on June 1, 2012.

#### Financial and Caseload Information

	6 Months Ended	Year Ended December 31,	
	June 30, 2012	2011	2010
JIS Receipts	\$ 112,243	307,840	312,109
Number of cases filed	861	2,082	2,312

#### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Fortieth Judicial Circuit, City of Pineville Municipal Division, did not receive any federal stimulus monies during the 6 months ended June 30, 2012, and 2 years ended December 31, 2011.

# Fortieth Judicial Circuit

## City of Pineville Municipal Division

### Supporting Documentation for Missing Cash Receipts

The following table provides supporting documentation for the cash receipts totaling \$19,142 recorded on 104 manual receipt slips for fines and court costs that were not recorded in the Justice Information System (JIS), the Missouri Courts automated case management system, or deposited as discussed in Management Advisory Report (MAR) finding number 1.

#### Undeposited Cash Receipts

Date Received	Manual Receipt Number	Receipt Issuer	Amount Received
June 30, 2010	265334	Former Court Clerk	\$ 50
July 19, 2010	265357	Former Court Clerk	80
August 13, 2010	265402	Former Court Clerk	70
August 17, 2010	265410	City Clerk	60
October 6, 2010	7794	Former Court Clerk	232
October 14, 2010	7799	Deputy Clerk	182
October 27, 2010	7828	Former Court Clerk	282
October 29, 2010	7830	Former Court Clerk	140
November 4, 2010	7834	Former Court Clerk	182
November 9, 2010	7837	City Clerk	140
November 12, 2010	7840	City Clerk	140
November 15, 2010	7845	City Clerk	232
November 15, 2010	7847	Former Court Clerk	232
November 29, 2010	7859	Former Court Clerk	82
December 1, 2010	7861	Former Court Clerk	232
December 15, 2010	7872	Former Court Clerk	140
December 23, 2010	7889	Former Court Clerk	75
January 7, 2011	7906	City Clerk	100
January 18, 2011	265417	Former Court Clerk	115
February 14, 2011	265429	Former Court Clerk	117
February 15, 2011	265430	Former Court Clerk	175
February 15, 2011	265432	Former Court Clerk	140
February 15, 2011	265438	Former Court Clerk	280
February 18, 2011	265445	Former Court Clerk	107
February 18, 2011	265446	Former Court Clerk	115
February 18, 2011	265447	Former Court Clerk	25
April 18, 2011	265476	Former Court Clerk	240
May 12, 2011	265585	Former Court Clerk	140
May 16, 2011	265503	Former Court Clerk	140
May 17, 2011	265511	Former Court Clerk	100
May 23, 2011	265515	Former Court Clerk	60
June 27, 2011	265544	Former Court Clerk	200
July 6, 2011	265563	Former Court Clerk	50
August 2, 2011	265586	Former Court Clerk	300
August 15, 2011	245401	Former Court Clerk	182
August 18, 2011	234006	Deputy Clerk	115



Fortieth Judicial Circuit  
City of Pineville Municipal Division  
Supporting Documentation for Missing Cash Receipts

Undeposited Cash Receipts  
(continued)

Date Received	Manual Receipt Number	Receipt Issuer	Amount Received
September 14, 2011	245415	Former Court Clerk	\$ 382
September 16, 2011	245417	Former Court Clerk	182
September 20, 2011	245419	Former Court Clerk	345
September 20, 2011	245425	Deputy Clerk	126
September 23, 2011	245428	Former Court Clerk	444
September 29, 2011	245429	Former Court Clerk	140
September 30, 2011	245430	Former Court Clerk	82
October 6, 2011	245598	Former Court Clerk	140
October 17, 2011	245432	Former Court Clerk	282
October 18, 2011	245433	Former Court Clerk	165
October 18, 2011	245434	Deputy Clerk	50
October 18, 2011	245435	Former Court Clerk	208
October 18, 2011	245436	Deputy Clerk	350
October 18, 2011	245437	Deputy Clerk	150
October 18, 2011	245438	Former Court Clerk	141
October 18, 2011	245440	Deputy Clerk	25
November 3, 2011	245442	Former Court Clerk	142
November 4, 2011	245443	Former Court Clerk	432
November 4, 2011	245599	Former Court Clerk	165
November 15, 2011	245449	Deputy Clerk	232
November 15, 2011	245450	Deputy Clerk	175
November 18, 2011	245451	Former Court Clerk	32
November 23, 2011	245453	Former Court Clerk	240
December 2, 2011	245454	Former Court Clerk	150
December 2, 2011	245455	Former Court Clerk	165
December 5, 2011	245456	Former Court Clerk	150
December 8, 2011	245457	Former Court Clerk	182
December 9, 2011	245458	Former Court Clerk	12
December 14, 2011	245459	Former Court Clerk	200
December 14, 2011	245460	Former Court Clerk	157
December 20, 2011	245463	Former Court Clerk	677
December 23, 2011	245464	Former Court Clerk	140
January 3, 2012	245465	Former Court Clerk	150
January 6, 2012	245466	Former Court Clerk	128
January 6, 2012	245467	Former Court Clerk	182
January 13, 2012	245468	Former Court Clerk	60
January 16, 2012	245469	Former Court Clerk	105
January 17, 2012	245470	Former Court Clerk	75
January 17, 2012	245471	Former Court Clerk	100
January 23, 2012	245472	Former Court Clerk	140
February 3, 2012	245473	Former Court Clerk	90



Fortieth Judicial Circuit  
City of Pineville Municipal Division  
Supporting Documentation for Missing Cash Receipts

Undeposited Cash Receipts  
(continued)

Date Received	Manual Receipt Number	Receipt Issuer	Amount Received
February 3, 2012	245474	Former Court Clerk	\$ 282
February 9, 2012	245476	Former Court Clerk	140
February 9, 2012	245477	Former Court Clerk	140
February 9, 2012	245478	Former Court Clerk	140
Date not recorded	245479	Former Court Clerk	400
February 21, 2012	245480	Former Court Clerk	40
February 22, 2012	245485	Former Court Clerk	75
February 23, 2012	245486	Former Court Clerk	845
March 16, 2012	245487	Former Court Clerk	165
March 20, 2012	245489	Former Court Clerk	100
March 23, 2012	245493	Former Court Clerk	282
April 3, 2012	245495	Former Court Clerk	213
April 9, 2012	245496	Former Court Clerk	532
April 9, 2012	245497	Former Court Clerk	482
April 16, 2012	245498	Former Court Clerk	165
April 16, 2012	245499	Former Court Clerk	140
April 17, 2012	245500	Former Court Clerk	100
April 17, 2012	245502	Former Court Clerk	40
April 17, 2012	245503	Former Court Clerk	300
May 3, 2012	245505	Former Court Clerk	282
May 4, 2012	245506	Former Court Clerk	200
May 10, 2012	245507	Former Court Clerk	165
Date not recorded	245513	Former Court Clerk	532
May 15, 2012	245515	Former Court Clerk	232
May 15, 2012	245516	Former Court Clerk	100
May 22, 2012	245517	Former Court Clerk	140
May 22, 2012	234120	Former Court Clerk	165
Total			\$ 19,142



Fortieth Judicial Circuit  
City of Pineville Municipal Division  
Supporting Documentation for Missing Cash Receipts

The following table provides supporting documentation of the 6 manual receipt slips totaling \$2,118 that were inaccurately recorded in the JIS as only \$1,612, and the remaining \$506 was not deposited and is missing as discussed in MAR finding number 1.

Inaccurately Recorded and  
Undeposited Cash Receipts

Manual Receipt			JIS Receipt			Difference
Number	Date Received	Amount	Number	Date Received	Amount	Long (Short)
265347	July 15, 2010	\$ 240	4082906	August 23, 2010	\$ 150	\$ (90)
265413	August 17, 2010	718	4082855	August 18, 2010	532	(186)
7858	November 19, 2010	172	4083606	November 22, 2010	140	(32)
7876	December 16, 2010	175	4084131	February 15, 2011	143	(32)
265504	May 16, 2011	140	4084635	May 16, 2011	115	(25)
265461	December 19, 2011	673	4085943	December 19, 2011	532	(141)
Total		\$ 2,118			\$ 1,612	\$ (506)

The following table provides supporting documentation of additional suspected missing funds based on correspondence with various defendants and other court records, which indicate cash payments totaling at least \$1,648 may have been made to the court, but were not properly recorded and deposited.

Additional Suspected  
Missing Funds

Ticket number	Date of Payment	Amount
100812466	January 2011	\$ 182
100812284	January 2011	140
100812215	December 14, 2010	140
090514548	September 10, 2010	182
100008324	2011	207
110122821	2011	97
110122739, 110122740, 110122741	April 19, 2011	700
Total		\$ 1,648



**Thomas A. Schweich**  
Missouri State Auditor

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## REVENUE

# Sales and Use Tax

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**February 2013**  
**Report No. 2013-15**



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<http://auditor.mo.gov>





# CITIZENS SUMMARY

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## Findings in the audit of the Department of Revenue, Sales and Use Tax

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### Individual Consumer Use Tax and Internet Sales

Missouri's individual consumer use tax requirements are not well known by the general public and are difficult to enforce and administer. The audit report expresses no opinion on the economic effect of collecting the tax but notes the unworkable structure in place now. Missouri law imposes an individual consumer use tax on the storage, use, or consumption of tangible personal property which is required to be paid unless sales or use tax is paid to the seller or the property is tax exempt. Also, use tax is due on purchases from a seller which is not engaged in business. A purchaser is required to file a use tax return if the cumulative purchases subject to use tax exceed \$2,000 in a calendar year. The United States Supreme Court has held that states cannot require companies that do not have a physical presence in the state to collect state and local sales taxes. University studies have estimated that Missouri state and local governments have lost and will continue to lose sales/use tax revenue of between \$358 million and \$474 million annually by not collecting taxes on these sales. The Streamlined Sales and Use Tax Agreement (Agreement) is a cooperative effort among states, local governments, and businesses to simplify sales and use tax collection and administration by retailers and states, intended to minimize costs and administrative burdens on retailers that collect sales tax while encouraging out-of-state sellers to collect tax on sales to customers in the Streamlined states. Forty-four states, including Missouri, signed the Agreement, but Missouri has not passed implementing legislation.

The Department of Revenue (DOR) does not include a specific line that requires state individual income taxpayers to state whether they made purchases exceeding \$2,000 for which sales or use tax was not paid, and, as a result, most taxpayers are not likely aware of the consumer use tax requirement. If the state continues to impose the individual consumer use tax, there are additional enforcement procedures the DOR should consider.

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### Ongoing Concerns

The DOR does not track and report information regarding some sales and use tax exemptions, and so the cost in terms of reduced state revenue for each exemption cannot be determined. DOR records indicate adjustments to gross sales receipts totaled over \$154 billion, \$144 billion, and \$147 billion in fiscal years 2011, 2010, and 2009, respectively. The DOR has agreed that tracking exemptions is a good idea, but it believes the recommendation increases the reporting burden on vendors and has indicated the current sales tax system might not have the capacity to handle the additional information. However, the DOR and the Office of Administration awarded a contract in February 2012 for a new Missouri Integrated Revenue System (MIRS) which should not have similar limitations.

The state is foregoing a significant amount of sales tax revenue because there is no cap on the amount of timely discounts large vendors can take. Business were allowed to keep approximately \$102 million, \$94 million, and \$95 million in state and local sales tax revenues collected from purchases in fiscal years 2011, 2010, and 2009, respectively, as an incentive for timely submitting state sales tax payments. Moreover, the DOR does not routinely report the amount of timely discounts to the General Assembly.

When consumers overpay sales or use taxes, the DOR refunds the vendor the overpayment plus interest, but vendors are not required to return these funds to the original purchaser, resulting in a windfall for the vendor. The DOR has previously agreed to support legislation that would require sales and use tax refunds and related interest to be returned to the original purchaser, but, to date, such legislation has not been successful.

The General Revenue Fund (GRF) does not receive reimbursement from local funds for their proportionate share of interest paid on refunds of sales and use taxes. Sales and use tax refunds, including interest, are made from the GRF, and adjustments are automatically made to reimburse the GRF for the principal amount due from local funds. However, adjustments are not automatically made to reimburse the GRF for the amount of interest due from local funds. Although the DOR has previously agreed that local funds should pay their proportionate share of this interest, the DOR has not been able to develop a method for recovering this interest with the current tax system, but according to DOR personnel the new MIRS should not have this limitation.

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**Automated Sales Suppression Device**

Missouri law does not prohibit the creation, sale, purchase, installation, transfer, or possession of an automated sales suppression device (a software program commonly known as a zipper). Zipper software enables businesses to evade tax liability by altering the electronic sales records in a cash register to make it appear that fewer transactions have occurred. At least 10 other states have passed or are considering similar legislation.

In the areas audited, the overall performance of this entity was <b>Good</b> .*
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**American Recovery and Reinvestment Act (Federal Stimulus)**

The Department of Revenue did not receive any federal stimulus monies for sales and use tax operations during the audited time period.

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Department of Revenue

## Sales and Use Tax

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Brian K. Long, Director  
Department of Revenue  
Jefferson City, Missouri

We have audited certain operations of the Department of Revenue, sales and use tax collections, as required by Sections 32.087 and 67.525, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2011, 2010, and 2009. The objectives of our audit were to:

1. Evaluate the department's internal controls over significant management and financial functions.
2. Evaluate the department's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department; analysis of comparative data obtained from internal sources; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified (1) a deficiency in internal controls, (2) no significant noncompliance with legal provision, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Revenue, sales and use tax collections.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Toni Crabtree, CPA
In-Charge Auditor:	Robyn Vogt, M.Acct., CPA
Audit Staff:	Corey McComas, M.Acct., CPA
	Aaron D. Allen

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# Department of Revenue

## Sales and Use Tax

### Management Advisory Report - State Auditor's Findings

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#### **1. Individual Consumer Use Tax and Internet Sales**

Missouri's individual consumer use tax requirements are not well known by the general public, require extensive taxpayer record keeping, are generally not complied with, and are difficult to enforce and administer. This report expresses no opinion on the economic effect of collecting the tax on the economy of Missouri; the report simply notes the unworkable structure in place now.

#### Background information

State law imposes an individual consumer use tax on the storage, use, or consumption of tangible personal property in Missouri. The consumer use tax is required to be paid unless sales or use tax is paid to the seller or the property is tax exempt. Also, use tax should be paid on purchases from a seller which is not engaged in business. A purchaser is required to file an annual use tax return with the Department of Revenue (DOR) if the cumulative purchases subject to use tax exceed \$2,000 in a calendar year. The use tax is computed on the purchase price of all goods once purchases exceed \$2,000. Consumer use tax information and requirements are posted on the DOR website.

The type of purchases subject to use tax include, but are not limited to, 1) catalog purchases, 2) magazine subscriptions, 3) cross-border purchases of goods, 4) TV marketing purchases, 5) computer software and hardware, 6) mail-order supply purchases, 7) furniture and equipment purchases from out-of-state sellers, 8) purchases of goods over the Internet (e-commerce) and by phone, and 9) purchases of goods from outside the United States. Currently, state law requires local businesses to collect sales tax, even if they have an online business, because these businesses have a physical presence (nexus) in the state. However, under a 1992 U.S. Supreme Court ruling<sup>1</sup>, states cannot require companies that do not have nexus to collect state and local sales taxes. As a result, Missouri cannot require businesses without nexus to collect sales tax on goods sold to Missouri residents. Federal legislation has been proposed that would enable states to require online retailers to collect and remit sales taxes, while also providing businesses with an effective means to comply. Such legislation includes the Marketplace Fairness Act, the Main Street Fairness Act, and the Marketplace Equity Act.

With the increasing popularity and usage of the Internet, e-commerce sales have grown significantly over recent years. University studies<sup>2</sup> have

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<sup>1</sup> Quill Corp v. North Dakota, 504 U.S.298 (1992)

<sup>2</sup> Bruce, Donald, William F. Fox, LeAnn Luna, "State and Local Government Sales Tax Revenue Losses from Electronic Commerce," University of Tennessee, Center for Business and Economic Research, <<http://cber.bus.utk.edu/ecommerce.htm>>, accessed on April 27, 2012; and Huanfm Ting, John Kosash and Andrew Wesemann (2012). "Internet Sales and Use Tax Issues in Missouri" Report 01-2012, University of Missouri Columbia, Institute of Public Policy, <<http://ipp.missouri.edu/Publications/306>>, accessed on June 5, 2012.



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estimated that Missouri state and local governments have lost and will continue to lose sales/use tax revenue of between \$358 million and \$474 million annually by not collecting taxes on these sales. Both studies also noted that local vendors face a competitive disadvantage because consumers that make purchases online avoid paying sales/use taxes. However, it is possible that if taxes were collected on e-commerce sales, consumer purchasing habits could change resulting in less revenue for the state than forecasted. The issues of revenue, consumer spending habits, and the economic effect of increased taxation are beyond the scope of this report.

Streamlined Sales and Use  
Tax Agreement

The Streamlined Sales and Use Tax Agreement (Agreement) is a cooperative effort among states, local governments, and businesses to simplify sales and use tax collection and administration by retailers and states. The Agreement aims to minimize costs and administrative burdens on retailers that collect sales tax, while also encouraging out-of-state sellers to collect tax on sales to customers in the Streamlined states. Forty-four states, including Missouri, signed the Agreement, originally adopted in November 2002, and 24 of these states have passed legislation to conform to the Agreement. Legislation was introduced in Missouri during the 2012 legislative session and in prior years to implement the provisions of the Agreement; however, such legislation has not passed. Participation in the Agreement is voluntary for businesses and consumers; therefore, Missouri cannot require out-of-state sellers without nexus to collect sales taxes on purchases made by Missouri residents. However, according to the University of Missouri report, each state that has entered into the Agreement collected, on average, an additional \$30.7 million, in total, in e-commerce tax revenue between 2005 to 2010.

Some states (such as Washington, North Dakota, New York, Kansas, and Kentucky) have entered into agreements with large Internet sellers, to collect and remit state and local sales taxes. Large Internet sellers have also negotiated deals with other states to collect sales tax in the future. In other instances, Internet sellers have agreed to disclose sales and use tax requirements on their Internet sites for certain states. Such disclosures inform customers that many states require purchasers to file a sales or use tax return reporting all taxable purchases that were not taxed and to pay tax on those purchases, and may include a link to that state's website.

Individual income tax  
forms

The DOR does not include a specific line that requires state individual income taxpayers to state whether they made purchases exceeding \$2,000 for which sales or use tax was not paid. As a result, most taxpayers are not likely aware of the consumer use tax requirements as evidenced by the small amount of consumer use tax collections.



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According to DOR records, the following consumer use tax was paid:

Tax Year	2011 (1)	2010	2009	2008
Number of individual tax returns	2,917,023	2,876,787	3,019,358	3,080,945
Number of use tax returns	168	190	125	96
Use tax paid	\$205,087	301,474	110,784	40,714

(1) Tax year 2011 information through August, 2012.

If the state continues to impose the individual consumer use tax, there are additional enforcement procedures the DOR should consider. Our review of other states' procedures noted some states include a specific line on its individual income tax return to report purchases made for which sales or use tax was not paid. In addition, to reduce taxpayer recordkeeping burden, some states provide an optional use tax reporting table which bases the consumer's use tax liability on a percentage of adjusted gross income rather than actual purchases.

To increase taxpayer compliance with existing individual consumer use tax laws, the DOR should consider revising individual income tax forms to include a specific line regarding purchases made for which sales or use tax was not paid, and an optional use tax reporting table which bases consumer use tax liability on a percentage of adjusted gross income rather than actual purchases.

## Recommendation

The DOR revise the individual income tax forms to increase taxpayer compliance with existing individual consumer use tax laws.

## Auditee's Response

*The Department supports the collection of all taxes due the state of Missouri, including use taxes. However, adding a line on the return may not have much impact on use tax collections, but it would delay the availability of general revenue funds. This delay could be substantial in the April-May time frame when the majority of individual income tax revenues are received.*

*Individual income tax revenues are all general revenue funds and currently are deposited very quickly, usually the same or next day even during the April-May time frame. If those funds were combined with use tax funds, all money would need to be deposited in a suspense account until the return is processed and the appropriate local and state fund distribution can be determined. This could delay availability of the funds by as much as six weeks. The Department will continue to explore other ways to encourage compliance with use tax laws that do not negatively affect the timely transfer of funds to the general revenue fund.*





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## Auditor's Comment

We do not agree with the Department's contention that enforcing existing consumer use tax law would need to unnecessarily delay the availability of general revenue funds. The DOR could place only the consumer use tax portion in the suspense account thereby eliminating any need to delay the availability of general revenue funds.

## 2. Ongoing Concerns

The DOR does not track and report information regarding some sales and use tax exemptions or routinely report to the General Assembly for its consideration the amount of timely discounts taken by businesses. Under Missouri law, vendors are not required to return sales and use tax refunds to the original purchaser when applicable, and local funds are not paying their proportionate share of interest paid on refunds of sales and use taxes.

These issues are ongoing concerns and have been reported in prior audit reports.

### 2.1 Sales and use tax exemptions

The DOR does not track and report information regarding some sales and use tax exemptions. As a result, the cost in terms of reduced state revenue for each exemption cannot be determined.

According to DOR records, there are currently 150 sales and use tax exemptions provided by state law. The DOR only tracks exemptions related to the 3 percent reduction on food sales, textbook sales, and manufacturing sales.

Vendors remit monthly, quarterly, or annual sales and use tax returns to the DOR. The returns include gross sales receipts, adjustments to gross sales receipts, and taxable sales. The adjustment amounts include, but are not limited to, exempt sales for the period of the sales tax return (file period), and corrections of errors from previous file periods.

DOR records indicate adjustments to gross sales receipts totaled over \$154 billion, \$144 billion, and \$147 billion in fiscal years 2011, 2010, and 2009, respectively. Detailed information of what is included in the adjustments total is not required to be provided on returns, and according to DOR personnel, only taxable sales are reported on some returns, with the gross sales receipts or adjustment amounts not included.

Although the DOR has previously agreed that tracking exemptions is a laudable goal, the DOR believes the recommendation increases the burden of reporting on taxpayers (vendor) and is contrary to the provision which requires simplified returns in the Streamlined Sales and Use Tax Agreement, (see MAR finding number 1). The DOR has indicated that when Missouri comes into substantial conformity with the Agreement, the DOR will require filers to submit a report of consolidated exempt sales by exemption type in accordance with the Agreement. However, as previously



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noted, legislation is required to put the state into conformity with the Agreement and Missouri has yet to pass such legislation.

The DOR has also indicated the current sales tax system would require significant reprogramming, and might not have the capacity to handle the additional information from tracking and reporting exemptions. In February 2012, the DOR and the Office of Administration awarded a contract for a new Missouri Integrated Revenue System (MIRS). According to DOR personnel, although the new system is currently in the developmental stages, it should not have similar limitations.

## 2.2 Timely discounts

The DOR does not routinely report to the General Assembly for its consideration the amount of timely discounts taken by businesses. This discount was established for businesses to recover a portion of their costs for compliance with state sales tax laws. However, the state is foregoing a significant amount of sales taxes revenue because there is not a cap on the amount of timely discounts taken by large vendors.

Approximately \$102 million, \$94 million, and \$95 million in state and local sales tax revenues were collected from purchasers but retained as timely discounts by businesses remitting sales and use taxes in fiscal years 2011, 2010, and 2009, respectively.

Section 144.710, RSMo, allows businesses remitting sales and use taxes to retain 2 percent of taxes payable to the DOR if the business remits payments in a timely manner. These discounts reduce the amount of sales and use taxes received by the state and local governments. According to a November 2008 report<sup>3</sup>, 46 states (including the District of Columbia) impose state sales taxes, 26 states allow businesses a discount and/or compensation for recording and remitting sales tax collections, and 13 states, including Missouri, have not established a ceiling to limit amount of taxes businesses can retain. Of the eight states contiguous to Missouri, three (Iowa, Kansas and Tennessee) do not allow businesses to retain any compensation, and four (Arkansas, Kentucky, Nebraska, and Oklahoma) have established ceilings to limit the amount of discount and/or compensation retained by businesses.

Sales and use tax revenues are used to fund significant portions of state and local government budgets. For example, in fiscal year 2011, sales and use taxes comprise approximately 25 percent of the state's general revenue. The General Assembly needs timely and accurate information regarding reductions to sales and use tax revenues resulting from timely discounts to make informed financial decisions.

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<sup>3</sup> *Skimming the Sales Tax*, Good Jobs First, November 2008.



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The DOR previously indicated they provided the timely discount information when requested, and is willing and able to do so.

## 2.3 Refunds

State law does not require vendors to return sales and use tax refunds and related interest to the original purchaser when applicable, resulting in a windfall for the vendor. In addition, in many instances, the vendor may not even be able to identify the original purchasers to whom the refunds are due, further increasing the likelihood of a windfall. The DOR distributed sales and use tax refunds, including interest, of approximately \$50 million, \$60 million, and \$71 million during fiscal years 2011, 2010, and 2009, respectively.

Vendors collect sales and use taxes from their customers and remit the taxes to the DOR. Section 144.190, RSMo, authorizes the DOR to issue sales and use tax refunds due to an overpayment of sales or use taxes. For some refunds the vendor is the original purchaser and some refunds are the result of taxpayer errors, incorrect quarter-monthly filer estimates, or other circumstances in which sales and use taxes were not collected from a purchaser, and as a result, should be retained by the vendor. However, in many cases, the refund is the result of an over collection of sales tax by the vendor and the refund is due back to the original purchaser.

Section 144.190.6, RSMo, provides, ". . . if a person legally obligated to remit the tax levied pursuant to sections 144.010 to 144.525 has received a refund of such taxes for a specific issue and submits a subsequent claim for refund of such taxes on the same issue for a tax period beginning on or after the date the original refund check issued to such person, no refund shall be allowed . . . ." This section further provides situations in which this section shall not apply and a refund shall be allowed. These include the receipt of additional information or an exemption certificate from the purchaser of the item at issue, a decision of a court of competent jurisdiction or the Administrative Hearing Commission, or changes in regulations or policy by the DOR. However, Section 144.190.6, RSMo, does not provide that refunds must be returned to the original purchaser. In addition, it appears that a vendor may not be able to identify the original purchaser in some cases, such as cash transactions or other point of sale settings where purchaser name or contact information is not captured. In these situations, the vendor would be unable to forward the refund to the original purchaser and would receive the windfall refund.

The DOR has previously agreed to support legislation that would require sales and use tax refunds and related interest to be returned to the original purchaser. However, to date, such legislation has not been successful. The legislation should also address how the refund should be handled when the original purchasers cannot be identified.



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## 2.4 Interest paid on refunds local funds

The General Revenue Fund (GRF) does not receive reimbursement from local funds for their proportionate share of interest paid on refunds of sales and use taxes.

Based on the percentage of distributions to local funds to total distributions to state and local funds (exclusive of the GRF), interest payments of approximately \$383,000, \$1,723,000, \$2,133,000 should have been allocated to local funds during fiscal years 2011, 2010, 2009, respectively, and is due to the GRF from local funds.

Sales and use tax refunds are issued from the GRF. To reimburse the GRF, adjustments are automatically made in the DOR tax system for the principal and interest amount of the refunds due from other state funds and the principal amount of the refunds due from local funds. However, adjustments are not automatically made to local funds for the interest paid on sales tax refunds.

Although the DOR has previously agreed that local funds should pay their proportionate share of interest paid on refunds, the DOR has been unable to develop any alternatives for recovering interest from local governments without the acquisition of a new tax system. As noted above, a new MIRS is currently being developed, and according to DOR personnel, the limitations of the current tax system should not be an issue with the new system.

## Recommendations

The DOR:

- 2.1&2 Ensure the tracking and reporting of exemptions and the timely discount is a component of the new MIRS, so that the reductions of state revenue related to each exemption and the timely discount can be determined and reported to the General Assembly.
- 2.3 Continue to support legislation that would require sales and use tax refunds and related interest to be returned to the original purchaser. Such legislation should also address whether a refund should be made when the original purchaser is not known.
- 2.4 Ensure the new MIRS has the capability to calculate the reimbursement to the GRF for local funds' proportionate share of interest paid on sales and use tax refunds.

## Auditee's Response

*2.1&2 Tracking and reporting exemptions is an appropriate goal. Reporting exemptions would substantially increase the burden on businesses. Also, based on prior attempts to track limited exemptions, the data collected is likely to be highly inaccurate due to businesses errors in reporting. In addition, to track and report exemptions, the Department would require a substantial increase in*



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*FTE, which the current budget does not support. The Department is in the process of implementing an integrated revenue system that may be able to track at least some exemptions, but tracking and reporting the data will still be a significant burden on businesses and the data collected will still be likely to be inaccurate.*

*The Department has provided information regarding the timely filing discount when requested by elected officials from time-to-time, but has not been requested to report this information on a regular basis. The Department is willing and able to do so.*

2.3 *The Department reviews and makes recommendations with respect to existing laws and proposed legislation every year. The Department will review this issue and support appropriate legislation.*

2.4 *This is a requirement in the request for proposal and is scheduled to be implemented when the sales and use tax portion of the system is implemented in 2016.*

### 3. Automated Sales Suppression Device

Missouri law does not prohibit the creation, sale, purchase, installation, transfer, or possession of an automated sales suppression device. This device gives retailers the ability to hide the amount of cash transactions, and thus, evade paying sales taxes on cash transactions.

An automated sales tax device, commonly known as a zapper, is a software program that falsifies the electronic records of point of sale (POS) systems for the purpose of tax evasion. Most often, transactions in stores and restaurants are recorded by a POS system, rather than a mechanical cash register. The POS system records are generally not alterable by the operator and are used as the basis of tax assessments and audits by tax authorities. To hide the removal of cash, a zapper often runs untraceably from a USB flash drive and alters the electronic sales records in a cash register. This makes it appear that fewer transactions occurred than was actually the case. The use of zapper software reduces the tax liability of the business.

Due to concerns about the potential of sales tax zappers to reduce state and local government revenues, some states are enacting legislation to address this type of fraud. According to a recent study<sup>4</sup>, Georgia, Maine, Utah, and West Virginia, have passed legislation to subject the technology (automated sales suppression device) that facilitates the fraud to enforcement measures.

<sup>4</sup> Robert T. Ainsworth, "An American Look at Zappers", Boston University School of Law Working Paper No. 12-14, <<http://www.bu.edu/law/faculty/scholarship/workpapers/2012.html#>>, accessed on October 17, 2012.



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Other states, such as Florida, Indiana, Michigan, New York, Oklahoma, and Tennessee have similar legislation pending.

According to DOR management, the DOR is familiar with zapper technology and has taken steps to monitor for the use of zappers. However, the DOR has not identified any business using zappers, and is not aware of pending legislation to address zapper technology.

## Recommendation

The DOR work with the General Assembly on legislation to address the possession and use of automated sales suppression devices by businesses.

## Auditee's Response

*The Department reviews and makes recommendations with respect to existing laws and proposed legislation every year. The Department will review this issue and support appropriate legislation.*

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# Department of Revenue

## Sales and Use Tax

### Organization and Statistical Information

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The Department of Revenue (DOR) was created by Article IV, Section 12, Missouri Constitution as the central collection agency for state revenues. The Director of Revenue is appointed by the Governor, with the advice and consent of the Senate, and is responsible for all operations and policies. DOR responsibilities include:

- 1) Administering and collecting state taxes and fees, including sales and use tax, motor vehicle sales tax, and highway use tax.
- 2) Collecting certain taxes and fees for local governments, including local sales and use tax.
- 3) Titling and licensing motor vehicles, trailers, and boats.
- 4) Licensing motor vehicle operators.

The DOR consists of four divisions and the Director's office.

Motor Vehicle and Driver Licensing Division: This division consists of three bureaus. 1) The Motor Vehicle Bureau issues titles and registers motor vehicles, trailers, all-terrain vehicles, manufactured homes, and marine craft. In addition, the bureau issues registration certificates to motor vehicle and salvage dealers and leasing companies. 2) The Driver Licensing Bureau issues, renews, suspends, revokes, and reinstates driver and nondriver licenses and driving permits. The bureau also processes and maintains records regarding license issuance, traffic violation point assessments, and failure to appear in court for traffic violations, and administers the alcohol and abuse laws for alcohol/drug offenders. 3) The License Offices Bureau manages the operations of the contract license offices throughout the state. These local offices provide driver licensing and motor vehicle services. This division collects motor vehicles sales and use taxes.

Taxation Division: This division consists of four bureaus which collect taxes and administer state tax law. 1) The Business Tax Bureau administers sales and use, financial institutions, insurance premiums, franchise, cigarette and other tobacco products, motor fuel, corporate income, withholding, and county taxes and fees. 2) The Personal Tax Bureau administers individual income, partnership, fiduciary, and estate taxes, plus the property tax credit and homestead preservation tax credit. 3) The Collections and Tax Assistance Bureau provides tax assistance to individuals and businesses and handles unpaid tax liabilities. 4) The Field Compliance Bureau audits businesses both in-state and out-of-state to ensure compliance with the state's tax laws.

Administration Division: This division consists of two bureaus. 1) Personnel Services Bureau is responsible for the DOR personnel matters, policies and procedures, training, and written communications. 2) The Financial and General Services Bureau is responsible for accounting, procurement,



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banking, and general services such as telecommunications, safety issues, and maintenance.

Legal Services Division: This division ensures DOR compliance with law and internal policies. The General Counsel's Office advises the director and divisions on legal matters and represents the DOR in court. The Criminal Tax Investigation Bureau investigates and develops information for local prosecution of individuals and businesses suspected of violating laws the DOR administers. The Compliance and Investigation Bureau investigates illegal motor vehicle titling and registration, odometer fraud, and tax fraud involving motor fuel sales tax. The bureau also reviews and evaluates the DOR administrative, operations, and internal accounting controls and contract license offices.

Director's Office: This office includes the Director, Deputy Director and key administrative staff. The Director of Communications works with the news media and acts as the DOR spokesperson. The legislative liaison manages the DOR relationship with the General Assembly and other governmental branches. This office also develops fiscal and revenue estimates on proposed legislation.

The Directors of Revenue from July 2008 to November 2012 include:

Omar D. Davis, December 2007 to January 2009

Karen King Mitchell, January 2009 to July 2009

Alana M. Barragan-Scott, (Acting) July 2009 to November 2012 (officially appointed Director in October 2009)

In December 2012, Brian K. Long was appointed Director.

American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)

The DOR did not receive any federal stimulus monies for sales and use tax operations during the 3 years ended June 30, 2011.



Appendix A-1

Department of Revenue  
Sales and Use Tax  
Combined Statement of Receipts and Distributions - State Funds  
Year Ended June 30, 2011

	General Revenue Fund	Aviation Trust Fund	Conservation Commission Fund	Highway Department Fund	Parks Sales Tax Fund	School District Fund	Soil and Water Sales Tax Fund	State Road Bond Fund	State Road Fund	State Transportation Fund	Total (Memorandum Only)
RECEIPTS											
Highway use tax	\$ 0	0	2,078,213	50,836,775	831,288	0	831,289	0	12,469,685	0	67,047,250
Marine and ATV sales and use tax	5,457,077	0	222,405	0	88,961	1,778,594	88,963	0	0	0	7,636,000
Motor vehicle sales tax	1,501,456	0	7,683,612	0	3,073,447	30,735,246	3,073,448	92,205,748	89,746,926	2,458,820	230,478,703
Sales and use tax	1,799,655,636	4,669,303	85,834,108	0	34,333,282	683,755,451	34,333,282	8,739,431	8,504,938	232,453	2,660,057,884
Total Receipts	<u>1,806,614,169</u>	<u>4,669,303</u>	<u>95,818,338</u>	<u>50,836,775</u>	<u>38,326,978</u>	<u>716,269,291</u>	<u>38,326,982</u>	<u>100,945,179</u>	<u>110,721,549</u>	<u>2,691,273</u>	<u>2,965,219,837</u>
DISTRIBUTIONS											
Transmitted to State Treasurer	<u>1,806,614,169</u>	<u>4,669,303</u>	<u>95,818,338</u>	<u>50,836,775</u>	<u>38,326,978</u>	<u>716,269,291</u>	<u>38,326,982</u>	<u>100,945,179</u>	<u>110,721,549</u>	<u>2,691,273</u>	<u>2,965,219,837</u>
Total Distributions	<u>1,806,614,169</u>	<u>4,669,303</u>	<u>95,818,338</u>	<u>50,836,775</u>	<u>38,326,978</u>	<u>716,269,291</u>	<u>38,326,982</u>	<u>100,945,179</u>	<u>110,721,549</u>	<u>2,691,273</u>	<u>2,965,219,837</u>
RECEIPTS OVER (UNDER) DISTRIBUTIONS	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Appendix A-2

Department of Revenue  
Sales and Use Tax  
Combined Statement of Receipts and Distributions - State Funds  
Year Ended June 30, 2010

	General Revenue Fund	Aviation Trust Fund	Conservation Commission Fund	Highway Department Fund	Parks Sales Tax Fund	School District Fund	Soil and Water Sales Tax Fund	State Road Bond Fund	State Road Fund	State Transportation Fund	Total (Memorandum Only)
RECEIPTS											
Highway use tax	\$ 0	0	1,893,291	46,278,120	757,319	0	757,320	0	11,360,121	0	61,046,171
Marine and ATV sales and use tax	5,431,651	0	223,480	0	89,392	1,787,499	89,393	0	0	0	7,621,415
Motor vehicle sales tax	1,482,390	0	7,075,789	0	2,830,318	28,304,001	2,830,319	84,912,003	82,647,682	2,264,320	212,346,822
Sales and use tax	1,783,069,451	4,018,391	84,661,629	0	33,864,165	674,348,210	33,864,165	8,831,602	8,594,637	234,905	2,631,487,155
Total Receipts	<u>1,789,983,492</u>	<u>4,018,391</u>	<u>93,854,189</u>	<u>46,278,120</u>	<u>37,541,194</u>	<u>704,439,710</u>	<u>37,541,197</u>	<u>93,743,605</u>	<u>102,602,440</u>	<u>2,499,225</u>	<u>2,912,501,563</u>
DISTRIBUTIONS											
Transmitted to State Treasurer	1,789,983,492	4,018,391	93,854,189	46,278,120	37,541,194	704,439,710	37,541,197	93,743,605	102,602,440	2,499,225	2,912,501,563
Total Distributions	<u>1,789,983,492</u>	<u>4,018,391</u>	<u>93,854,189</u>	<u>46,278,120</u>	<u>37,541,194</u>	<u>704,439,710</u>	<u>37,541,197</u>	<u>93,743,605</u>	<u>102,602,440</u>	<u>2,499,225</u>	<u>2,912,501,563</u>
RECEIPTS OVER (UNDER) DISTRIBUTIONS	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Appendix A-3

Department of Revenue  
Sales and Use Tax  
Combined Statement of Receipts and Distributions - State Funds  
Year Ended June 30, 2009

	General Revenue Fund	Aviation Trust Fund	Conservation Commission Fund	Highway Department Fund	Parks Sales Tax Fund	School District Fund	Soil and Water Sales Tax Fund	State Road Bond Fund	State Road Fund	State Transportation Fund	Total (Memorandum Only)
<b>RECEIPTS</b>											
Highway use tax	\$ 0	0	1,726,092	42,248,271	690,439	0	690,440	0	10,356,893	0	55,712,135
Marine and ATV sales and use tax	5,165,759	0	212,366	0	84,946	1,698,576	84,947	0	0	0	7,246,594
Motor vehicle sales tax	1,508,529	0	6,711,217	0	2,684,489	26,845,675	2,684,491	80,537,024	78,389,369	2,147,653	201,508,447
Sales and use tax	1,874,358,571	4,777,063	87,921,543	0	35,167,711	699,861,771	35,167,711	10,476,221	10,195,128	278,649	2,758,204,368
Total Receipts	<u>1,881,032,859</u>	<u>4,777,063</u>	<u>96,571,218</u>	<u>42,248,271</u>	<u>38,627,585</u>	<u>728,406,022</u>	<u>38,627,589</u>	<u>91,013,245</u>	<u>98,941,390</u>	<u>2,426,302</u>	<u>3,022,671,544</u>
<b>DISTRIBUTIONS</b>											
Transmitted to State Treasurer	<u>1,881,032,859</u>	<u>4,777,063</u>	<u>96,571,218</u>	<u>42,248,271</u>	<u>38,627,585</u>	<u>728,406,022</u>	<u>38,627,589</u>	<u>91,013,245</u>	<u>98,941,390</u>	<u>2,426,302</u>	<u>3,022,671,544</u>
Total Distributions	<u>1,881,032,859</u>	<u>4,777,063</u>	<u>96,571,218</u>	<u>42,248,271</u>	<u>38,627,585</u>	<u>728,406,022</u>	<u>38,627,589</u>	<u>91,013,245</u>	<u>98,941,390</u>	<u>2,426,302</u>	<u>3,022,671,544</u>
RECEIPTS OVER (UNDER) DISTRIBUTIONS	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Appendix B-1

Department of Revenue

Sales and Use Tax

Combined Statement of Receipts, Distributions, and Changes in Cash and Investments - Local Funds

Year Ended June 30, 2011

	Local Fuel Tax and Bond Trust Fund	Local Sales and Use Tax Trust Fund	Total (Memorandum Only)
RECEIPTS			
Motor fuel taxes and fees	\$ 213,176,410	0	213,176,410
Sales tax	30,735,249	2,432,264,409	2,462,999,658
Use tax	4,156,561	89,579,716	93,736,277
Miscellaneous tax (1)	0	(11,692,952)	(11,692,952)
Protested tax	0	1,119,067	1,119,067
Motor fuel bond	4,000	0	4,000
Motor fuel pool bond	82,174	0	82,174
Interest income (2)	(10,284)	(83,307)	(93,591)
Total Receipts	<u>248,144,110</u>	<u>2,511,186,933</u>	<u>2,759,331,043</u>
DISTRIBUTIONS			
Political subdivisions	247,339,106	2,460,765,828	2,708,104,934
General Revenue Fund	0	24,144,780	24,144,780
Refunds to taxpayers	8,051	124,559	132,610
Forfeitures to state	1,500	0	1,500
Protested taxes and interest	0	129,733	129,733
Total Distributions	<u>247,348,657</u>	<u>2,485,164,900</u>	<u>2,732,513,557</u>
RECEIPTS OVER (UNDER) DISTRIBUTIONS	795,453	26,022,033	26,817,486
CASH AND INVESTMENTS, JULY 1	<u>16,705,059</u>	<u>259,147,336</u>	<u>275,852,395</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 17,500,512</u>	<u>285,169,369</u>	<u>302,669,881</u>

(1) The amount is a negative number due to more sales and use taxes distributed from than deposited to the Suspense Holding Account.

(2) The amount is a negative number due to bank service charges exceeding interest earnings.

Appendix B-2

Department of Revenue

Sales and Use Tax

Combined Statement of Receipts, Distributions, and Changes in Cash and Investments - Local Funds

Year Ended June 30, 2010

	Local Fuel Tax and Bond Trust Fund	Local Sales and Use Tax Trust Fund	Total (Memorandum Only)
<b>RECEIPTS</b>			
Motor fuel taxes and fees	\$ 205,237,016	0	205,237,016
Sales tax	28,304,001	2,212,098,546	2,240,402,547
Use tax	3,786,706	85,500,307	89,287,013
Miscellaneous tax	0	10,220,954	10,220,954
Protested tax	0	418,608	418,608
Motor fuel bond	3,000	0	3,000
Motor fuel pool bond	108,154	0	108,154
Interest income (1)	(11,724)	(105,445)	(117,169)
Total Receipts	<u>237,427,153</u>	<u>2,308,132,970</u>	<u>2,545,560,123</u>
<b>DISTRIBUTIONS</b>			
Political subdivisions	241,197,468	2,239,306,614	2,480,504,082
General Revenue Fund	0	21,988,023	21,988,023
Refunds to taxpayers	1,743	851	2,594
Forfeitures to state	0	0	0
Protested taxes and interest	0	112,389	112,389
Total Distributions	<u>241,199,211</u>	<u>2,261,407,877</u>	<u>2,502,607,088</u>
RECEIPTS OVER (UNDER) DISTRIBUTIONS	(3,772,058)	46,725,093	42,953,035
CASH AND INVESTMENTS, JULY 1	<u>20,477,117</u>	<u>212,422,243</u>	<u>232,899,360</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 16,705,059</u>	<u>259,147,336</u>	<u>275,852,395</u>

(1) The amount is a negative number due to bank service charges exceeding interest earnings.

Appendix B-3

Department of Revenue

Sales and Use Tax

Combined Statement of Receipts, Distributions, and Changes in Cash and Investments - Local Funds

Year Ended June 30, 2009

	Local Fuel Tax and Bond Trust Fund	Local Sales and Use Tax Trust Fund	Total (Memorandum Only)
<b>RECEIPTS</b>			
Motor fuel taxes and fees	\$ 210,274,725	0	210,274,725
Sales tax	26,845,674	2,188,350,889	2,215,196,563
Use tax	3,452,297	94,796,969	98,249,266
Miscellaneous tax (1)	0	(14,804,834)	(14,804,834)
Protested tax	0	1,159,406	1,159,406
Motor fuel bond	1,572	0	1,572
Motor fuel pool bond	167,094	0	167,094
Interest income	56,936	877,584	934,520
Total Receipts	<u>240,798,298</u>	<u>2,270,380,014</u>	<u>2,511,178,312</u>
<b>DISTRIBUTIONS</b>			
Political subdivisions	241,142,619	2,270,286,707	2,511,429,326
General Revenue Fund	0	22,932,190	22,932,190
Refunds to taxpayers	7,146	0	7,146
Forfeitures to state	249,965	0	249,965
Protested taxes and interest	0	386,078	386,078
Total Distributions	<u>241,399,730</u>	<u>2,293,604,975</u>	<u>2,535,004,705</u>
RECEIPTS OVER (UNDER) DISTRIBUTIONS	(601,432)	(23,224,961)	(23,826,393)
CASH AND INVESTMENTS, JULY 1	<u>21,078,549</u>	<u>235,647,204</u>	<u>256,725,753</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 20,477,117</u>	<u>212,422,243</u>	<u>232,899,360</u>

(1) The amount is a negative number due to more sales and use taxes distributed from than deposited to the Suspense Holding Account.

Appendix C-1

Department of Revenue

Sales and Use Tax

Combined Statement of Additions, Deductions, and Changes in Cash and Investments - Custodial Accounts

Year Ended June 30, 2011

	Compliance Clearing Account (1)	Motor Vehicle Clearing Account (1)	Protested Sales Tax General Revenue Account (2)	Sales Tax Bond Account (2)	Total (Memorandum Only)
<b>ADDITIONS</b>					
Miscellaneous tax collections	\$ 48,905,430	793,842,378	0	0	842,747,808
Protested tax collections	0	0	1,073,324	0	1,073,324
Bond collections	0	0	0	7,238,920	7,238,920
Interest income	(2,396)	(14,030)	33,081	0	16,655
Total Additions	<u>48,903,034</u>	<u>793,828,348</u>	<u>1,106,405</u>	<u>7,238,920</u>	<u>851,076,707</u>
<b>DEDUCTIONS</b>					
Miscellaneous taxes and interest	43,578,259	791,179,958	0	0	834,758,217
Protested taxes and interest	0	0	315,010	0	315,010
Bonds and interest	0	0	0	5,852,054	5,852,054
Total Deductions	<u>43,578,259</u>	<u>791,179,958</u>	<u>315,010</u>	<u>5,852,054</u>	<u>840,925,281</u>
<b>ADDITIONS OVER (UNDER) DEDUCTIONS</b>	5,324,775	2,648,390	791,395	1,386,866	10,151,426
<b>CASH AND INVESTMENTS, JULY 1</b>	<u>8,870,503</u>	<u>9,711,249</u>	<u>4,012,315</u>	<u>47,365,615</u>	<u>69,959,682</u>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<u>\$ 14,195,278</u>	<u>12,359,639</u>	<u>4,803,710</u>	<u>48,752,481</u>	<u>80,111,108</u>

(1) Held by the department in trust.

(2) Held by the state treasurer in trust.

Appendix C-2

Department of Revenue

Sales and Use Tax

Combined Statement of Additions, Deductions, and Changes in Cash and Investments - Custodial Accounts

Year Ended June 30, 2010

	Compliance Clearing Account (1)	Motor Vehicle Clearing Account (1)	Protested Sales Tax General Revenue Account (2)	Sales Tax Bond Account (2)	Total (Memorandum Only)
<b>ADDITIONS</b>					
Miscellaneous tax collections	\$ 24,304,291	732,261,021	0	0	756,565,312
Protested tax collections	0	0	485,684	0	485,684
Bond collections	0	0	0	7,357,659	7,357,659
Interest income	(3,515)	(21,708)	36,858	0	11,635
Total Additions	<u>24,300,776</u>	<u>732,239,313</u>	<u>522,542</u>	<u>7,357,659</u>	<u>764,420,290</u>
<b>DEDUCTIONS</b>					
Miscellaneous taxes and interest	25,956,927	739,182,691	0	0	765,139,618
Protested taxes and interest	0	0	56,613	0	56,613
Bonds and interest	0	0	0	5,565,393	5,565,393
Total Deductions	<u>25,956,927</u>	<u>739,182,691</u>	<u>56,613</u>	<u>5,565,393</u>	<u>770,761,624</u>
<b>ADDITIONS OVER (UNDER) DEDUCTIONS</b>	<u>(1,656,151)</u>	<u>(6,943,378)</u>	<u>465,929</u>	<u>1,792,266</u>	<u>(6,341,334)</u>
<b>CASH AND INVESTMENTS, JULY 1</b>	<u>10,526,654</u>	<u>16,654,627</u>	<u>3,546,386</u>	<u>45,573,349</u>	<u>76,301,016</u>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<u>\$ 8,870,503</u>	<u>9,711,249</u>	<u>4,012,315</u>	<u>47,365,615</u>	<u>69,959,682</u>

(1) Held by the department in trust.

(2) Held by the state treasurer in trust.



Appendix C-3

Department of Revenue

Sales and Use Tax

Combined Statement of Additions, Deductions, and Changes in Cash and Investments - Custodial Accounts

Year Ended June 30, 2009

	Compliance Clearing Account (1)	Motor Vehicle Clearing Account (1)	Protested Sales Tax General Revenue Account (2)	Sales Tax Bond Account (2)	Total (Memorandum Only)
<b>ADDITIONS</b>					
Miscellaneous tax collections	\$ 32,461,913	720,940,040	0	0	753,401,953
Protested tax collections	0	0	1,321,174	0	1,321,174
Bond collections	0	0	0	6,999,898	6,999,898
Interest income	69,476	14,579	63,656	0	147,711
Total Additions	<u>32,531,389</u>	<u>720,954,619</u>	<u>1,384,830</u>	<u>6,999,898</u>	<u>761,870,736</u>
<b>DEDUCTIONS</b>					
Miscellaneous taxes and interest	31,540,643	707,686,786	0	0	739,227,429
Protested taxes and interest	0	0	246,966	0	246,966
Bonds and interest	0	0	0	5,571,372	5,571,372
Total Deductions	<u>31,540,643</u>	<u>707,686,786</u>	<u>246,966</u>	<u>5,571,372</u>	<u>745,045,767</u>
<b>ADDITIONS OVER (UNDER) DEDUCTIONS</b>	990,746	13,267,833	1,137,864	1,428,526	16,824,969
<b>CASH AND INVESTMENTS, JULY 1</b>	<u>9,535,908</u>	<u>3,386,794</u>	<u>2,408,522</u>	<u>44,144,823</u>	<u>59,476,047</u>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<u>\$ 10,526,654</u>	<u>16,654,627</u>	<u>3,546,386</u>	<u>45,573,349</u>	<u>76,301,016</u>

(1) Held by the department in trust.

(2) Held by the state treasurer in trust.

Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Adrian	\$ 187,080	122,204	64,875	0	0	0	0	0	68,349	442,508
Advance	165,684	159,805	0	16,513	0	0	0	0	47,768	389,770
Agency	0	0	0	0	0	0	0	0	23,001	23,001
Airport Drive	180,930	87,176	0	0	0	0	0	0	23,884	291,990
Alba	10,068	0	0	0	0	0	0	0	22,578	32,646
Albany	161,257	161,253	0	0	0	0	0	0	74,378	396,888
Aldrich	0	0	0	0	0	0	0	0	2,880	2,880
Alexandria	12,135	0	0	0	0	0	0	0	6,374	18,509
Allendale	6,036	0	0	0	0	0	0	0	2,073	8,109
Allenville	0	0	0	0	0	0	0	0	3,993	3,993
Alma	0	0	0	0	0	0	0	0	15,321	15,321
Altamont	0	0	0	0	0	0	0	0	8,371	8,371
Altenburg	0	0	0	0	0	0	0	0	11,865	11,865
Alton	122,261	117,488	0	0	0	0	0	0	25,650	265,399
Amazonia	0	0	0	0	0	0	0	0	10,636	10,636
Amity	0	0	0	0	0	0	0	0	2,688	2,688
Amoret	0	0	0	0	0	0	0	0	8,102	8,102
Amsterdam	11,272	0	0	0	0	0	0	0	10,790	22,062
Anderson	209,852	0	99,069	0	0	0	0	0	71,268	380,189
Annada	0	0	0	0	0	0	0	0	1,843	1,843
Annapolis	29,116	14,558	14,558	0	0	0	0	0	11,904	70,136
Anniston	0	0	0	0	0	0	0	0	10,944	10,944
Appleton City	179,402	47,840	0	0	0	0	0	0	50,456	277,698
Arbela	0	0	0	0	0	0	0	0	1,536	1,536
Arbyrd	36,039	0	0	0	0	0	0	0	20,274	56,313
Arcadia	60,908	14,258	0	0	0	0	0	0	21,772	96,938
Archie	50,357	0	9,906	0	0	0	0	0	34,175	94,438
Arcola	0	0	0	0	0	0	0	0	1,728	1,728
Argyle	10,417	0	0	0	0	0	0	0	6,297	16,714
Arkoe	0	0	0	0	0	0	0	0	2,227	2,227
Armstrong	0	0	0	0	0	0	0	0	11,020	11,020
Arnold	4,970,223	1,200,354	0	0	0	0	0	0	766,628	6,937,205
Arrow Point Village	0	0	0	0	0	0	0	0	5,107	5,107
Arrow Rock	12,530	3,133	0	0	0	0	0	0	3,033	18,696
Asbury	10,672	0	0	0	0	0	0	0	8,371	19,043
Ash Grove	108,821	47,670	0	10,353	0	0	0	0	54,910	221,754
Ashland	275,978	124,296	0	0	0	0	0	0	84,515	484,789
Atlanta	12,080	0	0	0	0	0	0	0	17,279	29,359
Augusta	28,195	14,098	0	0	0	0	0	0	8,371	50,664
Aurora	1,011,656	505,779	493,113	74,521	0	0	0	0	269,328	2,354,397
Auxvasse	60,853	13,540	27,085	0	0	0	0	0	34,597	136,075
Ava	333,822	667,703	0	39,235	0	0	0	0	116,002	1,156,762
Avilla	0	0	0	0	0	0	0	0	5,261	5,261

Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Avondale	25,115	0	0	0	0	0	0	0	20,313	45,428
Bagnell	11,914	0	0	0	0	0	0	0	3,302	15,216
Bakersfield	12,205	0	0	0	0	0	0	0	10,944	23,149
Baldwin Park	0	0	0	0	0	0	0	0	4,416	4,416
Ballwin	0	2,666,229	0	0	0	0	0	0	1,201,224	3,867,453
Baring	0	0	0	0	0	0	0	0	6,105	6,105
Barnard	0	0	0	0	0	0	0	0	9,868	9,868
Barnett	0	0	0	0	0	0	0	0	7,948	7,948
Bates City	81,669	40,834	0	45,249	0	0	0	0	9,408	177,160
Battlefield	92,588	0	73,995	0	0	0	0	0	91,581	258,164
Bell City	12,225	3,056	0	0	0	0	0	0	17,702	32,983
Bella Villa	0	38,198	0	6,197	0	0	0	0	26,380	70,775
Belle	115,927	57,963	53,571	0	0	0	0	0	51,608	279,069
Bellefontaine Neighbors	0	616,509	0	0	0	0	0	0	425,764	1,042,273
Bellerive	0	40,090	0	0	0	0	0	0	9,753	49,843
Bellflower	13,446	5,172	5,172	0	0	0	0	0	16,396	40,186
Bel-Nor	0	88,851	0	14,414	0	0	0	0	61,361	164,626
Bel-Ridge	0	435,443	0	0	0	0	0	0	118,345	553,788
Belton	2,443,209	3,052,446	1,221,604	0	0	0	0	0	834,402	7,551,661
Benton	51,943	0	0	0	0	0	0	0	28,108	80,051
Benton City	0	0	0	0	0	0	0	0	4,685	4,685
Berger	3,438	0	0	0	0	0	0	0	7,910	11,348
Berkeley	0	1,994,882	0	0	0	0	0	0	386,405	2,381,287
Bernie	115,383	57,692	0	0	0	0	0	0	68,234	241,309
Bertrand	18,414	0	0	0	0	0	0	0	28,415	46,829
Bethany	643,978	326,919	0	0	0	0	0	0	118,536	1,089,433
Bethel	5,610	0	0	0	0	0	0	0	4,646	10,256
Beverly Hills	0	50,908	0	0	0	0	0	0	23,154	74,062
Bevier	56,259	0	23,887	0	0	0	0	0	27,762	107,908
Big Lake	0	0	0	0	0	0	0	0	4,877	4,877
Bigelow	0	0	0	0	0	0	0	0	1,459	1,459
Billings	60,286	0	0	0	0	0	0	0	41,893	102,179
Birch Tree	42,961	19,655	19,698	0	0	0	0	0	24,345	106,659
Birmingham	10,710	0	0	0	0	0	0	0	8,217	18,927
Bismarck	81,096	0	34,407	0	0	0	0	0	56,446	171,949
Blackburn	7,865	0	0	0	0	0	0	0	10,905	18,770
Black Jack	0	377,645	0	61,264	0	0	0	0	260,803	699,712
Blackwater	6,841	3,420	3,421	0	0	0	0	0	7,641	21,323
Blairstown	7,397	0	0	0	0	0	0	0	5,414	12,811
Bland	25,061	21,439	0	0	0	0	0	0	21,695	68,195
Blodgett	0	0	0	0	0	0	0	0	10,176	10,176
Bloomfield	128,841	18,406	0	11,353	0	0	0	0	74,954	233,554
Bloomsdale	74,746	0	0	0	0	0	0	0	16,089	90,835

Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Blue Eye	19,688	0	0	0	0	0	0	0	4,953	24,641
Blue Springs	6,940,431	0	3,233,922	0	0	0	0	0	1,846,206	12,020,559
Blythedale	0	0	0	0	0	0	0	0	8,947	8,947
Bogard	0	0	0	0	0	0	0	0	8,985	8,985
Boickow	0	0	0	0	0	0	0	0	8,985	8,985
Bolivar	1,664,757	1,441,248	780,172	0	0	0	0	0	351,079	4,237,256
Bonne Terre	394,060	181,945	181,946	0	0	0	0	0	155,092	913,043
Boonville	1,145,098	542,953	0	0	0	0	0	0	314,945	2,002,996
Bosworth	0	0	0	0	0	0	0	0	14,668	14,668
Bourbon	160,006	0	75,038	0	0	0	0	0	51,761	286,805
Bowling Green	677,236	159,688	319,376	0	0	0	0	0	125,179	1,281,479
Bragg City	0	0	0	0	0	0	0	0	7,257	7,257
Brandsville	0	0	0	0	0	0	0	0	6,681	6,681
Branson	9,918,085	0	4,911,116	0	0	0	0	0	241,105	15,070,306
Branson West	755,387	377,694	377,664	0	0	0	0	0	15,667	1,526,412
Brashear	9,238	0	0	0	0	0	0	0	10,752	19,990
Braymer	53,978	0	0	0	0	0	0	0	34,943	88,921
Breckenridge	7,694	0	0	0	0	0	0	0	17,433	25,127
Breckenridge Hills	0	128,442	0	43,450	0	0	0	0	184,966	356,858
Brentwood	0	6,296,281	0	0	0	0	0	0	295,401	6,591,682
Bridgeton	0	5,236,779	0	0	0	0	0	0	597,099	5,833,878
Brimson	0	0	0	0	0	0	0	0	2,419	2,419
Bronaugh	0	0	0	0	0	0	0	0	9,408	9,408
Brookfield	705,187	176,294	329,708	77,672	0	0	0	0	183,123	1,471,984
Brooklyn Heights	0	0	0	0	0	0	0	0	4,800	4,800
Browning	9,274	0	0	983	0	0	0	0	12,172	22,429
Brownington	0	0	0	0	0	0	0	0	4,569	4,569
Brumley	3,980	0	0	0	0	0	0	0	3,917	7,897
Brunswick	131,719	0	0	0	0	0	0	0	35,519	167,238
Bucklin	32,239	0	0	1,966	0	0	0	0	20,121	54,326
Buckner	204,083	102,042	89,131	19,073	0	0	0	0	104,636	518,965
Buffalo	621,210	0	287,946	0	0	0	0	0	106,786	1,015,942
Bull Creek Village	13,014	0	0	0	0	0	0	0	8,640	21,654
Bunceton	8,186	0	0	0	0	0	0	0	13,363	21,549
Bunker	46,039	0	0	0	0	0	0	0	16,396	62,435
Burgess	0	0	0	0	0	0	0	0	2,688	2,688
Burlington Junction	0	0	0	0	0	0	0	0	24,268	24,268
Butler	584,949	365,561	292,475	0	0	0	0	0	161,620	1,404,605
Butterfield	4,378	0	0	0	0	0	0	0	15,244	19,622
Byrnes Mill	161,085	0	0	0	0	0	0	0	91,235	252,320
Cabool	289,886	144,932	0	0	0	0	0	0	83,248	518,066
Cainsville	0	0	0	0	0	0	0	0	14,207	14,207
Cairo	0	0	0	0	0	0	0	0	11,251	11,251

Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Caledonia	17,723	0	0	0	0	0	0	0	6,067	23,790
Calhoun	20,506	8,252	8,251	0	0	0	0	0	18,854	55,863
California	510,476	229,739	0	0	0	0	0	0	153,786	894,001
Callao	5,071	0	0	0	0	0	0	0	11,174	16,245
Calverton Park	0	73,505	0	0	0	0	0	0	50,763	124,268
Camden	0	0	0	0	0	0	0	0	8,025	8,025
Camden Point	0	0	0	0	0	0	0	0	18,585	18,585
Camdenton	1,357,186	678,534	663,116	0	0	0	0	0	106,710	2,805,546
Cameron	1,225,054	612,508	0	0	0	0	0	0	375,846	2,213,408
Campbell	145,336	0	0	0	0	0	0	0	72,305	217,641
Canalou	0	0	0	0	0	0	0	0	13,363	13,363
Canton	209,667	78,626	52,310	0	0	0	0	0	98,185	438,788
Cape Girardeau	8,832,330	10,958,445	4,270,426	0	0	0	0	0	1,357,353	25,418,554
Cardwell	17,897	0	0	0	0	0	0	0	30,296	48,193
Carl Junction	282,245	104,762	104,767	0	0	0	0	0	203,282	695,056
Carrollton	377,266	0	188,612	0	0	0	0	0	158,279	724,157
Cartersville	70,144	35,072	26,195	5,110	0	0	0	0	71,037	207,558
Carthage	1,890,073	1,227,107	891,860	0	0	0	0	0	486,434	4,495,474
Caruthersville	513,541	256,741	0	0	0	0	0	0	259,575	1,029,857
Carytown	0	0	0	0	0	0	0	0	8,332	8,332
Cassville	787,096	787,096	0	0	0	0	0	0	110,972	1,685,164
Catron	0	0	0	0	0	0	0	0	2,611	2,611
Cedar Hill Lakes	0	0	0	0	0	0	0	0	8,793	8,793
Center	52,258	0	0	0	0	0	0	0	24,729	76,987
Centertown	22,375	0	0	0	0	0	0	0	9,868	32,243
Centerview	0	0	0	0	0	0	0	0	9,561	9,561
Centerville	8,121	0	0	0	0	0	0	0	6,566	14,687
Centralia	342,377	171,188	171,189	0	0	0	0	0	144,916	829,670
Chaffee	182,088	91,044	0	0	0	0	0	0	116,885	390,017
Chain of Rocks	0	0	0	0	0	0	0	0	3,494	3,494
Chain-O-Lakes	0	0	0	0	0	0	0	0	4,877	4,877
Chamais	22,005	0	0	0	0	0	0	0	17,510	39,515
Champ	0	0	0	0	0	0	0	0	461	461
Charlack	0	79,566	0	0	0	0	0	0	54,948	134,514
Charleston	536,341	0	253,184	0	0	0	0	0	181,702	971,227
Chesterfield	0	10,630,846	0	0	0	0	0	0	1,797,132	12,427,978
Chilhowee	13,087	0	0	0	0	0	0	0	12,633	25,720
Chillicothe	1,771,884	1,268,055	845,413	0	0	0	0	0	344,359	4,229,711
Chula	0	0	0	0	0	0	0	0	7,603	7,603
Clarence	77,841	0	0	0	0	0	0	0	35,135	112,976
Clark	5,911	2,956	2,956	0	0	0	0	0	10,560	22,383
Clarksburg	8,077	0	0	0	0	0	0	0	14,399	22,476
Clarksdale	0	0	0	0	0	0	0	0	13,478	13,478

Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Clarkson Valley	0	0	0	0	0	0	0	0	102,716	102,716
Clarksville	29,943	0	0	0	0	0	0	0	18,815	48,758
Clarkton	69,124	0	0	0	0	0	0	0	51,070	120,194
Claycomo	305,288	59,981	0	0	0	0	0	0	48,651	413,920
Clayton	0	2,402,743	0	0	0	0	0	0	611,882	3,014,625
Clearmont	0	0	0	0	0	0	0	0	7,334	7,334
Cleveland	88,430	0	0	0	0	0	0	0	22,732	111,162
Clever	119,957	59,978	0	0	0	0	0	0	38,783	218,718
Cliff Village	0	0	0	0	0	0	0	0	1,267	1,267
Clifton Hill	0	0	0	0	0	0	0	0	4,761	4,761
Climax Springs	3,780	0	0	0	0	0	0	0	3,072	6,852
Clinton	1,712,323	1,663,942	403,907	183,563	0	0	0	0	357,529	4,321,264
Clyde	0	0	0	0	0	0	0	0	2,841	2,841
Cobalt City	0	0	0	0	0	0	0	0	7,257	7,257
Coffey	0	0	0	0	0	0	0	0	5,376	5,376
Cole Camp	130,915	0	53,806	12,157	0	0	0	0	39,474	236,352
Collins	38,073	21,742	0	5,969	0	0	0	0	6,758	72,542
Columbia	20,097,531	9,586,356	9,586,523	0	0	0	0	0	3,245,874	42,516,284
Commerce	0	0	0	0	0	0	0	0	4,224	4,224
Conception Junction	0	0	0	0	0	0	0	0	7,756	7,756
Concordia	299,865	289,949	69,867	0	0	0	0	0	90,621	750,302
Coney Island	0	0	0	0	0	0	0	0	3,609	3,609
Conway	70,237	35,118	0	0	0	0	0	0	28,530	133,885
Cool Valley	0	81,355	0	0	0	0	0	0	41,509	122,864
Cooter	0	0	0	0	0	0	0	0	16,895	16,895
Corder	7,597	3,799	0	4,997	0	0	0	0	16,396	32,789
Corning	0	0	0	0	0	0	0	0	806	806
Cosby	0	0	0	0	0	0	0	0	5,491	5,491
Cottleville	697,458	348,728	0	0	0	0	0	0	74,032	1,120,218
Country Club Village	46,164	0	0	0	0	0	0	0	70,884	117,048
Country Club Hills	0	116,738	0	0	0	0	0	0	53,028	169,766
Country Life Acres	0	0	0	0	0	0	0	0	3,110	3,110
Cowgill	0	0	0	0	0	0	0	0	9,484	9,484
Craig	19,895	0	0	0	0	0	0	0	11,865	31,760
Crane	117,426	0	52,209	18,347	0	0	0	0	53,374	241,356
Creighton	12,533	0	0	0	0	0	0	0	12,364	24,897
Crestwood	0	3,015,117	0	0	0	0	0	0	455,523	3,470,640
Creve Coeur	0	1,874,538	0	0	0	0	0	0	633,577	2,508,115
Crocker	116,216	0	50,481	0	0	0	0	0	39,666	206,363
Cross Timbers	0	0	0	0	0	0	0	0	7,104	7,104
Crystal City	785,313	567,540	0	0	0	0	0	0	163,079	1,515,932
Crystal Lake Park	0	25,410	0	0	0	0	0	0	17,548	42,958
Crystal Lakes	4,949	0	0	0	0	0	0	0	14,707	19,656

Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Cuba	625,429	309,818	312,714	0	0	0	0	0	124,027	1,371,988
Curryville	4,999	0	0	0	0	0	0	0	9,638	14,637
Dadeville	0	0	0	0	0	0	0	0	8,601	8,601
Dalton	0	0	0	0	0	0	0	0	1,037	1,037
Dardenne Prairie	1,009,406	504,708	0	0	0	0	0	0	168,340	1,682,454
Darlington	0	0	0	0	0	0	0	0	4,339	4,339
Dearborn	58,735	0	0	0	0	0	0	0	20,313	79,048
Deepwater	10,399	5,182	5,181	0	0	0	0	0	19,468	40,230
Deerfield	0	0	0	0	0	0	0	0	2,880	2,880
DeKalb	0	0	0	0	0	0	0	0	9,868	9,868
Dellwood	0	464,168	0	0	0	0	0	0	201,785	665,953
Delta	27,674	11,942	0	0	0	0	0	0	19,852	59,468
Dennis Acres	0	0	0	0	0	0	0	0	2,611	2,611
Denver	0	0	0	0	0	0	0	0	1,536	1,536
Des Arc	0	0	0	0	0	0	0	0	7,180	7,180
Desloge	1,007,490	967,653	484,012	0	0	0	0	0	184,390	2,643,545
De Soto	1,147,011	547,838	0	0	0	0	0	0	244,791	1,939,640
Des Peres	0	6,975,476	0	424,692	0	0	0	0	329,921	7,730,089
De Witt	0	0	0	0	0	0	0	0	4,608	4,608
Dexter	1,357,291	1,476,269	0	0	0	0	0	0	282,460	3,116,020
Diamond	109,124	10,474	33,768	0	0	0	0	0	30,988	184,354
Diehlstadt	0	0	0	0	0	0	0	0	6,259	6,259
Diggins	4,296	0	1,723	0	0	0	0	0	11,443	17,462
Dixon	179,186	0	79,849	0	0	0	0	0	60,286	319,321
Doniphan	490,269	0	230,923	0	0	0	0	0	74,186	795,378
Doolittle	50,018	0	0	0	0	0	0	0	24,729	74,747
Dover	0	0	0	0	0	0	0	0	4,147	4,147
Downing	0	0	0	0	0	0	0	0	15,206	15,206
Drexel	93,044	46,522	0	0	0	0	0	0	41,854	181,420
Dudley	37,022	0	0	0	0	0	0	0	11,097	48,119
Duenweg	94,781	68,428	0	0	0	0	0	0	39,704	202,913
Duquesne	290,524	76,954	0	0	0	0	0	0	62,974	430,452
Dutchtown	6,565	0	0	0	0	0	0	0	3,801	10,366
Eagleville	118,717	74,198	29,679	0	0	0	0	0	12,326	234,920
East Lynne	12,721	6,360	0	0	0	0	0	0	11,520	30,601
Easton	6,190	0	0	0	0	0	0	0	9,907	16,097
East Prairie	256,716	226,349	113,209	0	0	0	0	0	123,912	720,186
Edgar Springs	21,940	0	0	0	0	0	0	0	7,296	29,236
Edgerton	22,380	0	0	0	0	0	0	0	20,466	42,846
Edina	134,743	0	0	0	0	0	0	0	47,345	182,088
Edmundson	0	467,273	0	16,502	0	0	0	0	32,255	516,030
Eldon	806,103	730,004	291,989	0	0	0	0	0	187,961	2,016,057
El Dorado Springs	387,330	387,328	0	0	0	0	0	0	144,955	919,613

Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Ellington	287,049	137,358	0	0	0	0	0	0	40,126	464,533
Ellisville	0	1,403,499	0	0	0	0	0	0	349,581	1,753,080
Ellsinore	51,854	24,774	0	0	0	0	0	0	13,939	90,567
Elmer	0	0	0	0	0	0	0	0	3,763	3,763
Elmira	0	0	0	0	0	0	0	0	3,149	3,149
Elmo	0	0	0	0	0	0	0	0	6,374	6,374
Elsberry	152,557	0	68,601	14,368	0	0	0	0	78,602	314,128
Emerald Beach	0	0	0	0	0	0	0	0	9,600	9,600
Eminence	71,246	33,761	33,762	0	0	0	0	0	21,042	159,811
Emma	10,023	0	0	0	0	0	0	0	9,331	19,354
Eolia	28,073	0	0	0	0	0	0	0	16,703	44,776
Essex	13,364	0	0	1,869	0	0	0	0	20,121	35,354
Ethel	0	0	0	0	0	0	0	0	3,840	3,840
Eureka	0	2,040,710	0	0	0	0	0	0	294,748	2,335,458
Everton	26,129	0	0	0	0	0	0	0	12,364	38,493
Ewing	22,015	0	0	0	0	0	0	0	17,817	39,832
Excelsior Estates	0	0	0	0	0	0	0	0	10,099	10,099
Excelsior Springs	1,547,331	1,505,496	731,907	266,177	0	0	0	0	416,510	4,467,421
Exeter	21,330	0	0	0	0	0	0	0	27,148	48,478
Fairfax	35,694	0	0	0	0	0	0	0	24,767	60,461
Fair Grove	127,346	95,499	63,673	0	0	0	0	0	42,507	329,025
Fair Play	23,785	12,772	11,013	0	0	0	0	0	16,051	63,621
Fairview	9,357	0	0	0	0	0	0	0	15,167	24,524
Farber	5,850	0	0	0	0	0	0	0	15,782	21,632
Farley	0	0	0	0	0	0	0	0	8,678	8,678
Farmington	3,204,313	3,103,672	0	0	0	0	0	0	534,662	6,842,647
Fayette	208,233	23,007	0	0	0	0	0	0	107,247	338,487
Fenton	0	3,608,498	0	0	0	0	0	0	167,418	3,775,916
Ferguson	0	3,191,663	0	0	0	0	0	0	860,360	4,052,023
Ferrelview	27,596	0	0	0	0	0	0	0	22,770	50,366
Festus	2,804,805	1,356,803	1,356,884	0	0	0	0	0	370,931	5,889,423
Fidelity	0	0	0	0	0	0	0	0	9,676	9,676
Fillmore	0	0	0	0	0	0	0	0	8,102	8,102
Fisk	38,057	17,482	0	0	0	0	0	0	13,939	69,478
Fleming	0	0	0	0	0	0	0	0	4,685	4,685
Flemington	0	0	0	0	0	0	0	0	4,761	4,761
Flint Hill	75,600	0	0	0	0	0	0	0	14,553	90,153
Flordell Hills	0	51,765	0	8,398	0	0	0	0	35,749	95,912
Florissant	0	6,339,434	0	0	0	0	0	0	2,344,901	8,684,335
Foley	7,980	0	0	0	0	0	0	0	6,835	14,815
Fordland	32,922	0	0	0	0	0	0	0	26,265	59,187
Forest City	9,310	0	0	0	0	0	0	0	12,979	22,289
Foristell	265,510	92,073	0	33,607	0	0	0	0	12,710	403,900



Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Forsyth	314,520	301,250	0	0	0	0	0	0	64,740	680,510
Fortescue	0	0	0	0	0	0	0	0	1,958	1,958
Foster	0	0	0	0	0	0	0	0	4,992	4,992
Fountain N' Lakes	0	0	0	0	0	0	0	0	4,953	4,953
Four Seasons	184,024	92,013	0	0	0	0	0	0	57,329	333,366
Frankford	8,164	0	0	0	0	0	0	0	13,478	21,642
Franklin	693	347	347	0	0	0	0	0	4,301	5,688
Fredericktown	628,246	0	294,279	0	0	0	0	0	150,830	1,073,355
Freeburg	113,804	0	0	0	0	0	0	0	16,243	130,047
Freeman	38,072	0	0	0	0	0	0	0	20,006	58,078
Freistatt	0	0	0	0	0	0	0	0	7,065	7,065
Fremont Hills	22,932	0	0	7,159	0	0	0	0	22,924	53,015
Frohna	0	0	0	0	0	0	0	0	7,373	7,373
Frontenac	0	1,933,729	0	0	0	0	0	0	133,742	2,067,471
Fulton	1,448,850	724,425	724,424	0	0	0	0	0	465,698	3,363,397
Gainesville	183,128	91,544	0	0	0	0	0	0	24,268	298,940
Galena	17,524	0	0	0	0	0	0	0	17,318	34,842
Gallatin	126,597	0	72,254	19,174	0	0	0	0	68,695	286,720
Galt	0	0	0	0	0	0	0	0	10,560	10,560
Garden City	103,403	44,322	44,321	0	0	0	0	0	57,598	249,644
Gasconade	2,874	0	0	0	0	0	0	0	10,252	13,126
Gentry	0	0	0	0	0	0	0	0	3,878	3,878
Gerald	121,096	0	56,519	0	0	0	0	0	44,965	222,580
Gerster	299	0	0	0	0	0	0	0	1,344	1,643
Gibbs	0	0	0	0	0	0	0	0	3,840	3,840
Gideon	39,750	0	0	0	0	0	0	0	42,738	82,488
Gilliam	3,899	487	0	0	0	0	0	0	8,793	13,179
Gilman City	16,958	0	404	0	0	0	0	0	14,591	31,953
Ginger Blue	9,106	0	0	0	0	0	0	0	0	9,106
Gladstone	3,125,315	2,571,517	1,443,153	414,708	0	0	0	0	1,012,380	8,567,073
Glasgow	97,729	24,432	44,089	0	0	0	0	0	48,497	214,747
Glenaire	0	0	0	0	0	0	0	0	21,234	21,234
Glenallen	0	0	0	0	0	0	0	0	5,568	5,568
Glendale	0	447,689	0	52,019	0	0	0	0	221,445	721,153
Glen Echo Park	0	0	0	0	0	0	0	0	6,374	6,374
Glenwood	0	0	0	0	0	0	0	0	7,795	7,795
Golden City	36,538	20,879	20,879	0	0	0	0	0	33,944	112,240
Goodman	66,418	0	0	0	0	0	0	0	45,426	111,844
Gordonville	0	0	0	0	0	0	0	0	16,319	16,319
Gower	75,333	18,834	0	8,883	0	0	0	0	53,720	156,770
Graham	0	0	0	0	0	0	0	0	7,334	7,334
Grain Valley	649,469	541,923	270,455	0	0	0	0	0	198,137	1,659,984
Granby	196,031	36,757	0	0	0	0	0	0	81,443	314,231

Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Grand Falls Plaza	0	0	0	0	0	0	0	0	3,993	3,993
Grandin	10,785	0	0	0	0	0	0	0	9,062	19,847
Grand Pass	0	0	0	0	0	0	0	0	2,035	2,035
Grandview	2,498,626	2,391,559	1,142,229	0	0	0	0	0	955,396	6,987,810
Granger	0	0	0	0	0	0	0	0	1,689	1,689
Grant City	159,196	0	0	0	0	0	0	0	35,557	194,753
Grantwood	0	76,616	0	7,965	0	0	0	0	33,906	118,487
Gravois Mills	22,980	11,032	0	0	0	0	0	0	7,987	41,999
Green Castle	0	0	2,160	0	0	0	0	0	11,827	13,987
Green City	44,801	22,401	0	0	0	0	0	0	26,418	93,620
Greendale	0	47,013	0	0	0	0	0	0	27,724	74,737
Greenfield	127,169	36,320	0	0	0	0	0	0	52,145	215,634
Green Park	0	392,424	0	0	0	0	0	0	102,371	494,795
Green Ridge	34,819	0	0	0	0	0	0	0	17,087	51,906
Greentop	19,237	0	8,010	0	0	0	0	0	16,396	43,643
Greenville	47,494	44,557	0	0	0	0	0	0	17,318	109,369
Greenwood	212,822	82,299	82,300	0	0	0	0	0	151,751	529,172
Guilford	0	0	0	0	0	0	0	0	3,341	3,341
Gunn City	0	0	0	0	0	0	0	0	3,264	3,264
Hale	26,856	13,428	13,428	0	0	0	0	0	18,162	71,874
Half Way	8,333	0	0	0	0	0	0	0	6,758	15,091
Hallsville	77,147	0	0	0	0	0	0	0	37,554	114,701
Halltown	0	0	0	0	0	0	0	0	7,257	7,257
Hamilton	120,836	0	60,418	0	0	0	0	0	69,617	250,871
Hanley Hills	0	117,499	0	0	0	0	0	0	81,559	199,058
Hannibal	2,695,615	3,369,204	0	0	0	0	0	0	681,844	6,746,663
Hardin	18,485	0	0	0	0	0	0	0	23,577	42,062
Harris	0	0	0	0	0	0	0	0	4,032	4,032
Harrisburg	16,760	0	0	0	0	0	0	0	7,065	23,825
Harrisonville	1,953,383	1,631,594	0	0	0	0	0	0	343,514	3,928,491
Hartsburg	4,872	0	0	0	0	0	0	0	4,147	9,019
Hartville	56,616	28,308	0	0	0	0	0	0	23,308	108,232
Harwood	0	0	0	0	0	0	0	0	3,456	3,456
Hawk Point	48,626	0	0	0	0	0	0	0	17,625	66,251
Hayti	364,472	267,152	169,833	0	0	0	0	0	123,144	924,601
Hayti Heights	9,376	3,036	0	0	0	0	0	0	29,605	42,017
Haywood City	0	0	0	0	0	0	0	0	9,177	9,177
Hazelwood	0	6,169,221	0	1,719,108	0	0	0	0	1,006,274	8,894,603
Henrietta	27,810	0	0	0	0	0	0	0	17,548	45,358
Herculaneum	494,095	494,041	70,190	0	0	0	0	0	107,708	1,166,034
Hermann	461,445	220,122	220,277	0	0	0	0	0	102,678	1,004,522
Hermitage	120,325	58,596	0	9,504	0	0	0	0	19,046	207,471
Higbee	18,478	0	9,239	0	0	0	0	0	23,922	51,639

Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Higginsville	554,038	396,874	258,674	0	0	0	0	0	179,782	1,389,368
High Hill	7,896	0	0	0	0	0	0	0	8,870	16,766
Highlandville	27,982	0	6,951	0	0	0	0	0	33,484	68,417
Hillsboro	254,845	95,567	0	0	0	0	0	0	64,318	414,730
Hillsdale	0	82,123	0	0	0	0	0	0	56,715	138,838
Hoberg	0	0	0	0	0	0	0	0	2,304	2,304
Holcomb	40,511	0	0	0	0	0	0	0	26,725	67,236
Holden	253,976	0	113,815	21,666	0	0	0	0	96,380	485,837
Holland	0	0	0	0	0	0	0	0	9,446	9,446
Holiday	0	0	0	0	0	0	0	0	4,953	4,953
Hollister	947,364	473,682	456,388	0	0	0	0	0	148,487	2,025,921
Holt	56,157	53,999	25,921	0	0	0	0	0	15,551	151,628
Holts Summit	601,445	143,912	143,912	110,534	0	0	0	0	112,700	1,112,503
Homestead	0	0	0	0	0	0	0	0	6,950	6,950
Homestown	1,965	0	0	0	0	0	0	0	6,950	8,915
Hopkins	28,504	0	0	0	0	0	0	0	22,233	50,737
Hornersville	25,413	0	0	0	0	0	0	0	26,341	51,754
Houston	642,387	232,390	154,932	0	0	0	0	0	76,490	1,106,199
Houston Lake	0	0	0	0	0	0	0	0	10,905	10,905
Houstonia	0	0	0	0	0	0	0	0	10,560	10,560
Howardville	3,184	0	0	399	0	0	0	0	13,132	16,715
Hughesville	0	0	0	0	0	0	0	0	6,681	6,681
Humansville	46,208	13,180	30,515	0	0	0	0	0	36,325	126,228
Hume	14,081	0	0	0	0	0	0	0	12,940	27,021
Humphreys	0	0	0	0	0	0	0	0	6,297	6,297
Hunnewell	4,379	0	0	0	0	0	0	0	8,716	13,095
Huntleigh	0	0	0	0	0	0	0	0	12,403	12,403
Huntsdale	0	292	0	0	0	0	0	0	2,649	2,941
Huntsville	57,299	0	28,650	0	0	0	0	0	59,633	145,582
Hurdland	0	0	0	0	0	0	0	0	9,177	9,177
Hurley	2,714	0	0	0	0	0	0	0	6,029	8,743
Iatan	0	0	0	0	0	0	0	0	2,073	2,073
Iberia	93,422	44,176	44,106	0	0	0	0	0	24,997	206,701
Independence	17,096,387	12,209,917	8,043,830	0	0	0	0	0	4,350,103	41,700,237
Indian Point	174,247	87,124	0	0	0	0	0	0	22,578	283,949
Innsbrook	30,689	0	0	0	0	0	0	0	18,009	48,698
Ionia	0	0	0	0	0	0	0	0	4,147	4,147
Irondale	13,388	0	0	0	0	0	0	0	16,780	30,168
Iron Mtn. Lake	12,714	0	0	0	0	0	0	0	26,610	39,324
Ironton	217,345	100,767	100,768	0	0	0	0	0	56,484	475,364
Jackson	2,010,867	33,870	943,156	0	0	0	0	0	458,748	3,446,641
Jacksonville	0	0	0	0	0	0	0	0	6,259	6,259
Jameson	0	0	0	0	0	0	0	0	4,608	4,608

Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Jamesport	43,543	21,761	0	0	0	0	0	0	19,391	84,695
Jamestown	0	0	0	0	0	0	0	0	14,668	14,668
Jane	9,850	0	0	0	0	0	0	0	0	9,850
Jasper	106,813	53,407	48,147	0	0	0	0	0	38,821	247,188
Jefferson City	9,432,706	9,119,865	245	0	0	0	0	0	1,521,968	20,074,784
Jennings	0	1,682,491	0	0	0	0	0	0	593,988	2,276,479
Jerico Springs	0	0	0	0	0	0	0	0	9,945	9,945
Jonesburg	59,343	26,836	0	0	0	0	0	0	26,687	112,866
Joplin	17,547,442	7,305,358	5,853,098	0	0	0	0	0	1,747,291	32,453,189
Josephville	4,977	0	0	0	0	0	0	0	10,368	15,345
Junction City	0	0	0	0	0	0	0	0	12,249	12,249
Kahoka	250,414	0	0	0	0	0	0	0	86,051	336,465
Kansas City	65,474,525	32,652,848	57,224,660	23,484,611	0	0	0	0	16,954,720	195,791,364
Kearney	962,271	433,200	434,770	0	0	0	0	0	210,117	2,040,358
Kelso	91,248	0	0	0	0	0	0	0	20,236	111,484
Kennett	1,369,812	361,654	0	0	0	0	0	0	432,368	2,163,834
Keytesville	0	0	0	0	0	0	0	0	20,466	20,466
Kidder	23,110	0	0	0	0	0	0	0	10,406	33,516
Kimberling City	283,660	262,442	0	43,135	0	0	0	0	86,512	675,749
Kimmswick	42,706	0	21,353	0	0	0	0	0	3,609	67,668
King City	96,467	47,484	0	0	0	0	0	0	38,859	182,810
Kingdom City	253,487	126,715	126,715	0	0	0	0	0	4,646	511,563
Kingston	0	0	0	0	0	0	0	0	11,020	11,020
Kingsville	0	0	0	0	0	0	0	0	9,868	9,868
Kinloch	0	27,028	0	0	0	0	0	0	17,241	44,269
Kirbyville	15,906	0	0	0	0	0	0	0	4,224	20,130
Kirksville	2,499,158	1,793,320	1,195,553	0	0	0	0	0	664,450	6,152,481
Kirkwood	0	4,176,825	0	246,465	0	0	0	0	1,049,204	5,472,494
Knob Noster	193,143	86,251	86,153	40,396	0	0	0	0	94,537	500,480
Knox City	0	0	0	0	0	0	0	0	8,563	8,563
Koshkonong	44,402	0	0	0	0	0	0	0	7,872	52,274
La Belle	36,109	0	0	0	0	0	0	0	25,689	61,798
Laclede	0	5,444	5,442	0	0	0	0	0	15,935	26,821
Laddonia	0	22,027	22,028	0	0	0	0	0	23,807	67,862
Ladue	0	1,658,840	0	0	0	0	0	0	331,956	1,990,796
La Grange	40,346	0	0	0	0	0	0	0	38,399	78,745
Lake Annette	0	0	0	0	0	0	0	0	6,259	6,259
Lake Lafayette	0	0	0	0	0	0	0	0	13,286	13,286
Lake Lotawana	150,387	18,799	18,251	0	0	0	0	0	71,882	259,319
Lake Mykee	0	0	0	0	0	0	0	0	12,518	12,518
Lake Ozark	760,805	247,800	247,799	0	0	0	0	0	57,175	1,313,579
Lake St. Louis	2,443,217	0	1,221,609	0	0	0	0	0	390,476	4,055,302
Lakeshire	0	76,452	0	0	0	0	0	0	52,798	129,250

Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Lakeside	0	0	0	0	0	0	0	0	1,421	1,421
Lake Tapawingo	0	0	0	0	0	0	0	0	32,370	32,370
Lake Waukomis	0	0	0	0	0	0	0	0	35,211	35,211
Lake Winnebago	0	21,865	0	0	0	0	0	0	34,635	56,500
Lamar	628,664	314,314	314,314	0	0	0	0	0	169,914	1,427,206
Lamar Heights	0	92,519	0	0	0	0	0	0	8,294	100,813
La Monte	82,494	0	0	0	0	0	0	0	40,856	123,350
Lanagan	14,424	0	0	0	0	0	0	0	15,782	30,206
Lancaster	74,553	0	0	0	0	0	0	0	28,300	102,853
La Plata	96,110	42,721	0	0	0	0	0	0	57,060	195,891
Laredo	0	0	0	0	0	0	0	0	9,600	9,600
La Russell	0	0	0	0	0	0	0	0	5,299	5,299
Lathrop	124,687	62,344	0	0	0	0	0	0	80,330	267,361
Laurie	390,048	195,025	190,440	0	0	0	0	0	25,458	800,971
Lawson	177,024	163,132	0	0	0	0	0	0	89,699	429,855
Leadington	151,773	151,774	75,887	30,846	0	0	0	0	7,910	418,190
Leadwood	52,866	0	0	0	0	0	0	0	44,542	97,408
Leasburg	0	0	0	0	0	0	0	0	12,403	12,403
Leawood	0	0	0	0	0	0	0	0	34,712	34,712
Lebanon	3,094,223	1,482,741	1,484,387	0	0	0	0	0	466,735	6,528,086
Lee's Summit	12,619,296	9,317,234	6,020,491	0	0	0	0	0	2,714,783	30,671,804
Leeton	27,783	13,892	0	0	0	0	0	0	23,769	65,444
Leonard	0	0	0	0	0	0	0	0	2,534	2,534
Leslie	0	0	0	0	0	0	0	0	3,341	3,341
Levasy	2,267	0	0	0	0	0	0	0	4,147	6,414
Lewis & Clark Village	0	0	0	0	0	0	0	0	5,952	5,952
Lewistown	44,711	0	0	0	0	0	0	0	22,847	67,558
Lexington	350,079	326,655	151,533	0	0	0	0	0	170,989	999,256
Liberal	33,861	0	0	0	0	0	0	0	29,912	63,773
Liberty	3,457,862	3,185,318	1,592,328	0	0	0	0	0	1,007,273	9,242,781
Licking	237,394	118,696	0	0	0	0	0	0	56,484	412,574
Lilbourn	62,835	0	0	3,532	0	0	0	0	50,033	116,400
Lincoln	94,071	42,685	0	13,610	0	0	0	0	39,397	189,763
Linn	225,962	0	0	0	0	0	0	0	51,992	277,954
Linn Creek	70,003	53,428	17,117	24,499	0	0	0	0	10,752	175,799
Linneus	0	0	0	0	0	0	0	0	14,169	14,169
Livonia	0	0	0	0	0	0	0	0	4,377	4,377
Lock Springs	0	0	0	0	0	0	0	0	2,649	2,649
Lockwood	74,587	0	0	6,471	0	0	0	0	37,976	119,034
Lohman	0	0	0	0	0	0	0	0	6,451	6,451
Loma Linda	22,605	0	0	0	0	0	0	0	19,468	42,073
Lone Jack	64,318	58,030	0	0	0	0	0	0	20,274	142,622
Longtown	0	0	0	0	0	0	0	0	2,918	2,918

Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Louisburg	0	0	0	0	0	0	0	0	5,645	5,645
Louisiana	585,825	0	0	115,305	0	0	0	0	148,334	849,464
Lowry City	99,584	11,239	0	6,540	0	0	0	0	27,954	145,317
Lucerne	0	0	0	0	0	0	0	0	3,533	3,533
Ludlow	0	0	0	0	0	0	0	0	7,833	7,833
Lupus	0	0	0	0	0	0	0	0	1,113	1,113
Luray	0	0	0	0	0	0	0	0	3,917	3,917
MacKenzie	0	0	0	0	0	0	0	0	5,261	5,261
Macks Creek	7,704	0	0	0	0	0	0	0	10,252	17,956
Macon	826,311	413,138	0	0	0	0	0	0	212,652	1,452,101
Madison	24,721	0	0	0	0	0	0	0	22,502	47,223
Maitland	12,744	0	0	0	0	0	0	0	13,132	25,876
Malden	569,344	275,428	0	0	0	0	0	0	183,622	1,028,394
Malta Bend	40,818	0	0	0	0	0	0	0	9,561	50,379
Manchester	0	3,319,601	0	0	0	0	0	0	735,756	4,055,357
Mansfield	130,885	74,792	0	0	0	0	0	0	51,800	257,477
Maplewood	0	3,300,089	0	127,205	0	0	0	0	354,342	3,781,636
Marble Hill	245,904	157,822	0	0	0	0	0	0	57,675	461,401
Marceline	214,088	0	93,878	0	0	0	0	0	98,224	406,190
Marionville	196,303	65,435	65,435	0	0	0	0	0	81,136	408,309
Marlborough	0	234,501	0	0	0	0	0	0	85,821	320,322
Marquand	8,100	0	0	0	0	0	0	0	9,638	17,738
Marshall	1,491,202	745,578	0	0	0	0	0	0	477,410	2,714,190
Marshfield	1,097,201	548,522	518,462	0	0	0	0	0	219,640	2,383,825
Marston	69,833	104,751	0	41,260	0	0	0	0	23,423	239,267
Marthasville	0	81,837	40,919	19,419	0	0	0	0	32,140	174,315
Martinsburg	37,791	0	0	0	0	0	0	0	12,518	50,309
Maryland Heights	0	3,383,020	0	0	0	0	0	0	988,995	4,372,015
Maryville	1,693,639	2,069,457	0	0	0	0	0	0	406,296	4,169,392
Matthews	289,655	73,826	0	0	0	0	0	0	23,231	386,712
Maysville	70,811	17,702	35,406	0	0	0	0	0	46,539	170,458
Mayview	0	0	0	0	0	0	0	0	11,289	11,289
McBaine	0	0	0	0	0	0	0	0	653	653
McCord Bend	0	0	0	0	0	0	0	0	11,212	11,212
McFall	0	0	0	0	0	0	0	0	5,184	5,184
McKittrick	0	0	0	0	0	0	0	0	2,765	2,765
Meadville	0	0	0	0	0	0	0	0	17,548	17,548
Memphis	306,357	0	0	0	0	0	0	0	79,140	385,497
Mendon	0	0	0	0	0	0	0	0	7,987	7,987
Mercer	0	0	0	0	0	0	0	0	13,132	13,132
Merriam Woods	23,219	0	11,610	0	0	0	0	0	43,851	78,680
Merwin	0	0	0	0	0	0	0	0	3,187	3,187
Meta	31,811	0	0	0	0	0	0	0	9,561	41,372

Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Metz	0	0	0	0	0	0	0	0	2,573	2,573
Mexico	1,578,095	747,702	0	0	0	0	0	0	434,672	2,760,469
Miami	0	0	0	0	0	0	0	0	6,144	6,144
Middletown	14,667	0	0	0	0	0	0	0	7,641	22,308
Milan	189,102	0	0	0	0	0	0	0	75,184	264,286
Milford	0	0	0	0	0	0	0	0	1,997	1,997
Millard	0	0	0	0	0	0	0	0	2,880	2,880
Miller	65,318	9,435	18,890	0	0	0	0	0	28,952	122,595
Mill Spring	0	0	0	0	0	0	0	0	8,409	8,409
Milo	0	0	0	0	0	0	0	0	3,225	3,225
Mindenmines	0	0	0	0	0	0	0	0	15,705	15,705
Miner	501,875	494,012	0	27,080	0	0	0	0	40,549	1,063,516
Mineral Point	0	0	0	0	0	0	0	0	13,939	13,939
Miramiquoa Park	0	0	0	0	0	0	0	0	4,877	4,877
Missouri City	0	0	0	0	0	0	0	0	11,328	11,328
Moberly	2,146,549	2,038,790	1,019,729	0	0	0	0	0	527,635	5,732,703
Mokane	10,052	0	0	0	0	0	0	0	7,219	17,271
Moline Acres	0	178,713	0	0	0	0	0	0	102,217	280,930
Monett	1,665,364	1,231,666	0	0	0	0	0	0	283,996	3,181,026
Monroe City	310,458	142,624	0	0	0	0	0	0	99,376	552,458
Montgomery City	291,705	0	135,628	0	0	0	0	0	93,769	521,102
Monticello	0	0	0	0	0	0	0	0	4,838	4,838
Montrose	28,215	14,107	0	0	0	0	0	0	16,012	58,334
Mooreville	0	0	0	0	0	0	0	0	3,417	3,417
Morehouse	24,254	0	0	0	0	0	0	0	38,975	63,229
Morley	10,793	10,765	0	0	0	0	0	0	30,412	51,970
Morrison	4,434	0	0	0	0	0	0	0	4,723	9,157
Morrisville	12,242	0	0	0	0	0	0	0	13,209	25,451
Mosby	71,704	0	0	0	0	0	0	0	9,292	80,996
Moscow Mills	220,959	0	102,250	0	0	0	0	0	66,890	390,099
Mound City	78,604	78,604	78,479	0	0	0	0	0	45,809	281,496
Mountain Grove	878,062	438,938	420,018	0	0	0	0	0	175,635	1,912,653
Mountain View	741,644	0	228,533	0	0	0	0	0	93,309	1,063,486
Moundville	0	0	0	0	0	0	0	0	3,955	3,955
Mount Leonard	0	0	0	0	0	0	0	0	4,723	4,723
Mount Moriah	0	0	0	0	0	0	0	0	5,491	5,491
Mount Vernon	497,785	249,602	247,878	0	0	0	0	0	154,247	1,149,512
Napoleon	0	0	0	0	0	0	0	0	7,987	7,987
Naylor	21,136	8,735	8,734	5,148	0	0	0	0	23,423	67,176
Neck City	0	0	0	0	0	0	0	0	4,569	4,569
Neelyville	19,924	0	0	0	0	0	0	0	18,700	38,624
Nelson	0	0	0	0	0	0	0	0	8,140	8,140
Neosho	2,042,280	1,948,335	974,160	0	0	0	0	0	403,377	5,368,152

Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Nevada	1,451,604	1,451,344	725,671	0	0	0	0	0	330,497	3,959,116
Newark	0	0	0	0	0	0	0	0	3,840	3,840
New Bloomfield	26,769	13,384	0	0	0	0	0	0	23,001	63,154
Newburg	17,062	6,970	6,971	0	0	0	0	0	18,585	49,588
New Cambria	9,122	0	0	0	0	0	0	0	8,524	17,646
New Florence	88,758	41,904	41,904	0	0	0	0	0	29,336	201,902
New Franklin	45,969	22,985	16,247	0	0	0	0	0	43,966	129,167
New Hampton	0	0	0	0	0	0	0	0	13,401	13,401
New Haven	199,780	92,765	92,765	0	0	0	0	0	71,690	457,000
New London	106,752	0	31,323	0	0	0	0	0	38,437	176,512
New Madrid	210,741	105,364	0	35,622	0	0	0	0	128,021	479,748
New Melle	37,457	18,728	18,728	3,557	0	0	0	0	11,020	89,490
Newtonia	0	0	0	0	0	0	0	0	8,870	8,870
Newtown	0	0	0	0	0	0	0	0	8,025	8,025
Niangua	9,262	0	4,631	0	0	0	0	0	17,087	30,980
Nixa	1,920,401	0	960,200	0	0	0	0	0	465,545	3,346,146
Noel	178,346	66,885	83,371	0	0	0	0	0	56,830	385,432
Norborne	29,072	0	14,536	0	0	0	0	0	30,911	74,519
Normandy	0	213,923	0	47,328	0	0	0	0	197,868	459,119
North Kansas City	2,716,977	0	1,353,989	0	0	0	0	0	181,011	4,251,977
North Lilbourn	0	0	0	0	0	0	0	0	3,648	3,648
Northmoor	137,654	0	0	0	0	0	0	0	15,321	152,975
Northwoods	0	367,590	0	0	0	0	0	0	178,285	545,875
Norwood	38,409	12,795	0	0	0	0	0	0	21,196	72,400
Norwood Court	0	0	0	0	0	0	0	0	40,741	40,741
Novelty	0	0	0	0	0	0	0	0	4,569	4,569
Novinger	0	0	0	0	0	0	0	0	20,505	20,505
Oak Grove	940,569	453,656	453,662	0	0	0	0	0	212,536	2,060,423
Oak Grove Village	172,864	86,436	0	0	0	0	0	0	14,668	273,968
Oakland	0	127,322	0	0	0	0	0	0	59,134	186,456
Oak Ridge	0	0	0	0	0	0	0	0	7,756	7,756
Oaks	1,431	358	716	0	0	0	0	0	5,222	7,727
Oakview	50,675	46,610	0	1,568	0	0	0	0	14,822	113,675
Oakwood	0	0	0	0	0	0	0	0	7,564	7,564
Oakwood Park	0	0	0	0	0	0	0	0	7,027	7,027
Odessa	462,318	462,345	231,204	0	0	0	0	0	185,004	1,340,871
O'Fallon	10,044,352	4,704,896	4,712,123	0	0	0	0	0	1,772,826	21,234,197
Old Appleton	0	0	0	0	0	0	0	0	3,149	3,149
Old Monroe	36,050	8,514	8,514	0	0	0	0	0	9,600	62,678
Olean	0	0	0	0	0	0	0	0	6,029	6,029
Olivette	0	997,512	0	129,243	0	0	0	0	285,609	1,412,364
Olympian Village	0	0	0	0	0	0	0	0	25,689	25,689
Oran	58,516	29,258	0	0	0	0	0	0	48,536	136,310



Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Oregon	0	0	0	0	0	0	0	0	35,903	35,903
Oronogo	69,263	16,128	27,372	0	0	0	0	0	37,477	150,240
Orrick	39,766	0	16,357	0	0	0	0	0	34,136	90,259
Osage Beach	4,212,623	2,076,799	2,076,842	0	0	0	0	0	140,616	8,506,880
Osborn	0	0	0	0	0	0	0	0	17,471	17,471
Osceola	80,134	45,790	0	0	0	0	0	0	32,063	157,987
Osgood	0	0	0	0	0	0	0	0	1,958	1,958
Otterville	30,327	0	0	0	0	0	0	0	18,278	48,605
Overland	0	875,480	0	0	0	0	0	0	646,556	1,522,036
Owensville	623,660	453,831	302,567	0	0	0	0	0	95,996	1,476,054
Ozark	2,250,400	2,249,971	0	0	0	0	0	0	371,123	4,871,494
Pacific	645,269	335,347	0	0	0	0	0	0	253,853	1,234,469
Pagedale	0	311,681	0	0	0	0	0	0	138,849	450,530
Palmyra	373,959	267,070	0	0	0	0	0	0	133,128	774,157
Paris	125,923	53,910	53,910	0	0	0	0	0	58,711	292,454
Park Hills	685,995	626,084	313,048	0	0	0	0	0	301,852	1,926,979
Parkdale	0	0	0	0	0	0	0	0	7,872	7,872
Parkville	1,046,695	0	495,588	0	0	0	0	0	155,860	1,698,143
Parkway	43,499	0	0	0	0	0	0	0	10,752	54,251
Parma	22,578	11,289	7,616	2,923	0	0	0	0	32,716	77,122
Parnell	0	0	0	0	0	0	0	0	7,564	7,564
Pasadena Hills	0	63,775	0	10,346	0	0	0	0	44,043	118,164
Pasadena Park	0	27,189	0	0	0	0	0	0	18,777	45,966
Pascola	0	0	0	0	0	0	0	0	5,299	5,299
Passaic	0	0	0	0	0	0	0	0	1,536	1,536
Pattonsburg	16,011	0	0	808	0	0	0	0	10,022	26,841
Paynesville	0	0	0	0	0	0	0	0	3,494	3,494
Peculiar	332,809	312,307	145,843	96,446	0	0	0	0	99,990	987,395
Pennermon	0	0	0	0	0	0	0	0	2,880	2,880
Perry	79,286	0	36,197	0	0	0	0	0	25,573	141,056
Perryville	1,508,112	565,539	754,056	0	0	0	0	0	294,402	3,122,109
Pevely	484,320	221,978	222,253	0	0	0	0	0	144,686	1,073,237
Phillipsburg	8,829	0	0	0	0	0	0	0	7,718	16,547
Pickering	0	0	0	0	0	0	0	0	5,913	5,913
Piedmont	435,842	417,177	208,580	0	0	0	0	0	76,490	1,138,089
Pierce City	83,458	56,159	36,399	0	0	0	0	0	53,182	229,198
Pierpont Village	1,872	0	0	0	0	0	0	0	0	1,872
Pilot Grove	22,667	0	22,667	0	0	0	0	0	27,762	73,096
Pilot Knob	65,070	32,535	30,099	0	0	0	0	0	26,764	154,468
Pine Lawn	0	273,281	0	0	0	0	0	0	161,428	434,709
Pineville	66,458	33,229	0	0	0	0	0	0	29,490	129,177
Plato	2,946	0	0	0	0	0	0	0	0	2,946
Platte City	808,331	808,331	302,648	0	0	0	0	0	148,449	2,067,759

Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Platte Woods	68,175	0	34,087	0	0	0	0	0	18,201	120,463
Plattsburg	156,825	156,691	0	24,258	0	0	0	0	90,390	428,164
Pleasant Hill	653,758	605,214	278,459	0	0	0	0	0	214,341	1,751,772
Pleasant Hope	43,386	9,717	9,718	4,010	0	0	0	0	21,042	87,873
Pleasant Valley	542,088	344,317	67,403	0	0	0	0	0	127,522	1,081,330
Pocahontas	0	0	0	0	0	0	0	0	4,877	4,877
Pollock	0	0	0	0	0	0	0	0	5,030	5,030
Polo	30,017	27,348	27,348	0	0	0	0	0	22,348	107,061
Poplar Bluff	4,211,883	5,081,804	0	0	0	0	0	0	639,375	9,933,062
Portage Des Sioux	17,404	0	0	0	0	0	0	0	13,478	30,882
Portageville	324,168	146,700	0	0	0	0	0	0	126,523	597,391
Potosi	765,342	0	0	0	0	0	0	0	102,217	867,559
Powersville	0	0	0	0	0	0	0	0	3,302	3,302
Prairie Home	0	0	0	0	0	0	0	0	8,448	8,448
Prathersville	0	0	0	0	0	0	0	0	4,262	4,262
Preston	15,166	0	0	0	0	0	0	0	4,339	19,505
Princeton	98,532	0	0	0	0	0	0	0	40,203	138,735
Purcell	0	0	0	0	0	0	0	0	13,708	13,708
Purdin	0	0	0	0	0	0	0	0	8,563	8,563
Purdy	57,740	28,836	28,836	0	0	0	0	0	42,354	157,766
Puxico	124,110	0	0	0	0	0	0	0	43,966	168,076
Queen City	34,817	30,246	15,123	0	0	0	0	0	24,498	104,684
Quitman	0	0	0	0	0	0	0	0	1,766	1,766
Quin	36,826	18,413	0	0	0	0	0	0	17,932	73,171
Randolph	38,361	19,181	0	0	0	0	0	0	1,805	59,347
Ravenwood	0	0	0	0	0	0	0	0	17,203	17,203
Raymondville	0	0	0	0	0	0	0	0	16,972	16,972
Raymore	2,012,646	1,886,337	943,169	0	0	0	0	0	427,991	5,270,143
Raytown	2,777,600	3,369,636	1,251,771	0	0	0	0	0	1,166,857	8,565,864
Rayville	0	0	0	0	0	0	0	0	7,833	7,833
Rea	0	0	0	0	0	0	0	0	2,150	2,150
Redings Mill	1,712	0	0	0	0	0	0	0	6,105	7,817
Reeds	0	0	0	0	0	0	0	0	3,955	3,955
Reeds Spring	38,582	38,485	0	0	0	0	0	0	17,855	94,922
Renick	0	0	0	0	0	0	0	0	8,486	8,486
Rensselaer Village	0	0	0	0	0	0	0	0	5,568	5,568
Republic	1,749,895	1,312,334	874,945	0	0	0	0	0	336,525	4,273,699
Revere	0	0	0	0	0	0	0	0	4,646	4,646
Rhineland	0	0	0	0	0	0	0	0	6,758	6,758
Richards	0	0	0	0	0	0	0	0	3,648	3,648
Rich Hill	146,225	0	0	0	0	0	0	0	56,100	202,325
Richland	225,486	68,797	68,805	0	0	0	0	0	69,309	432,397
Richmond	936,679	442,007	442,150	0	0	0	0	0	234,846	2,055,682

Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Richmond Heights	0	4,933,093	0	0	0	0	0	0	368,704	5,301,797
Ridgely	0	0	0	0	0	0	0	0	2,457	2,457
Ridgeway	19,477	0	0	0	0	0	0	0	20,351	39,828
Risco	13,037	0	0	0	0	0	0	0	15,052	28,089
Ritchey	0	0	0	0	0	0	0	0	2,918	2,918
River Bend	14,392	0	0	0	0	0	0	0	384	14,776
Riverside	1,030,322	0	0	162,209	0	0	0	0	114,389	1,306,920
Riverview	0	174,922	0	28,377	0	0	0	0	120,802	324,101
Rives	0	0	0	0	0	0	0	0	3,379	3,379
Rocheport	20,159	10,080	0	0	0	0	0	0	7,987	38,226
Rockaway Beach	37,680	15,935	15,935	0	0	0	0	0	22,156	91,706
Rock Hill	0	899,655	0	0	0	0	0	0	182,969	1,082,624
Rock Port	236,731	177,549	0	46,683	0	0	0	0	53,566	514,529
Rockville	8,024	0	0	0	0	0	0	0	6,221	14,245
Rogersville	269,023	134,512	134,512	0	0	0	0	0	57,905	595,952
Rolla	3,677,342	3,677,325	1,838,665	0	0	0	0	0	628,470	9,821,802
Roscoe	0	0	0	0	0	0	0	0	4,301	4,301
Rosebud	42,409	0	19,966	0	0	0	0	0	13,977	76,352
Rosendale	0	0	0	0	0	0	0	0	6,912	6,912
Rothville	0	0	0	0	0	0	0	0	3,571	3,571
Rush Hill	0	0	0	0	0	0	0	0	4,992	4,992
Rushville	0	0	0	0	0	0	0	0	10,752	10,752
Russellville	51,964	0	0	0	0	0	0	0	29,106	81,070
Rutledge	13,687	0	0	0	0	0	0	0	3,955	17,642
St. Ann	0	1,531,174	0	0	0	0	0	0	522,490	2,053,664
St. Charles	10,309,731	4,919,305	0	0	0	0	0	0	2,316,243	17,545,279
St. Clair	479,709	239,854	239,827	0	0	0	0	0	168,570	1,127,960
St. Elizabeth	24,292	0	0	0	0	0	0	0	11,404	35,696
St. George	0	71,615	0	0	0	0	0	0	49,457	121,072
St. James	455,027	226,360	227,514	0	0	0	0	0	142,228	1,051,129
St. John	0	790,118	0	0	0	0	0	0	263,837	1,053,955
St. Joseph	17,423,893	5,805,679	4,351,587	0	0	0	0	0	2,841,114	30,422,273
St. Louis	47,951,607	65,546,689	33,160,836	26,216,077	0	0	0	0	13,369,978	186,245,187
St. Martins	54,470	0	0	0	0	0	0	0	39,282	93,752
St. Mary	23,795	0	11,897	0	0	0	0	0	14,476	50,168
St. Paul	0	0	0	0	0	0	0	0	62,743	62,743
St. Peters	12,153,402	1,215,337	6,076,703	0	0	0	0	0	1,972,960	21,418,402
St. Robert	2,214,876	1,645,830	1,080,406	0	0	0	0	0	105,980	5,047,092
St. Thomas	13,420	0	0	0	0	0	0	0	11,020	24,440
Ste. Genevieve	588,657	272,788	272,787	90,650	0	0	0	0	171,872	1,396,754
Saginaw	18,393	0	0	0	0	0	0	0	10,598	28,991
Salem	1,021,030	510,489	0	0	0	0	0	0	186,387	1,717,906
Salisbury	174,972	0	0	0	0	0	0	0	66,276	241,248

Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Sarcoie	116,390	50,872	50,872	0	0	0	0	0	51,992	270,126
Savannah	560,186	187,008	0	0	0	0	0	0	182,854	930,048
Schell City	0	0	0	0	0	0	0	0	10,982	10,982
Scotsdale	0	5,698	0	0	0	0	0	0	8,102	13,800
Scott City	393,331	89,944	179,889	0	0	0	0	0	176,288	839,452
Sedalia	4,905,209	4,176,777	2,362,073	0	0	0	0	0	780,990	12,225,049
Sedgewickville	0	0	0	0	0	0	0	0	7,564	7,564
Seligman	81,040	51,194	39,761	0	0	0	0	0	33,676	205,671
Senath	63,610	0	0	0	0	0	0	0	63,358	126,968
Seneca	197,877	88,863	88,864	0	0	0	0	0	81,981	457,585
Seymour	201,559	109,845	0	0	0	0	0	0	70,423	381,827
Shelbina	217,926	176,668	0	0	0	0	0	0	74,608	469,202
Shelbyville	35,263	0	0	0	0	0	0	0	26,188	61,451
Sheldon	38,977	0	0	0	0	0	0	0	20,313	59,290
Sheridan	0	0	0	0	0	0	0	0	7,104	7,104
Shoal Creek Drive	0	0	0	0	0	0	0	0	13,286	13,286
Shoal Creek Estates	0	0	0	0	0	0	0	0	1,958	1,958
Shrewsbury	0	1,259,865	0	0	0	0	0	0	255,120	1,514,985
Sibley	0	0	0	0	0	0	0	0	13,324	13,324
Sikeston	5,659,907	82	1,414,434	0	0	0	0	0	652,469	7,726,892
Silex	33,415	0	0	4,640	0	0	0	0	7,910	45,965
Silver Creek	18,917	9,458	0	0	0	0	0	0	23,346	51,721
Skidmore	8,621	0	0	0	0	0	0	0	13,132	21,753
Slater	104,251	52,125	52,126	0	0	0	0	0	79,984	288,486
Smithton	14,978	0	0	0	0	0	0	0	19,583	34,561
Smithville	765,268	0	344,548	98,638	0	0	0	0	211,730	1,420,184
South Gifford	0	0	0	0	0	0	0	0	2,765	2,765
South Gorin	0	0	0	0	0	0	0	0	5,491	5,491
South Greenfield	0	0	0	0	0	0	0	0	5,222	5,222
South Lineville	0	0	0	0	0	0	0	0	1,421	1,421
South West City	105,560	24,824	49,648	47,624	0	0	0	0	32,831	260,487
Sparta	88,211	44,087	0	0	0	0	0	0	43,928	176,226
Spickard	5,232	0	0	0	0	0	0	0	12,095	17,327
Springfield	36,245,664	34,864,476	4,379,483	5,582,552	0	0	0	0	5,820,463	86,892,638
Stanberry	0	113,673	0	0	0	0	0	0	47,729	161,402
Stark City	0	0	0	0	0	0	0	0	5,990	5,990
Steele	164,297	102,932	23,625	0	0	0	0	0	86,896	377,750
Steelville	239,990	233,521	0	0	0	0	0	0	54,872	528,383
Stella	3,827	0	0	0	0	0	0	0	6,835	10,662
Stewartsville	94,936	25,316	0	0	0	0	0	0	29,144	149,396
Stockton	244,694	183,524	122,348	29,513	0	0	0	0	75,261	655,340
Stotesbury	0	0	0	0	0	0	0	0	1,651	1,651
Stotts City	0	0	0	0	0	0	0	0	9,600	9,600

Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Stoutland	4,430	0	0	0	0	0	0	0	6,796	11,226
Stoutsville	0	0	0	0	0	0	0	0	1,689	1,689
Stover	102,461	0	46,944	0	0	0	0	0	37,170	186,575
Strafford	315,162	157,580	0	0	0	0	0	0	70,845	543,587
Strasburg	0	0	0	0	0	0	0	0	5,222	5,222
Sturgeon	68,846	0	20,738	0	0	0	0	0	36,248	125,832
Sugar Creek	284,039	284,591	0	91,455	0	0	0	0	147,412	807,497
Sullivan	1,342,980	671,490	671,184	0	0	0	0	0	243,870	2,929,524
Summersville	58,220	0	25,885	0	0	0	0	0	20,889	104,994
Sumner	0	0	0	0	0	0	0	0	5,453	5,453
Sunrise Beach	146,560	73,265	73,280	42,390	0	0	0	0	14,131	349,626
Sunset Hills	0	1,912,225	0	0	0	0	0	0	317,441	2,229,666
Sweet Springs	172,819	53,153	53,153	0	0	0	0	0	62,513	341,638
Sycamore Hills	0	0	0	0	0	0	0	0	27,724	27,724
Syracuse	0	0	0	0	0	0	0	0	6,605	6,605
Tallapoosa	0	0	0	0	0	0	0	0	7,833	7,833
Taneyville	11,487	0	0	0	0	0	0	0	13,785	25,272
Taos	24,617	0	0	0	0	0	0	0	33,407	58,024
Tarkio	238,854	72,341	0	0	0	0	0	0	74,301	385,496
Thayer	691,633	230,150	0	0	0	0	0	0	84,515	1,006,298
Theodosia	57,959	0	28,955	0	0	0	0	0	9,216	96,130
Tightwad	0	0	0	0	0	0	0	0	2,419	2,419
Tina	0	0	0	0	0	0	0	0	7,411	7,411
Tindall	0	0	0	0	0	0	0	0	2,496	2,496
Tipton	185,757	0	0	0	0	0	0	0	125,218	310,975
Town and Country	0	2,307,237	0	0	0	0	0	0	418,315	2,725,552
Tracy	17,894	0	8,946	0	0	0	0	0	8,179	35,019
Trenton	734,867	703,686	0	0	0	0	0	0	238,686	1,677,239
Trimble	32,746	0	0	0	0	0	0	0	17,318	50,064
Triplett	0	0	0	0	0	0	0	0	2,457	2,457
Troy	2,053,945	0	991,902	0	0	0	0	0	258,691	3,304,538
Truesdale	93,374	46,687	0	0	0	0	0	0	15,244	155,305
Truxton	0	0	0	0	0	0	0	0	3,686	3,686
Turney	0	0	0	0	0	0	0	0	5,952	5,952
Tuscumbia	11,894	0	0	0	0	0	0	0	8,371	20,265
Twin Bridges	0	0	0	0	0	0	0	0	1,613	1,613
Twin Oaks	0	497,765	0	0	0	0	0	0	13,900	511,665
Umber View Heights	0	0	0	0	0	0	0	0	1,997	1,997
Union	1,591,224	795,641	795,612	0	0	0	0	0	297,858	3,480,335
Union Star	0	0	0	0	0	0	0	0	16,627	16,627
Unionville	212,492	0	0	0	0	0	0	0	78,372	290,864
Unity Village	2,824	2,118	1,412	0	0	0	0	0	5,376	11,730
University City	0	4,322,452	0	339,552	0	0	0	0	1,437,184	6,099,188

Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Uplands Park	0	25,577	0	4,149	0	0	0	0	17,663	47,389
Urbana	49,211	0	24,553	0	0	0	0	0	15,628	89,392
Urich	40,343	20,172	20,172	0	0	0	0	0	19,161	99,848
Utica	0	0	0	0	0	0	0	0	10,521	10,521
Valley Park	0	1,002,477	0	0	0	0	0	0	250,282	1,252,759
Van Buren	184,629	86,668	0	0	0	0	0	0	32,447	303,744
Vandalia	274,787	137,370	0	0	0	0	0	0	148,334	560,491
Vandiver	60,584	0	0	0	0	0	0	0	3,187	63,771
Vanduser	0	0	0	0	0	0	0	0	8,332	8,332
Velda City	0	89,852	0	0	0	0	0	0	0	89,852
Velda Village	0	0	0	0	0	0	0	0	41,854	41,854
Velda Village Hills	0	60,606	0	0	0	0	0	0	62,052	122,658
Verona	29,374	29,374	0	0	0	0	0	0	27,417	86,165
Versailles	543,404	533,476	0	0	0	0	0	0	98,492	1,175,372
Viburnum	82,802	0	0	0	0	0	0	0	31,679	114,481
Vienna	103,308	0	47,507	16,080	0	0	0	0	24,114	191,009
Village of Aullville	0	0	0	0	0	0	0	0	3,302	3,302
Village of Loch Lloyd	0	0	0	0	0	0	0	0	14,131	14,131
Village of Pinhook	0	0	0	0	0	0	0	0	1,843	1,843
Village of Plato	0	0	0	0	0	0	0	0	2,765	2,765
Vinita Park	0	269,061	0	11,207	0	0	0	0	73,879	354,147
Vinita Terrace	0	16,236	0	0	0	0	0	0	11,212	27,448
Vista	0	0	0	0	0	0	0	0	2,112	2,112
Waco	0	0	0	0	0	0	0	0	3,302	3,302
Walker	0	0	0	0	0	0	0	0	10,560	10,560
Walnut Grove	35,207	0	0	2,858	0	0	0	0	24,191	62,256
Wardell	13,865	3,466	0	0	0	0	0	0	17,203	34,534
Wardsville	41,871	0	0	0	0	0	0	0	37,477	79,348
Warrensburg	2,807,027	2,411,797	0	274,587	0	0	0	0	627,433	6,120,844
Warrenton	1,372,763	343,192	686,383	0	0	0	0	0	202,783	2,605,121
Warsaw	766,978	475,281	275,388	87,084	0	0	0	0	79,485	1,684,216
Warson Woods	0	177,894	0	0	0	0	0	0	76,144	254,038
Washburn	24,100	12,050	12,049	0	0	0	0	0	17,203	65,402
Washington	3,546,124	1,773,062	1,772,881	414,456	0	0	0	0	508,513	8,015,036
Watson	0	0	0	0	0	0	0	0	4,646	4,646
Waverly	79,152	0	17,865	0	0	0	0	0	30,949	127,966
Wayland	83,790	0	0	0	0	0	0	0	16,319	100,109
Waynesville	491,643	359,472	227,300	0	0	0	0	0	134,664	1,213,079
Weatherby	0	0	0	0	0	0	0	0	4,723	4,723
Weatherby Lake	0	0	0	0	0	0	0	0	71,921	71,921
Weaubleau	33,290	16,645	0	0	0	0	0	0	19,890	69,825
Webb City	1,478,776	1,378,238	689,231	0	0	0	0	0	376,767	3,923,012
Webster Groves	0	2,612,337	0	0	0	0	0	0	892,000	3,504,337

Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Weldon Spring	268,677	0	0	0	0	0	0	0	202,361	471,038
Weldon Spring Heights	0	0	0	0	0	0	0	0	3,033	3,033
Wellington	0	0	0	0	0	0	0	0	30,104	30,104
Wellston	0	136,780	0	0	0	0	0	0	94,461	231,241
Wellsville	40,891	12,664	20,445	0	0	0	0	0	54,641	128,641
Wentworth	0	0	0	0	0	0	0	0	5,414	5,414
Wentzville	4,410,779	2,829,455	2,093,145	381,136	0	0	0	0	264,797	9,979,312
Westboro	0	0	0	0	0	0	0	0	6,259	6,259
West Alton	0	0	0	0	0	0	0	0	22,002	22,002
West Line	0	0	0	0	0	0	0	0	3,648	3,648
Weston	155,934	58,475	77,966	24,929	0	0	0	0	62,628	379,932
Westphalia	41,503	0	0	3,578	0	0	0	0	12,288	57,369
West Plains	2,814,398	1,407,090	1,348,337	0	0	0	0	0	417,239	5,987,064
West Sullivan	76,511	19,128	0	0	0	0	0	0	3,686	99,325
Westwood	0	0	0	0	0	0	0	0	10,905	10,905
Wheatland	36,209	18,104	16,565	0	0	0	0	0	14,899	85,777
Wheaton	62,192	0	0	0	0	0	0	0	27,685	89,877
Wheeling	0	0	0	0	0	0	0	0	10,291	10,291
Whiteside	0	0	0	0	0	0	0	0	2,573	2,573
Whitewater	0	0	0	0	0	0	0	0	4,339	4,339
Wilbur Park	0	26,411	0	0	0	0	0	0	18,239	44,650
Wildwood	0	1,832,513	0	0	0	0	0	0	1,262,700	3,095,213
Willard	355,765	335,695	0	30,063	0	0	0	0	122,607	844,130
Williamsville	29,104	9,087	0	0	0	0	0	0	14,553	52,744
Willow Springs	275,875	200,797	0	0	0	0	0	0	82,442	559,114
Wilson City	0	0	0	0	0	0	0	0	6,336	6,336
Winchester	0	91,798	0	0	0	0	0	0	63,396	155,194
Windsor	208,783	89,106	0	0	0	0	0	0	118,536	416,425
Windsor Place	36,708	0	0	0	0	0	0	0	0	36,708
Winfield	155,752	0	73,347	0	0	0	0	0	27,762	256,861
Winona	117,270	52,820	52,820	0	0	0	0	0	49,534	272,444
Winston	0	0	0	0	0	0	0	0	9,484	9,484
Woods Heights	27,015	0	0	508	0	0	0	0	28,492	56,015
Woodson Terrace	0	1,188,768	0	37,785	0	0	0	0	160,852	1,387,405
Woodridge	0	0	0	0	0	0	0	0	1,805	1,805
Worth	0	0	0	0	0	0	0	0	3,609	3,609
Worthington	0	0	0	0	0	0	0	0	3,417	3,417
Wright City	291,610	62,298	124,595	0	0	0	0	0	58,827	537,330
Wyaconda	7,097	0	0	0	0	0	0	0	11,904	19,001
Wyatt	9,792	0	0	0	0	0	0	0	13,977	23,769
Zalma	0	0	0	0	0	0	0	0	3,571	3,571
COUNTIES:										
Adair County	0	0	0	0	1,442,635	1,442,188	0	0	625,475	3,510,298

Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
COUNTIES:										
Andrew County	0	0	0	276,038	453,136	1,087,625	0	0	686,641	2,503,440
Atchison County	0	0	0	243,749	0	1,272,365	0	0	582,031	2,098,145
Audrain County	0	0	0	0	1,134,020	2,628,306	0	0	816,053	4,578,379
Barry County	0	0	0	0	1,734,071	2,600,690	0	0	1,208,555	5,543,316
Barton County	0	0	0	0	503,240	503,225	0	0	648,390	1,654,855
Bates County	0	0	0	89,862	0	1,096,930	0	0	872,351	2,059,143
Benton County	0	0	0	95,671	814,497	1,425,873	0	0	734,969	3,071,010
Bollinger County	0	0	0	0	295,429	664,612	0	0	521,086	1,481,127
Boone County	0	0	0	0	11,662,993	14,572,779	0	0	1,564,028	27,799,800
Buchanan County	0	0	0	0	6,065,168	7,275,985	0	0	591,277	13,932,430
Butler County	0	0	0	0	2,834,035	2,833,844	0	0	1,141,572	6,809,451
Caldwell County	0	0	0	79,829	197,176	591,430	0	0	547,223	1,415,658
Callaway County	0	0	0	0	0	3,263,363	0	0	1,500,797	4,764,160
Camden County	0	0	0	0	3,589,277	5,379,439	0	0	2,676,083	11,644,799
Cape Girardeau County	0	0	0	0	6,254,649	6,253,877	0	0	918,511	13,427,037
Carroll County	0	0	0	111,669	333,721	500,509	0	0	791,870	1,737,769
Carter County	0	0	0	0	221,743	221,745	0	0	299,944	743,432
Cass County	0	0	0	1,717,445	5,012,068	7,517,971	0	0	1,314,740	15,562,224
Cedar County	0	0	0	0	453,188	500,428	0	0	570,684	1,524,300
Chariton County	0	0	0	80,097	266,405	666,247	0	0	714,803	1,727,552
Christian County	0	0	0	0	2,875,423	7,185,937	0	0	1,325,025	11,386,385
Clark County	0	0	0	0	295,761	831,031	0	0	485,622	1,612,414
Clay County	0	0	0	2,969,306	13,684,928	10,230,443	0	0	819,309	27,703,986
Clinton County	0	0	0	111,870	528,896	528,902	0	0	650,746	1,820,414
Cole County	0	0	0	1,118,340	5,198,262	10,400,696	0	0	1,063,095	17,780,393
Cooper County	0	0	0	0	831,489	2,078,721	0	0	533,421	3,443,631
Crawford County	0	0	0	0	944,702	2,122,076	0	0	648,974	3,715,752
Dade County	0	0	0	37,030	219,469	497,682	0	0	521,224	1,275,405
Dallas County	0	0	0	0	573,007	1,654,715	0	0	646,021	2,873,743
Daviess County	0	0	0	55,375	0	731,058	0	0	574,895	1,361,328
DeKalb County	0	0	0	192,969	629,234	629,707	0	0	550,665	2,002,575
Dent County	0	0	0	0	720,471	720,449	0	0	613,256	2,054,176
Douglas County	0	0	0	0	443,045	443,040	0	0	653,513	1,539,598
Dunklin County	0	0	0	0	0	2,767,609	0	0	791,731	3,559,340
Franklin County	0	0	0	0	4,994,897	12,486,603	0	0	2,293,586	19,775,086
Gasconade County	0	0	0	0	800,181	1,350,716	0	0	533,134	2,684,031
Gentry County	0	0	0	33,410	0	486,845	0	0	496,136	1,016,391
Greene County	0	0	0	0	21,410,015	30,970,411	0	0	3,371,830	55,752,256
Grundy County	0	0	0	0	457,360	913,952	0	0	425,707	1,797,019
Harrison County	0	0	0	66,349	0	1,301,468	0	0	717,088	2,084,905
Henry County	0	0	0	118,916	1,128,457	1,215,298	0	0	740,692	3,203,363
Hickory County	0	0	0	0	277,780	555,560	0	0	440,490	1,273,830
Holt County	0	0	0	131,885	191,106	763,643	0	0	449,891	1,536,525



Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
COUNTIES:										
Howard County	0	0	0	0	279,489	1,015,522	0	0	373,941	1,668,952
Howell County	0	0	0	0	2,120,968	1,848,776	0	0	1,099,299	5,069,043
Iron County	0	0	0	0	326,963	474,975	0	0	370,199	1,172,137
Jackson County	0	0	0	0	41,595,510	51,980,799	0	0	1,006,512	94,582,821
Jasper County	0	0	0	0	5,652,596	9,043,774	0	0	1,311,398	16,007,768
Jefferson County	0	0	0	0	9,856,009	21,957,050	0	0	3,870,578	35,683,637
Johnson County	0	0	0	472,078	2,174,507	5,589,958	0	0	1,310,560	9,547,103
Knox County	0	0	0	0	141,364	423,728	0	0	446,720	1,011,812
Laclede County	0	0	0	0	1,838,171	1,836,360	0	0	796,405	4,470,936
Lafayette County	0	0	0	306,421	1,096,478	2,466,993	0	0	818,376	4,688,268
Lawrence County	0	0	0	341,411	1,199,289	2,397,011	0	0	992,265	4,929,976
Lewis County	0	0	0	216,390	276,980	983,175	0	0	444,454	1,920,999
Lincoln County	0	0	0	0	1,848,598	4,835,943	0	0	1,118,430	7,802,971
Linn County	0	0	0	85,454	603,654	603,657	0	0	594,605	1,887,370
Livingston County	0	0	0	83,929	960,074	480,008	0	0	530,109	2,054,120
Macon County	0	0	0	0	635,187	1,111,579	0	0	775,849	2,522,615
Madison County	0	0	0	0	479,105	910,086	0	0	323,174	1,712,365
Maries County	0	0	0	55,903	243,421	530,423	0	0	406,489	1,236,236
Marion County	0	0	0	365,570	1,739,342	2,174,124	0	0	513,597	4,792,633
McDonald County	0	0	0	0	1,068,706	3,130,078	0	0	716,403	4,915,187
Mercer County	0	0	0	0	144,647	468,626	0	0	375,279	988,552
Miller County	0	0	0	158,517	1,529,912	1,527,170	0	0	837,273	4,052,872
Mississippi County	0	0	0	0	471,713	1,179,197	0	0	369,186	2,020,096
Moniteau County	0	0	0	0	515,209	974,000	0	0	500,503	1,989,712
Monroe County	0	0	0	26,137	260,530	260,533	0	0	593,913	1,141,113
Montgomery County	0	0	0	0	444,917	1,112,270	0	0	575,794	2,132,981
Morgan County	0	0	0	0	949,056	1,042,501	0	0	1,226,622	3,218,179
New Madrid County	0	0	0	0	1,439,196	1,438,974	0	0	773,597	3,651,767
Newton County	0	0	0	0	2,321,218	3,094,970	0	0	1,107,714	6,523,902
Nodaway County	0	0	0	145,844	1,061,005	1,060,970	0	0	1,039,102	3,306,921
Oregon County	0	0	0	0	427,328	427,330	0	0	481,281	1,335,939
Osage County	0	0	0	0	982,102	779,468	0	0	539,631	2,301,201
Ozark County	0	0	0	0	255,583	551,351	0	0	655,918	1,462,852
Pemiscot County	0	0	0	0	689,069	1,033,520	0	0	548,742	2,271,331
Perry County	0	0	0	0	1,132,602	2,632,802	0	0	564,108	4,329,512
Pettis County	0	0	0	418,523	2,966,048	2,964,832	0	0	1,038,974	7,388,377
Phelps County	0	0	0	0	2,426,971	2,490,564	0	0	832,850	5,750,385
Pike County	0	0	0	0	693,864	2,225,242	0	0	579,408	3,498,514
Platte County	0	0	0	3,680,698	7,394,884	12,804,532	0	0	1,484,822	25,364,936
Polk County	0	0	0	0	0	2,541,800	0	0	858,246	3,400,046
Pulaski County	0	0	0	0	2,099,049	1,049,355	0	0	769,451	3,917,855
Putnam County	0	0	0	0	0	731,852	0	0	482,451	1,214,303
Ralls County	0	0	0	234,849	401,257	1,203,669	0	0	509,302	2,349,077

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
COUNTIES:										
Randolph County	0	0	0	0	1,233,211	1,232,653	0	0	792,948	3,258,812
Ray County	0	0	0	212,118	723,083	1,446,174	0	0	733,867	3,115,242
Reynolds County	0	0	0	0	213,489	212,058	0	0	645,177	1,070,724
Ripley County	0	0	0	0	139,687	783,071	0	0	405,688	1,328,446
St. Charles County	0	0	0	5,419,117	22,038,351	51,735,984	0	0	3,847,273	83,040,725
St. Clair County	0	0	0	0	260,529	0	0	0	586,903	847,432
St. Francois County	0	0	0	0	3,322,855	4,646,832	0	0	766,666	8,736,353
St. Louis County	0	0	172,442,357	0	0	78,238,414	149,951,149	0	11,682,727	412,314,647
Ste. Genevieve County	0	0	0	0	867,615	1,971,856	0	0	710,941	3,550,412
Saline County	0	0	0	0	1,003,005	2,277,325	0	0	709,464	3,989,794
Schuyler County	0	0	0	0	135,263	405,711	0	0	274,749	815,723
Scotland County	0	0	0	0	0	511,153	0	0	434,491	945,644
Scott County	0	0	0	0	3,408,149	3,678	0	0	480,006	3,891,833
Shannon County	0	0	0	0	228,724	228,726	0	0	584,041	1,041,491
Shelby County	0	0	0	36,441	253,990	507,982	0	0	516,879	1,315,292
Stoddard County	0	0	0	0	1,322,248	1,321,704	0	0	1,018,711	3,662,663
Stone County	0	0	0	376,811	1,746,101	4,699,402	0	0	1,162,636	7,984,950
Sullivan County	0	0	0	0	231,126	941,411	0	0	479,465	1,652,002
Taney County	0	0	0	0	6,597,765	14,848,962	0	0	1,184,214	22,630,941
Texas County	0	0	0	0	924,510	1,846,467	0	0	917,270	3,688,247
Vernon County	0	0	0	0	932,595	932,184	0	0	914,309	2,779,088
Warren County	0	0	0	0	1,199,133	3,597,379	0	0	702,580	5,499,092
Washington County	0	0	0	128,003	706,792	2,742,787	0	0	540,356	4,117,938
Wayne County	0	0	0	0	448,844	448,841	0	0	527,689	1,425,374
Webster County	0	0	0	0	1,254,069	3,342,825	0	0	883,825	5,480,719
Worth County	0	0	0	17,277	70,063	174,794	0	0	221,564	483,698
Wright County	0	0	0	0	718,034	717,804	0	0	642,975	2,078,813
DISTRICTS:										
3 Trails Village Community Development District	0	0	0	4,455	0	0	0	39,465	0	43,920
39th Street Community Development District	0	0	0	2,887	0	0	0	111,021	0	113,908
39th Street Transportation Development District	0	0	0	0	0	0	0	844,446	0	844,446
58 Highway Regional Market Community Improvement District	0	0	0	3,502	0	0	0	109,517	0	113,019
63 Bypass Community Improvement District	0	0	0	2,445	0	0	0	42,887	0	45,332
71 Highway and 150 Highway Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
210 Highway Transportation Development District	0	0	0	0	0	0	0	203,650	0	203,650
370 MO Bottom Taussig Transportation Development District	0	0	0	0	0	0	0	1,860,842	0	1,860,842
620 Market Community Improvement District	0	0	0	4,273	0	0	0	45,295	0	49,568
620 Market Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
840 E Taylor Community Improvement District	0	0	0	0 *	0	0	0	0 *	0	0
1100 Washington Ave Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
1133 Washington Ave Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
1200 Main South Loop Transportation Development District	0	0	0	0	0	0	0	700,397	0	700,397
1201 Washington Community Improvement District	0	0	0	3,050	0	0	0	5,804	0	8,854

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
DISTRICTS:										
1225 Washington Community Improvement District	0	0	0	0	0	0	0	67,941	0	67,941
1225 Washington Transportation Development District	0	0	0	0	0	0	0	67,941	0	67,941
1717 Market Place Transportation Development District	0	0	0	0	0	0	0	138,547	0	138,547
2017 Chouteau Community Improvement District	0	0	0	928	0	0	0	38,147	0	39,075
8750 Manchester Road Community Improvement District	0	0	0	1,646	0	0	0	46,437	0	48,083
Adair County Ambulance District	0	0	0	0	0	0	0	1,011,728	0	1,011,728
Adams Farm Transportation Development District	0	0	0	0	0	0	0	675,186	0	675,186
Airport Plaza Community Improvement District	0	0	0	0	0	0	0	47,013	0	47,013
American Center Community Improvement District	0	0	0	0	0	0	0	8,877	0	8,877
Andrew County Ambulance District	0	0	0	0	0	0	0	390,088	0	390,088
Antioch Center Community Improvement District	0	0	0	0	0	0	0	309,445	0	309,445
Antonia Fire Protection District	0	0	0	0	0	0	0	214,927	0	214,927
Arnold Retail Corr Transportation Development District	0	0	0	0	0	0	0	2,242,267	0	2,242,267
Audrain Ambulance District	0	0	0	0	0	0	0	469,311	0	469,311
Ava Ambulance District	0	0	0	0	0	0	0	368,725	0	368,725
Ballwin Town Center Transportation Development District	0	0	0	0	0	0	0	131,645	0	131,645
Barton County Ambulance District	0	0	0	0	0	0	0	481,524	0	481,524
Belleau Community Improvement District	0	0	0	11,151	0	0	0	3,883	0	15,034
Belton Town Centre Transportation Development District	0	0	0	0	0	0	0	583,735	0	583,735
Big Bend Crossing Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Big River Ambulance District	0	0	0	0	0	0	0	520,730	0	520,730
Big Spring Plaza Community Improvement District	0	0	0	2,165	0	0	0	50,847	0	53,012
Biltmore East Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Black Mountain Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Blue Jay Crossing Community Improvement District	0	0	0	0 *	0	0	0	0 *	0	0
Boonville Riverfront Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Boscherts Landing Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Bourbon County Fire Protection District	0	0	0	0	0	0	0	102,433	0	102,433
Bowman Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Branson Hills Community Development District	0	0	0	0	0	0	0	774,688	0	774,688
Branson Hills Infra Fac Community Improvement District	0	0	0	0	0	0	0	35,704	0	35,704
Branson Landing Transportation Development District	0	0	0	0	0	0	0	1,182,504	0	1,182,504
Branson/Lakes Area Tourism Community District	0	0	0	0	0	0	0	7,451,557	0	7,451,557
Briarcliff Parkway Highway 9 Transportation Development District	0	0	0	0	0	0	0	97,823	0	97,823
Bridgewood Plaza Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Broadway Fairview Transportation Development District	0	0	0	0	0	0	0	305,797	0	305,797
Broadway Hotel Community Improvement District	0	0	0	11,906	0	0	0	223,292	0	235,198
Broadway Hotel Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Brookside Community Development District	0	0	0	3,026	0	0	0	369,142	0	372,168
Bryan Road Community Development District	0	0	0	118	0	0	0	9,146	0	9,264
Brywood Centre Community Improvement District	0	0	0	35	0	0	0	196,256	0	196,291
Caldwell County Ambulance District	0	0	0	0	0	0	0	202,802	0	202,802
Caledonia Community Development District	0	0	0	13,323	0	0	0	0	0	13,323

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
DISTRICTS:										
Callaway County Ambulance District	0	0	0	0	0	0	0	1,627,886	0	1,627,886
Cam-MO Ambulance District	0	0	0	0	0	0	0	542,797	0	542,797
CB5421 5975 Transportation Development District	0	0	0	0	0	0	0	211,652	0	211,652
Cedar County Ambulance District	0	0	0	0	0	0	0	453,011	0	453,011
Centene Plaza Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Centerstate Transportation Development District	0	0	0	0	0	0	0	268,733	0	268,733
Central Jackson County Fire Protection District	0	0	0	0	0	0	0	3,198,055	0	3,198,055
Chambers West Florissant Community Improvement District	0	0	0	197	0	0	0	58,251	0	58,448
Chesterfield Valley Transportation Development District	0	0	0	0	0	0	0	1,888,702	0	1,888,702
City Hospital Laundry Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
City Hospital RPA2 Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Cole Camp Ambulance District	0	0	0	0	0	0	0	89,868	0	89,868
College Station Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
College Station Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Columbia Mall Transportation Development District	0	0	0	0	0	0	0	818,857	0	818,857
Commercial Street Community Improvement District	0	0	0	26	0	0	0	22,647	0	22,673
Conley Road Transportation Development District	0	0	0	0	0	0	0	1,133,301	0	1,133,301
Cooper County Ambulance District	0	0	0	0	0	0	0	367,020	0	367,020
Coronado Drive Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Country Club Plaza Transportation Development District	0	0	0	0	0	0	0	1,103,020	0	1,103,020
Cozens MLK Grand Community Improvement District	0	0	0	2,930	0	0	0	27,804	0	30,734
Crackerneck Creek Transportation Development District	0	0	0	0	0	0	0	314,008	0	314,008
Crestwood Point Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Crestwood Square Community Improvement District	0	0	0	2,024	0	0	0	70,485	0	72,509
Crocker Highway 17 Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Crossings Community Development District	0	0	0	4,060	0	0	0	77,645	0	81,705
Crossroads Shopping Center Community Improvement District	0	0	0	4	0	0	0	2,639	0	2,643
Crowne Plaza Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Crowne Plaza Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
CWE Business Community Improvement District	0	0	0	1,293	0	0	0	497,555	0	498,848
Dade County Ambulance District	0	0	0	0	0	0	0	185,505	0	185,505
Dardenne Town Square Transportation Development District	0	0	0	0	0	0	0	303,933	0	303,933
Daviess/Dekalb Regional Jail District	0	0	0	0	0	0	0	872,570	0	872,570
Des Peres Corners Transportation Development District	0	0	0	0	0	0	0	487,521	0	487,521
Douglas Square Transportation Development District	0	0	0	0	0	0	0	154,759	0	154,759
Douglas Station Transportation Development District	0	0	0	0	0	0	0	62,961	0	62,961
Downtown Springfield Community Improvement District	0	0	0	2,349	0	0	0	119,119	0	121,468
East Gateway Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
East Highway 60 Community Improvement District	0	0	0	0	0	0	0	78,096	0	78,096
East Hills Community Improvement District	0	0	0	7,073	0	0	0	616,477	0	623,550
East Main & Highway 47 Community Improvement District	0	0	0	1,589	0	0	0	70,259	0	71,848
Elm and 370 Community Improvement District	0	0	0	2,354	0	0	0	11,422	0	13,776
Elm Grove Transportation Development District	0	0	0	0	0	0	0	0 *	0	0

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
DISTRICTS:										
Euclid Buckingham Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Eureka Commercial Park Transportation Development District	0	0	0	0	0	0	0	5,601	0	5,601
Eureka Old Town Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Eureka Pointe Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Eureka South I-44 Community Improvement District	0	0	0	2,176	0	0	0	661	0	2,837
Farris Family Transportation Development District	0	0	0	0	0	0	0	43,860	0	43,860
Fenton Crossing Transportation Development District	0	0	0	0	0	0	0	405,486	0	405,486
Flintlock Shoppes Community Improvement District	0	0	0	0	0	0	0	1,455	0	1,455
Flori Drive Community Improvement District	0	0	0	0 *	0	0	0	0 *	0	0
Fountain Lakes Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Fountains Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Foxwood Village Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Francis Place Transportation Development District	0	0	0	0	0	0	0	322,389	0	322,389
Fulton South Business 54 Transportation Development District	0	0	0	0	0	0	0	69,324	0	69,324
Georgian Square Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Gerald Area Ambulance District	0	0	0	0	0	0	0	54,314	0	54,314
Glenwood Watson Transportation Development District	0	0	0	0	0	0	0	265,120	0	265,120
Grandview Crossing Community Development District	0	0	0	36,380	0	0	0	27,586	0	63,966
Gravois Bluffs Transportation Development District	0	0	0	0	0	0	0	3,150,842	0	3,150,842
Grindstone Plaza Transportation Development District	0	0	0	0	0	0	0	430,259	0	430,259
Grove Community Improvement District	0	0	0	4,499	0	0	0	119,725	0	124,224
Hadley Dean Building Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Hanley Eager Road Transportation Development District	0	0	0	0	0	0	0	461,868	0	461,868
Hanley Road Corridor Transportation Development District	0	0	0	0	0	0	0	5,166,969	0	5,166,969
Hanley Station Transportation Development District	0	0	0	0	0	0	0	72,122	0	72,122
Harrisonville Market Place A Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Harrisonville Market Place B Transportation Development District	0	0	0	0	0	0	0	53,407	0	53,407
Harrisonville Towne Center Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Hawk Ridge Transportation Development District	0	0	0	0	0	0	0	907,402	0	907,402
Hawthorne Development Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Hayti Ventures Community Improvement District	0	0	0	0 *	0	0	0	0 *	0	0
Hazelwood Commerce Center Community Improvement District	0	0	0	9,687	0	0	0	152	0	9,839
Heers Tower Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Hermann Area Ambulance District	0	0	0	0	0	0	0	335,319	0	335,319
High Ridge Fire Protection District	0	0	0	0	0	0	0	1,222,645	0	1,222,645
Highlands Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Highway 100 Community Improvement District	0	0	0	7,465	0	0	0	6,626	0	14,091
Highway 350 Community Improvement District	0	0	0	4,526	0	0	0	525,495	0	530,021
Highway 367 and Parker Road Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Highway 71/291 Partners in Progress Transportation Development District	0	0	0	0	0	0	0	1,000,313	0	1,000,313
Highway J and 17th Street Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Hilltop Community Improvement District	0	0	0	0	0	0	0	388,080	0	388,080
Historic Downtown Branson Community Improvement District	0	0	0	0	0	0	0	299,318	0	299,318

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
DISTRICTS:										
Horseshoe Bend Ped Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Hutchings Farm Transportation Development District	0	0	0	0	0	0	0	28,238	0	28,238
I-44 and Highway 47 Triangle Transportation Development District	0	0	0	0	0	0	0	66,751	0	66,751
I-470 and 350 Transportation Development District	0	0	0	0	0	0	0	1,999,435	0	1,999,435
I-470 Square Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
I-70 and Adams Dairy Parkway Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Imperial Main Community Improvement District	0	0	0	4,608	0	0	0	10,179	0	14,787
Independence Ave Colbern Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Independence Event Center Community Improvement District	0	0	0	0	0	0	0	3,342,597	0	3,342,597
Inter City Fire Protection District	0	0	0	0	0	0	0	71,371	0	71,371
Interstate Plaza/N Town Village Transportation Development District	0	0	0	0	0	0	0	717,974	0	717,974
Iron County Ambulance District	0	0	0	0	0	0	0	327,072	0	327,072
James River Commons Community Improvement District	0	0	0	3,569	0	0	0	629,108	0	632,677
Jefferson County EMG Service	0	0	0	0	0	0	0	7,143,953	0	7,143,953
Jeter Farm Community Improvement District	0	0	0	0 *	0	0	0	0	0	0
Joachim Platin Ambulance District	0	0	0	0	0	0	0	2,465,506	0	2,465,506
KC International Airport Community Development District	0	0	0	44,568	0	0	0	377,278	0	421,846
Kearney West Side Community Improvement District	0	0	0	0	0	0	0	65,667	0	65,667
Kingsmill Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Koch Plaza Transportation Development District	0	0	0	0	0	0	0	127,331	0	127,331
Laclede Landing Community Improvement District	0	0	0	570	0	0	0	148,090	0	148,660
Lake Lotawana Community Development District	0	0	0	1,871	0	0	0	21,253	0	23,124
Lake of the Woods Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Landing Mall Community Improvement District	0	0	0	144	0	0	0	116,428	0	116,572
Landing River Center Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Langsford Plaza Community Improvement District	0	0	0	198	0	0	0	19,326	0	19,524
Lebanon Marketplace Community Improvement District	0	0	0	0	0	0	0	29,106	0	29,106
Lewis County Ambulance District	0	0	0	0	0	0	0	132,934	0	132,934
Liberty Corners Community Improvement District	0	0	0	0	0	0	0	18,654	0	18,654
Liberty Tri Shop Center Community Improvement District	0	0	0	20	0	0	0	45,656	0	45,676
Liberty Triangle Community Improvement District	0	0	0	16,390	0	0	0	273,561	0	289,951
Lincoln County Ambulance District	0	0	0	0	0	0	0	1,848,149	0	1,848,149
Lincoln Crossing Community Improvement District	0	0	0	3,869	0	0	0	69,876	0	73,745
Lindbergh E Concord Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Linn County Ambulance District	0	0	0	0	0	0	0	539,001	0	539,001
Logan Estates Community Improvement District	0	0	0	1,092	0	0	0	0	0	1,092
Loop Trolley Transportation Development District	0	0	0	0	0	0	0	650,633	0	650,633
Loughborough Commons Community Improvement District	0	0	0	0	0	0	0	607,204	0	607,204
Lucas and Hunt Chandler Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
M150 and 135th Street Transportation Development District	0	0	0	0	0	0	0	633,741	0	633,741
Manchester Ballas Community Improvement District	0	0	0	12,421	0	0	0	1,999,087	0	2,011,508
Manchester Highlands Transportation Development District	0	0	0	0	0	0	0	1,312,945	0	1,312,945
Maple Valley Plaza Community Improvement District	0	0	0	1,307	0	0	0	20,116	0	21,423

## Appendix D-1

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
DISTRICTS:										
Maries Osage Ambulance District	0	0	0	0	0	0	0	162,012	0	162,012
Marion County Ambulance District	0	0	0	0	0	0	0	1,714,113	0	1,714,113
Mark Twain Mall Transportation Development District	0	0	0	0	0	0	0	577,156	0	577,156
Market at McKnight 1 Transportation Development District	0	0	0	0	0	0	0	117,856	0	117,856
Martin City Community Development District	0	0	0	2,154	0	0	0	247,399	0	249,553
Mayfair Plaza Community Improvement District	0	0	0	4,666	0	0	0	129,709	0	134,375
McNutt Road Corridor Community Improvement District	0	0	0	0	0	0	0	15,648	0	15,648
Meadows Transportation Development District	0	0	0	0	0	0	0	347,195	0	347,195
Megan Shoppe's Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Meramec Ambulance District	0	0	0	0	0	0	0	595,690	0	595,690
Meramec Station Road and Highway 141 Transportation Development District	0	0	0	0	0	0	0	118,858	0	118,858
Merchants Laclede Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Mexico Road Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Mid Rivers Commons Community Improvement District	0	0	0	0 *	0	0	0	0 *	0	0
Mid Rivers N Transportation Development District	0	0	0	0	0	0	0	103,348	0	103,348
Mid-Missouri Ambulance District	0	0	0	0	0	0	0	959,300	0	959,300
Midwest Plaza Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Miller County Ambulance District	0	0	0	0	0	0	0	1,247,473	0	1,247,473
Miner Gateway Community Improvement District	0	0	0	1,568	0	0	0	40,442	0	42,010
Monroe City Ambulance District	0	0	0	0	0	0	0	178,826	0	178,826
Mountain Farm Community Improvement District	0	0	0	3,793	0	0	0	6,931	0	10,724
New Haven Ambulance District	0	0	0	0	0	0	0	129,405	0	129,405
New Longview Transportation Development District	0	0	0	0	0	0	0	41,894	0	41,894
New Madrid County Ambulance District	0	0	0	0	0	0	0	675,742	0	675,742
Nodaway County Ambulance District	0	0	0	0	0	0	0	1,061,214	0	1,061,214
Noel T. Adams Ambulance District	0	0	0	0	0	0	0	426,643	0	426,643
North 763 Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
North Crawford County Ambulance District	0	0	0	0	0	0	0	550,431	0	550,431
North Oak Village Community Improvement District	0	0	0	0	0	0	0	211,194	0	211,194
North Oaks Plaza Shopping Center Community Improvement District	0	0	0	1,025	0	0	0	83,397	0	84,422
Northmoor Associates Community Improvement District	0	0	0	0	0	0	0	18,659	0	18,659
Northwest Area Community Improvement District	0	0	0	3,921	0	0	0	43,202	0	47,123
Northwoods Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Old Town Cottleville Community Improvement District	0	0	0	0	0	0	0	95,359	0	95,359
Olive Boulevard Transportation Development District	0	0	0	0	0	0	0	392,407	0	392,407
Olive Graeser Transportation Development District	0	0	0	0	0	0	0	82,750	0	82,750
Oregon County Ambulance District	0	0	0	0	0	0	0	392,533	0	392,533
Orpheum Theatre Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Orrick Fire Protection District	0	0	0	0	0	0	0	65,053	0	65,053
Osage Ambulance District	0	0	0	0	0	0	0	282,120	0	282,120
Osage Commercial Area Community Improvement District	0	0	0	338	0	0	0	107,087	0	107,425
Osage Station Transportation Development District	0	0	0	0	0	0	0	13,647	0	13,647
Owensville Area Ambulance District	0	0	0	0	0	0	0	360,950	0	360,950

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
DISTRICTS:										
Ozark Centre Transportation Development District	0	0	0	0	0	0	0	333,053	0	333,053
Ozark County Ambulance District	0	0	0	0	0	0	0	255,194	0	255,194
Paddock Forest Community Improvement District	0	0	0	7,869	0	0	0	64,992	0	72,861
Park Hills Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Park Plaza Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Parkville Commons Transportation Development District	0	0	0	0	0	0	0	413,218	0	413,218
Parkville Old Towne Market Community Improvement District	0	0	0	661	0	0	0	75,356	0	76,017
Peachtree Community Improvement District	0	0	0	2,707	0	0	0	3,907	0	6,614
Performing Arts Community Development District	0	0	0	17,120	0	0	0	106,032	0	123,152
Pershall Road Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Phoenix Center I Community Improvement District	0	0	0	0	0	0	0	355,519	0	355,519
Phoenix Center II Community Improvement District	0	0	0	0	0	0	0	287,676	0	287,676
Platte City Market Community Improvement District	0	0	0	670	0	0	0	121,499	0	122,169
Platte County MO S I Transportation Development District	0	0	0	0	0	0	0	1,329,366	0	1,329,366
Platte County MO S II Transportation Development District	0	0	0	0	0	0	0	274,338	0	274,338
Platte Valley Plaza Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Plattner Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Plaza at Noah's Ark Community Improvement District	0	0	0	438	0	0	0	39,390	0	39,828
Plaza on Boulevard Jennings Community Improvement District	0	0	0	200	0	0	0	200,878	0	201,078
Poplar Bluff Conference Center Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Prairie Township Fire District	0	0	0	0	0	0	0	67,179	0	67,179
Prewitt Point Transportation Development District	0	0	0	0	0	0	0	682,005	0	682,005
Pulaski County Ambulance District	0	0	0	0	0	0	0	1,750,180	0	1,750,180
Qulin Highway N Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Railway Exchange Building Community Improvement District	0	0	0	0	0	0	0	7,216	0	7,216
Railway Exchange Building Transportation Development District	0	0	0	0	0	0	0	5,460	0	5,460
Raintree 150 Center Community Improvement District	0	0	0	0	0	0	0	37,198	0	37,198
Raintree Lake Village Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Raintree North Transportation Development District	0	0	0	0	0	0	0	148,644	0	148,644
Randolph County Ambulance District	0	0	0	0	0	0	0	1,231,846	0	1,231,846
Ray County Ambulance District	0	0	0	0	0	0	0	595,546	0	595,546
Raytown Highway 350 Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Raytown Square Community Improvement District	0	0	0	634	0	0	0	145,232	0	145,866
Red Bridge Community Improvement District	0	0	0	134	0	0	0	82,606	0	82,740
Residence Inn Downtown/St. Louis Community Development District	0	0	0	3,880	0	0	0	35,059	0	38,939
Residence Inn St. Louis Downtown Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Richardson Crossing Community Improvement District	0	0	0	4,739	0	0	0	13,606	0	18,345
Riverfront Hotel Community Improvement District	0	0	0	255	0	0	0	348,809	0	349,064
Rock Bridge Center Transportation Development District	0	0	0	0	0	0	0	154,766	0	154,766
Rock Community Fire Protection District	0	0	0	0	0	0	0	2,877,665	0	2,877,665
Rock Township Ambulance District	0	0	0	0	0	0	0	1,729,011	0	1,729,011
Rogers Plaza Community Improvement District	0	0	0	0 *	0	0	0	0 *	0	0
Russellville Route C Community Improvement District	0	0	0	0	0	0	0	0 *	0	0



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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
DISTRICTS:										
South Metropolitan Fire Protection District	0	0	0	0	0	0	0	991,521	0	991,521
Salt Lick Road Transportation Development District	0	0	0	0	0	0	0	217,272	0	217,272
Salt River Ambulance District	0	0	0	0	0	0	0	193,758	0	193,758
Sappington Square Community Improvement District	0	0	0	381	0	0	0	23,376	0	23,757
Senath Commercial Street Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Shoppe's at Cross Keys Transportation Development District	0	0	0	0	0	0	0	730,802	0	730,802
Shoppe's at Hilltop Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Shoppe's at Stadium Transportation Development District	0	0	0	0	0	0	0	220,835	0	220,835
Shoppe's Old Webster Transportation Development District	0	0	0	0	0	0	0	18,874	0	18,874
Shops on Blue Parkway Community Improvement District	0	0	0	4,792	0	0	0	109,769	0	114,561
Skelly Community Improvement District	0	0	0	109	0	0	0	20,169	0	20,278
Smithville Area Fire Protection District	0	0	0	0	0	0	0	393,910	0	393,910
SNI Valley Fire Protection District	0	0	0	0	0	0	0	539,560	0	539,560
Soda Fountain Square Community Improvement District	0	0	0	403	0	0	0	23,919	0	24,322
South 160 Community Improvement District	0	0	0	0	0	0	0	93,516	0	93,516
South 63 Corridor Community Improvement District	0	0	0	0	0	0	0	54,529	0	54,529
South Grand Community Improvement District	0	0	0	2,119	0	0	0	87,001	0	89,120
South Manchester Transportation Development District	0	0	0	0	0	0	0	105,830	0	105,830
Southern Hills Community Improvement District	0	0	0	0	0	0	0	533,199	0	533,199
Southern Stone Fire District	0	0	0	0	0	0	0	1,525,585	0	1,525,585
Southtowne Community Improvement District	0	0	0	5,699	0	0	0	282,229	0	287,928
Springdale Community Development District	0	0	0	5,551	0	0	0	27,490	0	33,041
St. Charles Riverfront Community Development District	0	0	0	44,438	0	0	0	188,890	0	233,328
St. Charles Riverfront Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
St. Clair Ambulance District	0	0	0	0	0	0	0	335,817	0	335,817
St. Clair Fire Protection District	0	0	0	0	0	0	0	410,268	0	410,268
St. Cyr Road Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
St. Francois County Ambulance District	0	0	0	0	0	0	0	3,096,374	0	3,096,374
St. James Ambulance District	0	0	0	0	0	0	0	267,674	0	267,674
St. John Crossing Transportation Development District	0	0	0	0	0	0	0	71,710	0	71,710
St. John's Church Road Transportation Development District	0	0	0	0	0	0	0	558,768	0	558,768
St. Joseph Gateway Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
St. Louis Convention Center Hotel Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
St. Louis Convention Center Hotel Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Stadium Corridor A Transportation Development District	0	0	0	0	0	0	0	299,159	0	299,159
Stardust Mung Diamond Transportation Development District	0	0	0	0	0	0	0	437,260	0	437,260
Station Plaza Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Ste. Genevieve County Ambulance District	0	0	0	0	0	0	0	772,293	0	772,293
Steele Highway 61 Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Steelville Ambulance District	0	0	0	0	0	0	0	181,692	0	181,692
Stone Ridge Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Stoneybrooke Community Improvement District	0	0	0	530	0	0	0	195,383	0	195,913
Strafford Plaza Community Improvement District	0	0	0	0	0	0	0	0 *	0	0

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
DISTRICTS:										
Strother Interchange Transportation Development District	0	0	0	0	0	0	0	181,140	0	181,140
SueMandy Drive 1 Community Improvement District	0	0	0	107	0	0	0	94,820	0	94,927
SueMandy Drive 2 Community Improvement District	0	0	0	7	0	0	0	0 *	0	7
SueMandy Mid Rivers Community Improvement District	0	0	0	9,848	0	0	0	1,237,315	0	1,247,163
Sullivan Fire Protection District	0	0	0	0	0	0	0	891,631	0	891,631
Summit Fair Community Improvement District	0	0	0	0	0	0	0	452,056	0	452,056
Sunrise Farms Community Improvement District	0	0	0	0 *	0	0	0	0	0	0
Taney County Ambulance District	0	0	0	0	0	0	0	3,295,284	0	3,295,284
Toad Cove Complex Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Toad Cove Complex Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Toad Cove Resort Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Toad Cove Resort Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Tori Pines Commons Community Improvement District	0	0	0	2,570	0	0	0	5	0	2,575
Tower Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Town and Country Cross Transportation Development District	0	0	0	0	0	0	0	365,405	0	365,405
Town Plaza Community Improvement District	0	0	0	9,460	0	0	0	131,227	0	140,687
Truman Road Community Improvement District	0	0	0	82	0	0	0	111,249	0	111,331
Truman Village Community Improvement District	0	0	0	1,765	0	0	0	189	0	1,954
Tuileries Plaza Transportation Development District	0	0	0	0	0	0	0	66,561	0	66,561
Union Community Improvement District	0	0	0	557	0	0	0	30,897	0	31,454
Union Fire Protection District	0	0	0	0	0	0	0	488,201	0	488,201
University Place Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
US Hwy 36 Int 72 Corr Transportation Development District	0	0	0	0	0	0	0	2,806,753	0	2,806,753
US Hwy 50/63 City View Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
US Hwy 65 Truman Dam Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
VanFar Ambulance District	0	0	0	0	0	0	0	143,419	0	143,419
Veteran's Memorial Parkway Community Improvement District	0	0	0	0	0	0	0	23,255	0	23,255
Viaduct Commercial Area Community Improvement District	0	0	0	1,851	0	0	0	62,976	0	64,827
Victoria Crossings Community Improvement District	0	0	0	3,613	0	0	0	0	0	3,613
Waldo Community Improvement District	0	0	0	5,334	0	0	0	539,800	0	545,134
Warsaw Lincoln Ambulance District	0	0	0	0	0	0	0	592,681	0	592,681
Washington Area Ambulance District	0	0	0	0	0	0	0	1,402,866	0	1,402,866
Washington Avenue Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Washington County Ambulance District	0	0	0	0	0	0	0	621,162	0	621,162
Waterbury Storm Water Community Improvement District	0	0	0	171	0	0	0	13,266	0	13,437
Watson-Laclede Station Road Community Improvement District	0	0	0	0 *	0	0	0	0 *	0	0
Wentzville Bluffs Community Improvement District	0	0	0	4,813	0	0	0	18,148	0	22,961
Wentzville II Transportation Development District	0	0	0	0	0	0	0	179,988	0	179,988
Wentzville III Transportation Development District	0	0	0	0	0	0	0	105,326	0	105,326
Wentzville Parkway 1 Transportation Development District	0	0	0	0	0	0	0	147,076	0	147,076
Wentzville Transportation Development District	0	0	0	0	0	0	0	336,758	0	336,758
Westport Community Development District	0	0	0	992	0	0	0	299,797	0	300,789
Wilson Creek Market Place Community Improvement District	0	0	0	0 *	0	0	0	0	0	0
Windsor Place Community Improvement District	0	0	0	1,160	0	0	0	29,641	0	30,801
Winghaven Transportation Development District	0	0	0	0	0	0	0	115,276	0	115,276

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2011

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
Zumbahl Road/Hwy 94 Community Improvement District	0	0	0	4,179	0	0	0	46,357	0	50,536
TOTAL	\$ 510,320,208	446,862,707	387,149,603	83,172,302	252,193,736	490,371,717	149,951,149	132,921,574	246,698,991	2,699,641,987

\* To preserve confidentiality, sales and use tax distributions for districts with less than 6 taxpayers are reported as zero per Department of Revenue policy.

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Adrian	\$ 166,757	109,138	57,674	0	0	0	0	0	66,746	400,315
Advance	167,451	161,842	0	17,862	0	0	0	0	46,647	393,802
Agency	0	0	0	0	0	0	0	0	22,461	22,461
Airport Drive	170,568	82,378	0	0	0	0	0	0	23,324	276,270
Alba	9,034	0	0	0	0	0	0	0	22,049	31,083
Albany	146,923	146,868	0	0	0	0	0	0	72,633	366,424
Aldrich	0	0	0	0	0	0	0	0	2,812	2,812
Alexandria	18,182	0	0	0	0	0	0	0	6,225	24,407
Allendale	5,453	0	0	0	0	0	0	0	2,025	7,478
Allenville	0	0	0	0	0	0	0	0	3,900	3,900
Alma	0	0	0	0	0	0	0	0	14,962	14,962
Altamont	0	0	0	0	0	0	0	0	8,175	8,175
Altenburg	0	0	0	0	0	0	0	0	11,587	11,587
Alton	122,762	117,884	0	0	0	0	0	0	25,049	265,695
Amazonia	0	0	0	0	0	0	0	0	10,387	10,387
Amity	0	0	0	0	0	0	0	0	2,625	2,625
Amoret	0	0	0	0	0	0	0	0	7,912	7,912
Amsterdam	10,766	0	0	0	0	0	0	0	10,537	21,303
Anderson	197,396	0	93,957	0	0	0	0	0	69,596	360,949
Annada	0	0	0	0	0	0	0	0	1,800	1,800
Annapolis	25,849	12,925	12,925	0	0	0	0	0	11,624	63,323
Anniston	0	0	0	0	0	0	0	0	10,687	10,687
Appleton City	170,080	45,344	0	0	0	0	0	0	49,272	264,696
Arbela	0	0	0	0	0	0	0	0	1,500	1,500
Arbyrd	34,041	0	0	0	0	0	0	0	19,799	53,840
Arcadia	64,329	15,151	0	0	0	0	0	0	21,261	100,741
Archie	51,063	0	10,213	0	0	0	0	0	33,373	94,649
Arcola	0	0	0	0	0	0	0	0	1,687	1,687
Argyle	8,180	0	0	0	0	0	0	0	6,150	14,330
Arkoe	0	0	0	0	0	0	0	0	2,175	2,175
Armstrong	0	0	0	0	0	0	0	0	10,762	10,762
Arnold	4,699,935	1,138,274	0	0	0	0	0	0	748,647	6,586,856
Arrow Point Village	0	0	0	0	0	0	0	0	4,987	4,987
Arrow Rock	13,017	3,256	0	0	0	0	0	0	2,962	19,235
Asbury	16,508	0	0	0	0	0	0	0	8,175	24,683
Ash Grove	109,769	49,208	0	9,710	0	0	0	0	53,622	222,309
Ashland	265,254	119,716	0	0	0	0	0	0	82,533	467,503
Atlanta	12,771	0	0	0	0	0	0	0	16,874	29,645
Augusta	33,045	16,523	0	0	0	0	0	0	8,175	57,743
Aurora	980,143	489,950	462,332	72,075	0	0	0	0	263,011	2,267,511
Auxvasse	60,240	13,415	26,836	0	0	0	0	0	33,786	134,277
Ava	341,132	682,262	0	39,559	0	0	0	0	113,281	1,176,234
Avilla	0	0	0	0	0	0	0	0	5,137	5,137
Avondale	25,666	0	0	0	0	0	0	0	19,836	45,502

Appendix D-2

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Bagnell	10,092	0	0	0	0	0	0	0	3,225	13,317
Bakersfield	10,820	0	0	0	0	0	0	0	10,687	21,507
Baldwin Park	0	0	0	0	0	0	0	0	4,312	4,312
Ballwin	0	2,621,191	0	0	0	0	0	0	1,173,049	3,794,240
Baring	0	0	0	0	0	0	0	0	5,962	5,962
Barnard	0	0	0	0	0	0	0	0	9,637	9,637
Barnett	0	0	0	0	0	0	0	0	7,762	7,762
Bates City	79,315	39,657	0	11,598	0	0	0	0	9,187	139,757
Battlefield	81,298	0	64,098	0	0	0	0	0	89,433	234,829
Bell City	12,933	3,233	0	0	0	0	0	0	17,286	33,452
Bella Villa	0	37,178	0	5,366	0	0	0	0	25,761	68,305
Belle	111,347	55,674	51,186	0	0	0	0	0	50,397	268,604
Bellefontaine Neighbors	0	600,053	0	0	0	0	0	0	415,777	1,015,830
Bellerive	0	46,804	0	0	0	0	0	0	9,524	56,328
Bellflower	12,482	4,902	4,902	0	0	0	0	0	16,012	38,298
Bel-Nor	0	86,480	0	12,483	0	0	0	0	59,922	158,885
Bel-Ridge	0	381,524	0	0	0	0	0	0	115,569	497,093
Belton	2,329,764	2,914,587	1,164,882	0	0	0	0	0	814,831	7,224,064
Benton	45,924	0	0	0	0	0	0	0	27,448	73,372
Benton City	0	0	0	0	0	0	0	0	4,575	4,575
Berger	4,855	0	0	0	0	0	0	0	7,724	12,579
Berkeley	0	1,546,931	0	0	0	0	0	0	377,342	1,924,273
Bernie	106,723	53,362	0	0	0	0	0	0	66,634	226,719
Bertrand	9,497	0	0	0	0	0	0	0	27,748	37,245
Bethany	646,802	277,101	0	0	0	0	0	0	115,756	1,039,659
Bethel	2,104	0	0	0	0	0	0	0	4,537	6,641
Beverly Hills	0	48,362	0	0	0	0	0	0	22,611	70,973
Bevier	57,337	0	24,754	0	0	0	0	0	27,111	109,202
Big Lake	0	0	0	0	0	0	0	0	4,762	4,762
Bigelow	0	0	0	0	0	0	0	0	1,425	1,425
Billings	55,988	0	0	0	0	0	0	0	40,910	96,898
Birch Tree	45,981	20,395	20,684	0	0	0	0	0	23,774	110,834
Birmingham	9,041	0	0	0	0	0	0	0	8,025	17,066
Bismarck	79,616	0	33,850	0	0	0	0	0	55,122	168,588
Blackburn	6,836	0	0	0	0	0	0	0	10,649	17,485
Black Jack	0	367,565	0	53,056	0	0	0	0	254,686	675,307
Blackwater	6,725	3,362	3,245	0	0	0	0	0	7,462	20,794
Blairstown	5,735	0	0	0	0	0	0	0	5,287	11,022
Bland	25,223	22,068	0	0	0	0	0	0	21,186	68,477
Blodgett	0	0	0	0	0	0	0	0	9,937	9,937
Bloomfield	126,171	18,016	0	11,357	0	0	0	0	73,196	228,740
Bloomsdale	78,182	0	0	0	0	0	0	0	15,712	93,894
Blue Eye	18,850	0	0	0	0	0	0	0	4,837	23,687
Blue Springs	6,260,095	0	2,933,408	0	0	0	0	0	1,802,902	10,996,405

Appendix D-2

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Blythedale	0	0	0	0	0	0	0	0	8,737	8,737
Bogard	0	0	0	0	0	0	0	0	8,774	8,774
Bolckow	0	0	0	0	0	0	0	0	8,774	8,774
Bolivar	1,675,685	1,232,100	789,243	0	0	0	0	0	342,844	4,039,872
Bonne Terre	400,053	187,197	187,233	0	0	0	0	0	151,454	925,937
Boonville	1,048,917	495,241	0	0	0	0	0	0	307,558	1,851,716
Bosworth	0	0	0	0	0	0	0	0	14,324	14,324
Bourbon	150,999	0	72,062	0	0	0	0	0	50,547	273,608
Bowling Green	531,704	140,796	281,592	0	0	0	0	0	122,243	1,076,335
Bragg City	0	0	0	0	0	0	0	0	7,087	7,087
Brandsville	0	0	0	0	0	0	0	0	6,525	6,525
Branson	9,861,796	0	4,888,825	0	0	0	0	0	235,450	14,986,071
Branson West	767,652	383,826	383,764	0	0	0	0	0	15,299	1,550,541
Brashear	8,663	0	0	0	0	0	0	0	10,499	19,162
Braymer	57,668	0	0	0	0	0	0	0	34,123	91,791
Breckenridge	8,609	0	0	0	0	0	0	0	17,024	25,633
Breckenridge Hills	0	125,554	0	37,628	0	0	0	0	180,628	343,810
Brentwood	0	5,331,652	0	0	0	0	0	0	288,472	5,620,124
Bridgeton	0	5,380,557	0	0	0	0	0	0	583,093	5,963,650
Brimson	0	0	0	0	0	0	0	0	2,362	2,362
Bronaugh	0	0	0	0	0	0	0	0	9,187	9,187
Brookfield	715,513	178,877	335,252	67,788	0	0	0	0	178,828	1,476,258
Brooklyn Heights	0	0	0	0	0	0	0	0	4,687	4,687
Browning	7,764	0	0	1,389	0	0	0	0	11,887	21,040
Brownington	0	0	0	0	0	0	0	0	4,462	4,462
Brumley	2,877	0	0	0	0	0	0	0	3,825	6,702
Brunswick	130,416	0	0	0	0	0	0	0	34,686	165,102
Bucklin	32,135	0	0	1,821	0	0	0	0	19,649	53,605
Buckner	172,998	86,480	75,281	21,756	0	0	0	0	102,182	458,697
Buffalo	628,492	0	292,495	0	0	0	0	0	104,282	1,025,269
Bull Creek Village	11,880	0	0	0	0	0	0	0	8,437	20,317
Bunceton	6,770	0	0	0	0	0	0	0	13,049	19,819
Bunker	42,925	0	0	0	0	0	0	0	16,012	58,937
Burgess	0	0	0	0	0	0	0	0	2,625	2,625
Burlington Junction	0	0	0	0	0	0	0	0	23,699	23,699
Butler	601,820	375,997	300,910	0	0	0	0	0	157,829	1,436,556
Butterfield	3,667	0	0	0	0	0	0	0	14,887	18,554
Byrnes Mill	157,255	0	0	0	0	0	0	0	89,095	246,350
Cabool	294,579	147,272	0	0	0	0	0	0	81,296	523,147
Cainsville	0	0	0	0	0	0	0	0	13,874	13,874
Cairo	0	0	0	0	0	0	0	0	10,987	10,987
Caledonia	16,444	0	0	0	0	0	0	0	5,925	22,369
Calhoun	18,941	7,697	7,697	0	0	0	0	0	18,411	52,746
California	487,014	217,088	0	0	0	0	0	0	150,179	854,281

Appendix D-2

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Callao	5,436	0	0	0	0	0	0	0	10,912	16,348
Calverton Park	0	71,542	0	0	0	0	0	0	49,572	121,114
Camden	0	0	0	0	0	0	0	0	7,837	7,837
Camden Point	0	0	0	0	0	0	0	0	18,149	18,149
Camdenton	1,368,484	684,207	672,729	0	0	0	0	0	104,207	2,829,627
Cameron	1,237,663	618,831	0	0	0	0	0	0	367,030	2,223,524
Campbell	145,864	0	0	0	0	0	0	0	70,609	216,473
Canalou	0	0	0	0	0	0	0	0	13,049	13,049
Canton	207,786	77,920	15,653	0	0	0	0	0	95,882	397,241
Cape Girardeau	8,632,871	10,690,343	4,179,249	0	0	0	0	0	1,325,516	24,827,979
Cardwell	16,938	0	0	0	0	0	0	0	29,586	46,524
Carl Junction	270,008	102,232	103,109	0	0	0	0	0	198,514	673,863
Carrollton	399,464	0	199,730	0	0	0	0	0	154,567	753,761
Cartersville	66,998	33,499	26,242	5,032	0	0	0	0	69,371	201,142
Carthage	1,885,412	1,232,061	895,655	0	0	0	0	0	475,024	4,488,152
Caruthersville	513,144	256,559	0	0	0	0	0	0	253,486	1,023,189
Carytown	0	0	0	0	0	0	0	0	8,137	8,137
Cassville	803,457	803,330	0	0	0	0	0	0	108,369	1,715,156
Catron	0	0	0	0	0	0	0	0	2,550	2,550
Cedar Hill Lakes	0	0	0	0	0	0	0	0	8,587	8,587
Center	43,979	0	0	0	0	0	0	0	24,149	68,128
Centertown	18,897	0	0	0	0	0	0	0	9,637	28,534
Centerview	0	0	0	0	0	0	0	0	9,337	9,337
Centerville	13,156	0	0	0	0	0	0	0	6,412	19,568
Centralia	336,102	168,051	168,051	0	0	0	0	0	141,517	813,721
Chaffee	173,339	86,669	0	0	0	0	0	0	114,144	374,152
Chain of Rocks	0	0	0	0	0	0	0	0	3,412	3,412
Chain-O-Lakes	0	0	0	0	0	0	0	0	4,762	4,762
Chamais	25,609	0	0	0	0	0	0	0	17,099	42,708
Champ	0	0	0	0	0	0	0	0	450	450
Charlack	0	77,443	0	0	0	0	0	0	53,660	131,103
Charleston	529,105	0	250,373	0	0	0	0	0	177,440	956,918
Chesterfield	0	10,344,279	0	0	0	0	0	0	1,754,980	12,099,259
Chilhowee	12,198	0	0	0	0	0	0	0	12,337	24,535
Chillicothe	1,747,757	1,245,696	830,784	0	0	0	0	0	336,282	4,160,519
Chula	0	0	0	0	0	0	0	0	7,425	7,425
Clarence	76,495	0	0	0	0	0	0	0	34,311	110,806
Clark	2,032	1,016	1,016	0	0	0	0	0	10,312	14,376
Clarksburg	5,606	0	0	0	0	0	0	0	14,062	19,668
Clarksdale	0	0	0	0	0	0	0	0	13,162	13,162
Clarkson Valley	0	0	0	0	0	0	0	0	100,307	100,307
Clarksville	33,023	0	0	0	0	0	0	0	18,374	51,397
Clarkton	64,034	0	0	0	0	0	0	0	49,872	113,906
Claycomo	280,188	70,056	0	0	0	0	0	0	47,510	397,754

Appendix D-2

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Clayton	0	2,366,203	0	0	0	0	0	0	597,530	2,963,733
Clearmont	0	0	0	0	0	0	0	0	7,162	7,162
Cleveland	70,494	0	0	0	0	0	0	0	22,199	92,693
Clever	101,298	50,648	0	0	0	0	0	0	37,873	189,819
Cliff Village	0	0	0	0	0	0	0	0	1,237	1,237
Clifton Hill	0	0	0	0	0	0	0	0	4,650	4,650
Climax Springs	3,023	0	0	0	0	0	0	0	3,000	6,023
Clinton	1,656,121	1,608,876	390,408	182,145	0	0	0	0	349,144	4,186,694
Clyde	0	0	0	0	0	0	0	0	2,775	2,775
Cobalt City	0	0	0	0	0	0	0	0	7,087	7,087
Coffey	0	0	0	0	0	0	0	0	5,250	5,250
Cole Camp	126,230	0	51,849	9,499	0	0	0	0	38,548	226,126
Collins	34,394	10,391	0	3,000	0	0	0	0	6,600	54,385
Columbia	19,188,055	9,149,685	9,150,013	0	0	0	0	0	3,169,741	40,657,494
Commerce	0	0	0	0	0	0	0	0	4,125	4,125
Conception Junction	0	0	0	0	0	0	0	0	7,575	7,575
Concordia	273,924	264,862	63,962	0	0	0	0	0	88,495	691,243
Coney Island	0	0	0	0	0	0	0	0	3,525	3,525
Conway	70,917	35,458	0	0	0	0	0	0	27,861	134,236
Cool Valley	0	82,423	0	0	0	0	0	0	40,535	122,958
Cooter	0	0	0	0	0	0	0	0	16,499	16,499
Corder	7,946	3,973	0	4,881	0	0	0	0	16,012	32,812
Corning	0	0	0	0	0	0	0	0	787	787
Cosby	0	0	0	0	0	0	0	0	5,362	5,362
Cottleville	702,524	351,239	0	0	0	0	0	0	72,296	1,126,059
Country Club Village	46,397	0	0	0	0	0	0	0	69,221	115,618
Country Club Hills	0	104,979	0	0	0	0	0	0	51,785	156,764
Country Life Acres	0	0	0	0	0	0	0	0	3,037	3,037
Cowgill	0	0	0	0	0	0	0	0	9,262	9,262
Craig	16,405	0	0	0	0	0	0	0	11,587	27,992
Crane	113,942	0	50,878	19,059	0	0	0	0	52,122	236,001
Creighton	14,243	0	0	0	0	0	0	0	12,074	26,317
Crestwood	0	3,076,688	0	0	0	0	0	0	444,838	3,521,526
Creve Coeur	0	1,767,990	0	0	0	0	0	0	618,716	2,386,706
Crocker	110,465	0	47,622	0	0	0	0	0	38,735	196,822
Cross Timbers	0	0	0	0	0	0	0	0	6,937	6,937
Crystal City	783,338	485,643	0	0	0	0	0	0	159,254	1,428,235
Crystal Lake Park	0	24,731	0	0	0	0	0	0	17,137	41,868
Crystal Lakes	4,104	0	0	0	0	0	0	0	14,362	18,466
Cuba	632,691	22,853	316,414	0	0	0	0	0	121,118	1,093,076
Curryville	5,934	0	0	0	0	0	0	0	9,412	15,346
Dadeville	0	0	0	0	0	0	0	0	8,399	8,399
Dalton	0	0	0	0	0	0	0	0	1,012	1,012
Dardenne Prairie	981,505	490,752	0	0	0	0	0	0	164,391	1,636,648



Appendix D-2

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Darlington	0	0	0	0	0	0	0	0	4,237	4,237
Dearborn	49,431	0	0	0	0	0	0	0	19,836	69,267
Deepwater	9,005	4,493	4,492	0	0	0	0	0	19,011	37,001
Deerfield	0	0	0	0	0	0	0	0	2,812	2,812
DeKalb	0	0	0	0	0	0	0	0	9,637	9,637
Dellwood	0	455,185	0	0	0	0	0	0	197,052	652,237
Delta	23,575	10,020	0	0	0	0	0	0	19,386	52,981
Dennis Acres	0	0	0	0	0	0	0	0	2,550	2,550
Denver	0	0	0	0	0	0	0	0	1,500	1,500
Des Arc	0	0	0	0	0	0	0	0	7,012	7,012
Desloge	1,025,282	989,797	494,898	0	0	0	0	0	180,065	2,690,042
De Soto	1,183,739	569,404	0	0	0	0	0	0	239,049	1,992,192
Des Peres	0	6,699,783	0	413,870	0	0	0	0	322,182	7,435,835
De Witt	0	0	0	0	0	0	0	0	4,500	4,500
Dexter	1,245,981	1,352,634	0	0	0	0	0	0	275,835	2,874,450
Diamond	76,255	0	23,077	0	0	0	0	0	30,261	129,593
Diehlstadt	0	0	0	0	0	0	0	0	6,112	6,112
Diggins	5,417	0	2,294	0	0	0	0	0	11,174	18,885
Dixon	173,166	0	77,903	0	0	0	0	0	58,872	309,941
Doniphan	468,469	0	219,443	0	0	0	0	0	72,446	760,358
Doolittle	51,805	0	0	0	0	0	0	0	24,149	75,954
Dover	0	0	0	0	0	0	0	0	4,050	4,050
Downing	0	0	0	0	0	0	0	0	14,849	14,849
Drexel	94,691	47,345	0	0	0	0	0	0	40,873	182,909
Dudley	38,681	0	0	0	0	0	0	0	10,837	49,518
Duenweg	80,465	49,781	0	0	0	0	0	0	38,773	169,019
Duquesne	290,373	77,011	0	0	0	0	0	0	61,497	428,881
Dutchtown	6,387	0	0	0	0	0	0	0	3,712	10,099
Eagleville	133,667	83,542	33,417	0	0	0	0	0	12,037	262,663
East Lynne	12,214	6,107	0	0	0	0	0	0	11,249	29,570
Easton	6,465	0	0	0	0	0	0	0	9,674	16,139
East Prairie	241,936	213,024	106,461	0	0	0	0	0	121,006	682,427
Edgar Springs	22,963	0	0	0	0	0	0	0	7,125	30,088
Edgerton	23,137	0	0	0	0	0	0	0	19,986	43,123
Edina	132,373	0	0	0	0	0	0	0	46,235	178,608
Edmundson	0	472,955	0	6,736	0	0	0	0	31,498	511,189
Eldon	806,062	726,408	290,630	0	0	0	0	0	183,552	2,006,652
El Dorado Springs	375,879	375,878	0	0	0	0	0	0	141,555	893,312
Ellington	298,277	143,395	0	0	0	0	0	0	39,185	480,857
Ellisville	0	1,332,691	0	0	0	0	0	0	341,381	1,674,072
Ellsinore	46,213	21,963	0	0	0	0	0	0	13,612	81,788
Elmer	0	0	0	0	0	0	0	0	3,675	3,675
Elmira	0	0	0	0	0	0	0	0	3,075	3,075
Elmo	0	0	0	0	0	0	0	0	6,225	6,225

Appendix D-2

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Elsberry	151,553	0	68,449	30,054	0	0	0	0	76,758	326,814
Emerald Beach	0	0	0	0	0	0	0	0	9,374	9,374
Eminence	93,300	44,703	44,703	0	0	0	0	0	20,549	203,255
Emma	9,687	0	0	0	0	0	0	0	9,112	18,799
Eolia	28,513	0	0	0	0	0	0	0	16,312	44,825
Essex	11,235	0	0	1,745	0	0	0	0	19,649	32,629
Ethel	0	0	0	0	0	0	0	0	3,750	3,750
Eureka	0	2,079,532	0	0	0	0	0	0	287,834	2,367,366
Everton	26,596	0	0	0	0	0	0	0	12,074	38,670
Ewing	23,685	0	0	0	0	0	0	0	17,399	41,084
Excelsior Estates	0	0	0	0	0	0	0	0	9,862	9,862
Excelsior Springs	1,449,655	1,414,269	690,042	242,781	0	0	0	0	406,740	4,203,487
Exeter	21,878	0	0	0	0	0	0	0	26,511	48,389
Fairfax	31,127	0	0	0	0	0	0	0	24,186	55,313
Fair Grove	129,085	96,791	64,542	0	0	0	0	0	41,510	331,928
Fair Play	22,617	12,076	10,541	0	0	0	0	0	15,674	60,908
Fairview	9,341	0	0	0	0	0	0	0	14,812	24,153
Farber	6,745	0	0	0	0	0	0	0	15,412	22,157
Farley	0	0	0	0	0	0	0	0	8,474	8,474
Farmington	3,218,257	3,132,815	0	0	0	0	0	0	522,122	6,873,194
Fayette	205,702	23,188	0	0	0	0	0	0	104,732	333,622
Fenton	0	3,559,418	0	0	0	0	0	0	163,491	3,722,909
Ferguson	0	3,253,760	0	0	0	0	0	0	840,179	4,093,939
Ferrelview	15,845	0	0	0	0	0	0	0	22,236	38,081
Festus	2,828,767	1,373,069	1,373,480	0	0	0	0	0	362,230	5,937,546
Fidelity	0	0	0	0	0	0	0	0	9,449	9,449
Fillmore	0	0	0	0	0	0	0	0	7,912	7,912
Fisk	42,590	19,804	0	0	0	0	0	0	13,612	76,006
Fleming	0	0	0	0	0	0	0	0	4,575	4,575
Flemington	0	0	0	0	0	0	0	0	4,650	4,650
Flint Hill	77,273	0	0	0	0	0	0	0	14,212	91,485
Flordell Hills	0	50,383	0	7,272	0	0	0	0	34,911	92,566
Florissant	0	6,116,981	0	0	0	0	0	0	2,014,173	8,131,154
Foley	8,907	0	0	0	0	0	0	0	6,675	15,582
Fordland	27,477	0	0	0	0	0	0	0	25,649	53,126
Forest City	4,696	0	0	0	0	0	0	0	12,674	17,370
Foristell	272,395	94,424	0	27,574	0	0	0	0	12,412	406,805
Forsyth	308,502	296,784	0	0	0	0	0	0	63,222	668,508
Fortescue	0	0	0	0	0	0	0	0	1,912	1,912
Foster	0	0	0	0	0	0	0	0	4,875	4,875
Fountain N' Lakes	0	0	0	0	0	0	0	0	4,837	4,837
Four Seasons	175,828	87,914	0	0	0	0	0	0	55,984	319,726
Frankford	9,117	0	0	0	0	0	0	0	13,162	22,279
Franklin	1,114	557	557	0	0	0	0	0	4,200	6,428

Appendix D-2

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Fredericktown	669,120	0	314,945	0	0	0	0	0	147,292	1,131,357
Freeburg	103,793	0	0	0	0	0	0	0	15,862	119,655
Freeman	42,978	0	0	0	0	0	0	0	19,536	62,514
Freistatt	0	0	0	0	0	0	0	0	6,900	6,900
Fremont Hills	24,315	0	0	6,186	0	0	0	0	22,386	52,887
Frohna	0	0	0	0	0	0	0	0	7,200	7,200
Frontenac	0	1,868,136	0	0	0	0	0	0	130,605	1,998,741
Fulton	1,430,700	715,351	715,350	0	0	0	0	0	454,775	3,316,176
Gainesville	189,003	94,409	0	0	0	0	0	0	23,699	307,111
Galena	19,702	0	0	0	0	0	0	0	16,912	36,614
Gallatin	130,717	0	74,556	23,940	0	0	0	0	67,084	296,297
Galt	0	0	0	0	0	0	0	0	10,312	10,312
Garden City	87,404	36,617	36,633	0	0	0	0	0	56,247	216,901
Gasconade	3,770	0	0	0	0	0	0	0	10,012	13,782
Gentry	0	0	0	0	0	0	0	0	3,787	3,787
Gerald	120,742	0	56,762	0	0	0	0	0	43,910	221,414
Gerster	208	0	0	0	0	0	0	0	1,312	1,520
Gibbs	0	0	0	0	0	0	0	0	3,750	3,750
Gideon	38,184	0	0	0	0	0	0	0	41,735	79,919
Gilliam	3,475	434	0	0	0	0	0	0	8,587	12,496
Gilman City	13,513	0	0	0	0	0	0	0	14,249	27,762
Ginger Blue	9,142	0	0	0	0	0	0	0	0	9,142
Gladstone	2,879,120	2,009,094	1,339,691	376,357	0	0	0	0	988,634	7,592,896
Glasgow	99,084	24,771	45,225	0	0	0	0	0	47,360	216,440
Glenaire	0	0	0	0	0	0	0	0	20,736	20,736
Glenallen	0	0	0	0	0	0	0	0	5,437	5,437
Glendale	0	431,649	0	45,049	0	0	0	0	216,251	692,949
Glen Echo Park	0	0	0	0	0	0	0	0	6,225	6,225
Glenwood	0	0	0	0	0	0	0	0	7,612	7,612
Golden City	33,125	18,928	18,928	0	0	0	0	0	33,148	104,129
Goodman	58,110	0	0	0	0	0	0	0	44,360	102,470
Gordonville	0	0	0	0	0	0	0	0	15,937	15,937
Gower	67,841	16,961	0	10,275	0	0	0	0	52,460	147,537
Graham	0	0	0	0	0	0	0	0	7,162	7,162
Grain Valley	602,197	502,551	251,131	0	0	0	0	0	193,489	1,549,368
Granby	186,139	34,888	0	0	0	0	0	0	79,533	300,560
Grand Falls Plaza	0	0	0	0	0	0	0	0	3,900	3,900
Grandin	11,173	0	0	0	0	0	0	0	8,849	20,022
Grand Pass	0	0	0	0	0	0	0	0	1,987	1,987
Grandview	2,501,382	2,402,167	1,151,950	0	0	0	0	0	932,987	6,988,486
Granger	0	0	0	0	0	0	0	0	1,650	1,650
Grant City	154,976	0	0	0	0	0	0	0	34,723	189,699
Grantwood	0	76,490	0	6,898	0	0	0	0	33,111	116,499
Gravois Mills	24,961	753	0	0	0	0	0	0	7,800	33,514

Appendix D-2

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Green Castle	0	0	410	0	0	0	0	0	11,549	11,959
Green City	44,263	22,131	0	0	0	0	0	0	25,799	92,193
Greendale	0	44,940	0	0	0	0	0	0	27,073	72,013
Greenfield	129,102	36,738	0	0	0	0	0	0	50,922	216,762
Green Park	0	351,473	0	0	0	0	0	0	99,970	451,443
Green Ridge	36,021	0	0	0	0	0	0	0	16,687	52,708
Greentop	19,681	0	8,311	0	0	0	0	0	16,012	44,004
Greenville	44,945	41,684	0	0	0	0	0	0	16,912	103,541
Greenwood	199,577	79,281	79,281	0	0	0	0	0	148,192	506,331
Guilford	0	0	0	0	0	0	0	0	3,262	3,262
Gunn City	0	0	0	0	0	0	0	0	3,187	3,187
Hale	27,048	13,524	13,524	0	0	0	0	0	17,736	71,832
Half Way	8,983	0	0	0	0	0	0	0	6,600	15,583
Hallsville	71,043	0	0	0	0	0	0	0	36,673	107,716
Halltown	0	0	0	0	0	0	0	0	7,087	7,087
Hamilton	125,853	0	62,926	0	0	0	0	0	67,984	256,763
Hanley Hills	0	114,946	0	0	0	0	0	0	79,646	194,592
Hannibal	2,785,214	3,481,360	0	0	0	0	0	0	665,851	6,932,425
Hardin	17,880	0	0	0	0	0	0	0	23,024	40,904
Harris	0	0	0	0	0	0	0	0	3,937	3,937
Harrisburg	16,972	0	0	0	0	0	0	0	6,900	23,872
Harrisonville	1,917,712	1,311,611	0	0	0	0	0	0	335,457	3,564,780
Hartsburg	4,839	0	0	0	0	0	0	0	4,050	8,889
Hartville	66,332	33,165	0	0	0	0	0	0	22,761	122,258
Harwood	0	0	0	0	0	0	0	0	3,375	3,375
Hawk Point	48,344	0	0	0	0	0	0	0	17,211	65,555
Hayti	337,740	247,642	157,576	0	0	0	0	0	120,256	863,214
Hayti Heights	9,522	3,170	0	0	0	0	0	0	28,911	41,603
Haywood City	0	0	0	0	0	0	0	0	8,962	8,962
Hazelwood	0	5,964,005	0	1,407,045	0	0	0	0	982,672	8,353,722
Henrietta	31,405	0	0	0	0	0	0	0	17,137	48,542
Herculaneum	504,770	503,580	0	0	0	0	0	0	105,182	1,113,532
Hermann	442,173	160,067	210,540	0	0	0	0	0	100,270	913,050
Hermitage	123,419	60,323	0	7,766	0	0	0	0	18,599	210,107
Higbee	17,103	0	8,552	0	0	0	0	0	23,361	49,016
Higginsville	540,749	387,739	253,643	0	0	0	0	0	175,565	1,357,696
High Hill	6,117	0	0	0	0	0	0	0	8,662	14,779
Highlandville	28,444	0	0	0	0	0	0	0	32,698	61,142
Hillsboro	235,533	88,325	0	0	0	0	0	0	62,809	386,667
Hillsdale	0	79,931	0	0	0	0	0	0	55,384	135,315
Hoberg	0	0	0	0	0	0	0	0	2,250	2,250
Holcomb	37,678	0	0	0	0	0	0	0	26,099	63,777
Holden	240,870	0	107,902	18,888	0	0	0	0	94,120	461,780
Holland	0	0	0	0	0	0	0	0	9,224	9,224

Appendix D-2

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Holliday	0	0	0	0	0	0	0	0	4,837	4,837
Hollister	869,580	434,790	419,078	0	0	0	0	0	145,005	1,868,453
Holt	51,461	49,780	24,051	0	0	0	0	0	15,187	140,479
Holts Summit	567,472	136,151	136,151	367,108	0	0	0	0	110,056	1,316,938
Homestead	0	0	0	0	0	0	0	0	6,787	6,787
Homestown	1,957	0	0	0	0	0	0	0	6,787	8,744
Hopkins	13,509	0	0	0	0	0	0	0	21,711	35,220
Hornersville	25,693	0	0	0	0	0	0	0	25,724	51,417
Houston	643,700	232,953	155,344	0	0	0	0	0	74,696	1,106,693
Houston Lake	0	0	0	0	0	0	0	0	10,649	10,649
Houstonia	0	0	0	0	0	0	0	0	10,312	10,312
Howardville	2,948	0	0	264	0	0	0	0	12,824	16,036
Hughesville	0	0	0	0	0	0	0	0	6,525	6,525
Humansville	47,952	13,638	31,040	0	0	0	0	0	35,473	128,103
Hume	10,685	0	0	0	0	0	0	0	12,637	23,322
Humphreys	0	0	0	0	0	0	0	0	6,150	6,150
Hunnewell	4,438	0	0	0	0	0	0	0	8,512	12,950
Huntleigh	0	0	0	0	0	0	0	0	12,112	12,112
Huntsdale	0	463	0	0	0	0	0	0	2,587	3,050
Huntsville	59,523	0	29,761	0	0	0	0	0	58,234	147,518
Hurdland	0	0	0	0	0	0	0	0	8,962	8,962
Hurley	2,818	0	0	0	0	0	0	0	5,887	8,705
Iatan	0	0	0	0	0	0	0	0	2,025	2,025
Iberia	90,551	42,825	42,717	0	0	0	0	0	24,411	200,504
Independence	16,659,929	11,925,676	7,862,758	0	0	0	0	0	4,248,070	40,696,433
Indian Point	158,463	79,231	0	0	0	0	0	0	22,049	259,743
Innsbrook	26,930	0	0	0	0	0	0	0	17,587	44,517
Ionia	0	0	0	0	0	0	0	0	4,050	4,050
Irondale	12,994	0	0	0	0	0	0	0	16,387	29,381
Iron Mtn. Lake	8,481	0	0	0	0	0	0	0	25,986	34,467
Ironton	223,208	104,116	104,156	0	0	0	0	0	55,159	486,639
Jackson	1,996,070	0	933,547	0	0	0	0	0	447,988	3,377,605
Jacksonville	0	0	0	0	0	0	0	0	6,112	6,112
Jameson	0	0	0	0	0	0	0	0	4,500	4,500
Jamesport	42,857	21,363	0	0	0	0	0	0	18,936	83,156
Jamestown	0	0	0	0	0	0	0	0	14,324	14,324
Jane	7,088	0	0	0	0	0	0	0	0	7,088
Jasper	96,439	48,220	42,660	0	0	0	0	0	37,910	225,229
Jefferson City	8,958,521	8,658,537	23	0	0	0	0	0	1,486,269	19,103,350
Jennings	0	1,617,800	0	0	0	0	0	0	580,056	2,197,856
Jerico Springs	0	0	0	0	0	0	0	0	9,712	9,712
Jonesburg	61,527	28,010	0	0	0	0	0	0	26,061	115,598
Joplin	17,093,253	7,117,052	5,703,111	0	0	0	0	0	1,706,307	31,619,723
Josephville	5,629	0	0	0	0	0	0	0	10,124	15,753

Appendix D-2

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Junction City	0	0	0	0	0	0	0	0	11,962	11,962
Kahoka	247,090	0	0	0	0	0	0	0	84,033	331,123
Kansas City	62,243,556	31,103,785	54,432,870	25,361,672	0	0	0	0	16,557,040	189,698,923
Kearney	904,628	411,003	411,174	0	0	0	0	0	205,189	1,931,994
Kelso	93,265	0	0	0	0	0	0	0	19,761	113,026
Kennett	1,261,236	360,355	0	0	0	0	0	0	422,227	2,043,818
Keytesville	0	0	0	0	0	0	0	0	19,986	19,986
Kidder	21,504	0	0	0	0	0	0	0	10,162	31,666
Kimberling City	314,073	296,047	0	49,127	0	0	0	0	84,483	743,730
Kimmswick	40,416	0	20,208	0	0	0	0	0	3,525	64,149
King City	123,859	33,883	0	0	0	0	0	0	37,948	195,690
Kingdom City	254,271	127,163	126,916	0	0	0	0	0	4,537	512,887
Kingston	0	0	0	0	0	0	0	0	10,762	10,762
Kingsville	0	0	0	0	0	0	0	0	9,637	9,637
Kinloch	0	29,785	0	0	0	0	0	0	16,837	46,622
Kirbyville	12,856	0	0	0	0	0	0	0	4,125	16,981
Kirksville	2,451,519	1,760,827	1,174,070	0	0	0	0	0	648,865	6,035,281
Kirkwood	0	4,246,595	0	213,442	0	0	0	0	1,024,594	5,484,631
Knob Noster	179,699	80,688	80,688	37,674	0	0	0	0	92,320	471,069
Knox City	0	0	0	0	0	0	0	0	8,362	8,362
Koshkonong	39,726	0	0	0	0	0	0	0	7,687	47,413
La Belle	37,276	0	0	0	0	0	0	0	25,086	62,362
Laclede	0	4,419	4,429	0	0	0	0	0	15,562	24,410
Laddonia	0	22,126	22,126	0	0	0	0	0	23,249	67,501
Ladue	0	1,642,680	0	0	0	0	0	0	324,170	1,966,850
La Grange	43,018	0	0	0	0	0	0	0	37,498	80,516
Lake Annette	0	0	0	0	0	0	0	0	6,112	6,112
Lake Lafayette	0	0	0	0	0	0	0	0	12,974	12,974
Lake Lotawana	136,139	17,018	16,490	0	0	0	0	0	70,196	239,843
Lake Mykee	0	0	0	0	0	0	0	0	12,224	12,224
Lake Ozark	762,870	249,322	249,333	0	0	0	0	0	55,834	1,317,359
Lake St. Louis	2,172,372	0	1,086,186	0	0	0	0	0	381,317	3,639,875
Lakeshire	0	74,412	0	0	0	0	0	0	51,560	125,972
Lakeside	15	0	0	0	0	0	0	0	1,387	1,402
Lake Tapawingo	0	0	0	0	0	0	0	0	31,611	31,611
Lake Waukomis	0	0	0	0	0	0	0	0	34,386	34,386
Lake Winnebago	0	15,773	0	0	0	0	0	0	33,823	49,596
Lamar	617,480	308,701	308,701	0	0	0	0	0	165,928	1,400,810
Lamar Heights	0	94,654	0	0	0	0	0	0	8,100	102,754
La Monte	80,758	0	0	0	0	0	0	0	39,898	120,656
Lanagan	12,948	0	0	0	0	0	0	0	15,412	28,360
Lancaster	68,539	0	0	0	0	0	0	0	27,636	96,175
La Plata	97,068	42,371	0	0	0	0	0	0	55,722	195,161
Laredo	0	0	0	0	0	0	0	0	9,374	9,374

Appendix D-2

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
La Russell	0	0	0	0	0	0	0	0	5,175	5,175
Lathrop	119,259	59,763	0	0	0	0	0	0	78,446	257,468
Laurie	397,430	198,716	193,733	0	0	0	0	0	24,861	814,740
Lawson	177,760	165,710	0	0	0	0	0	0	87,595	431,065
Leadington	142,351	142,274	71,138	32,850	0	0	0	0	7,724	396,337
Leadwood	48,055	0	0	0	0	0	0	0	43,498	91,553
Leasburg	0	0	0	0	0	0	0	0	12,112	12,112
Leawood	0	0	0	0	0	0	0	0	33,898	33,898
Lebanon	3,012,182	1,452,391	1,453,674	0	0	0	0	0	455,788	6,374,035
Lee's Summit	11,766,533	8,693,925	5,621,409	0	0	0	0	0	2,651,106	28,732,973
Leeton	29,485	14,742	0	0	0	0	0	0	23,211	67,438
Leonard	0	0	0	0	0	0	0	0	2,475	2,475
Leslie	0	0	0	0	0	0	0	0	3,262	3,262
Levasy	2,047	0	0	0	0	0	0	0	4,050	6,097
Lewis & Clark Village	0	0	0	0	0	0	0	0	5,812	5,812
Lewistown	46,226	0	0	0	0	0	0	0	22,311	68,537
Lexington	349,369	324,932	149,719	0	0	0	0	0	166,978	990,998
Liberal	34,393	0	0	0	0	0	0	0	29,211	63,604
Liberty	3,271,291	3,035,595	1,510,340	0	0	0	0	0	983,647	8,800,873
Licking	238,351	119,176	0	0	0	0	0	0	55,159	412,686
Lilbourn	50,609	0	0	3,023	0	0	0	0	48,860	102,492
Lincoln	87,443	39,705	0	18,385	0	0	0	0	38,473	184,006
Linn	215,590	0	0	0	0	0	0	0	50,772	266,362
Linn Creek	60,775	45,229	14,841	23,819	0	0	0	0	10,499	155,163
Linneus	0	0	0	0	0	0	0	0	13,837	13,837
Livonia	0	0	0	0	0	0	0	0	4,275	4,275
Lock Springs	0	0	0	0	0	0	0	0	2,587	2,587
Lockwood	69,020	0	0	6,473	0	0	0	0	37,085	112,578
Lohman	0	0	0	0	0	0	0	0	6,300	6,300
Loma Linda	22,396	0	0	0	0	0	0	0	19,011	41,407
Lone Jack	50,963	45,376	0	0	0	0	0	0	19,799	116,138
Longtown	0	0	0	0	0	0	0	0	2,850	2,850
Louisburg	0	0	0	0	0	0	0	0	5,512	5,512
Louisiana	632,617	0	0	68,793	0	0	0	0	144,855	846,265
Lowry City	119,447	13,754	0	8,395	0	0	0	0	27,298	168,894
Lucerne	0	0	0	0	0	0	0	0	3,450	3,450
Ludlow	0	0	0	0	0	0	0	0	7,650	7,650
Lupus	0	0	0	0	0	0	0	0	1,087	1,087
Luray	0	0	0	0	0	0	0	0	3,825	3,825
MacKenzie	0	0	0	0	0	0	0	0	5,137	5,137
Macks Creek	7,174	0	0	0	0	0	0	0	10,012	17,186
Macon	808,296	404,001	0	0	0	0	0	0	207,664	1,419,961
Madison	22,673	0	0	0	0	0	0	0	21,974	44,647
Maitland	12,456	0	0	0	0	0	0	0	12,824	25,280

Appendix D-2

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Malden	566,397	275,036	0	0	0	0	0	0	179,315	1,020,748
Malta Bend	19,868	0	0	0	0	0	0	0	9,337	29,205
Manchester	0	2,629,663	0	0	0	0	0	0	718,498	3,348,161
Mansfield	127,677	72,959	0	0	0	0	0	0	50,585	251,221
Maplewood	0	2,986,679	0	81,338	0	0	0	0	346,031	3,414,048
Marble Hill	236,046	118,023	0	0	0	0	0	0	56,322	410,391
Marceline	193,414	0	83,932	0	0	0	0	0	95,920	373,266
Marionville	195,642	65,214	65,214	0	0	0	0	0	79,233	405,303
Marlborough	0	255,025	0	0	0	0	0	0	83,808	338,833
Marquand	10,227	0	0	0	0	0	0	0	9,412	19,639
Marshall	1,452,516	726,256	0	0	0	0	0	0	466,212	2,644,984
Marshfield	1,080,814	540,296	512,207	0	0	0	0	0	214,488	2,347,805
Marston	59,492	89,169	0	190,114	0	0	0	0	22,874	361,649
Marthasville	0	72,063	36,031	14,117	0	0	0	0	31,386	153,597
Martinsburg	35,329	0	0	0	0	0	0	0	12,224	47,553
Maryland Heights	0	3,367,022	0	0	0	0	0	0	965,798	4,332,820
Maryville	1,644,859	2,010,897	0	0	0	0	0	0	396,766	4,052,522
Matthews	248,364	63,164	0	0	0	0	0	0	22,686	334,214
Maysville	60,434	15,108	30,215	0	0	0	0	0	45,447	151,204
Mayview	0	0	0	0	0	0	0	0	11,024	11,024
McBaine	0	0	0	0	0	0	0	0	637	637
McCord Bend	0	0	0	0	0	0	0	0	10,949	10,949
McFall	0	0	0	0	0	0	0	0	5,062	5,062
McKittrick	0	0	0	0	0	0	0	0	2,700	2,700
Meadville	0	0	0	0	0	0	0	0	17,137	17,137
Memphis	290,543	0	0	0	0	0	0	0	77,283	367,826
Mendon	0	0	0	0	0	0	0	0	7,800	7,800
Mercer	0	0	0	0	0	0	0	0	12,824	12,824
Merriam Woods	31,443	0	15,721	0	0	0	0	0	42,823	89,987
Merwin	0	0	0	0	0	0	0	0	3,112	3,112
Meta	25,016	0	0	0	0	0	0	0	9,337	34,353
Metz	0	0	0	0	0	0	0	0	2,512	2,512
Mexico	1,569,729	744,808	0	0	0	0	0	0	424,477	2,739,014
Miami	0	0	0	0	0	0	0	0	6,000	6,000
Middletown	15,646	0	0	0	0	0	0	0	7,462	23,108
Milan	193,629	0	0	0	0	0	0	0	73,421	267,050
Milford	0	0	0	0	0	0	0	0	1,950	1,950
Millard	0	0	0	0	0	0	0	0	2,812	2,812
Miller	67,683	9,981	20,001	0	0	0	0	0	28,273	125,938
Mill Spring	0	0	0	0	0	0	0	0	8,212	8,212
Milo	0	0	0	0	0	0	0	0	3,150	3,150
Mindenmines	0	0	0	0	0	0	0	0	15,337	15,337
Miner	492,243	484,873	0	18,425	0	0	0	0	39,598	1,035,139
Mineral Point	0	0	0	0	0	0	0	0	13,612	13,612



Appendix D-2

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Miramiquoa Park	0	0	0	0	0	0	0	0	4,762	4,762
Missouri City	0	0	0	0	0	0	0	0	11,062	11,062
Moberly	2,080,116	1,977,324	989,058	0	0	0	0	0	515,259	5,561,757
Mokane	9,434	0	0	0	0	0	0	0	7,050	16,484
Moline Acres	0	172,854	0	0	0	0	0	0	99,820	272,674
Monett	1,659,466	1,228,896	0	0	0	0	0	0	277,335	3,165,697
Monroe City	308,216	140,454	0	0	0	0	0	0	97,045	545,715
Montgomery City	286,128	0	134,148	0	0	0	0	0	91,570	511,846
Monticello	0	0	0	0	0	0	0	0	4,725	4,725
Montrose	27,099	13,549	0	0	0	0	0	0	15,637	56,285
Mooreville	0	0	0	0	0	0	0	0	3,337	3,337
Morehouse	24,380	0	0	0	0	0	0	0	38,060	62,440
Morley	4,092	799	0	0	0	0	0	0	29,698	34,589
Morrison	4,992	0	0	0	0	0	0	0	4,612	9,604
Morrisville	12,210	0	0	0	0	0	0	0	12,899	25,109
Mosby	51,395	0	0	0	0	0	0	0	9,074	60,469
Moscow Mills	223,304	0	103,299	0	0	0	0	0	65,321	391,924
Mound City	76,018	76,018	75,947	0	0	0	0	0	44,735	272,718
Mountain Grove	882,837	441,390	419,749	0	0	0	0	0	171,516	1,915,492
Mountain View	731,955	0	226,621	0	0	0	0	0	91,120	1,049,696
Moundville	0	0	0	0	0	0	0	0	3,862	3,862
Mount Leonard	0	0	0	0	0	0	0	0	4,612	4,612
Mount Moriah	0	0	0	0	0	0	0	0	5,362	5,362
Mount Vernon	490,255	291,046	198,863	0	0	0	0	0	150,629	1,130,793
Napoleon	0	0	0	0	0	0	0	0	7,800	7,800
Naylor	21,749	8,958	8,958	4,425	0	0	0	0	22,874	66,964
Neck City	0	0	0	0	0	0	0	0	4,462	4,462
Neelyville	19,662	0	0	0	0	0	0	0	18,261	37,923
Nelson	0	0	0	0	0	0	0	0	7,949	7,949
Neosho	1,983,457	1,901,735	951,248	0	0	0	0	0	393,916	5,230,356
Nevada	1,380,605	1,380,329	690,165	0	0	0	0	0	322,745	3,773,844
Newark	0	0	0	0	0	0	0	0	3,750	3,750
New Bloomfield	24,078	12,039	0	0	0	0	0	0	22,461	58,578
Newburg	18,970	8,169	8,169	0	0	0	0	0	18,149	53,457
New Cambria	6,823	0	0	0	0	0	0	0	8,324	15,147
New Florence	87,438	41,418	41,418	0	0	0	0	0	28,648	198,922
New Franklin	45,533	22,767	14,448	0	0	0	0	0	42,935	125,683
New Hampton	0	0	0	0	0	0	0	0	13,087	13,087
New Haven	192,084	90,130	90,130	0	0	0	0	0	70,009	442,353
New London	98,225	0	28,622	0	0	0	0	0	37,535	164,382
New Madrid	205,695	102,847	0	32,365	0	0	0	0	125,018	465,925
New Melle	43,906	21,953	21,953	5,871	0	0	0	0	10,762	104,445
Newtonia	0	0	0	0	0	0	0	0	8,662	8,662
Newtown	0	0	0	0	0	0	0	0	7,837	7,837

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Niangua	10,094	0	5,047	0	0	0	0	0	16,687	31,828
Nixa	1,850,727	0	925,363	0	0	0	0	0	454,625	3,230,715
Noel	169,141	63,467	79,412	0	0	0	0	0	55,497	367,517
Norborne	35,478	0	17,585	0	0	0	0	0	30,186	83,249
Normandy	0	217,203	0	40,987	0	0	0	0	193,227	451,417
North Kansas City	2,691,530	0	1,326,926	0	0	0	0	0	176,765	4,195,221
North Lilbourn	0	0	0	0	0	0	0	0	3,562	3,562
Northmoor	111,010	0	0	0	0	0	0	0	14,962	125,972
Northwoods	0	362,082	0	0	0	0	0	0	174,103	536,185
Norwood	37,362	14,623	0	0	0	0	0	0	20,699	72,684
Norwood Court	0	0	0	0	0	0	0	0	39,785	39,785
Novelty	0	0	0	0	0	0	0	0	4,462	4,462
Novinger	0	0	0	0	0	0	0	0	20,024	20,024
Oak Grove	913,240	437,294	437,294	0	0	0	0	0	207,551	1,995,379
Oak Grove Village	166,718	83,291	0	0	0	0	0	0	14,324	264,333
Oakland	0	125,699	0	0	0	0	0	0	57,747	183,446
Oak Ridge	0	0	0	0	0	0	0	0	7,575	7,575
Oaks	1,850	463	925	0	0	0	0	0	5,100	8,338
Oakview	50,852	47,699	0	4,613	0	0	0	0	14,474	117,638
Oakwood	0	0	0	0	0	0	0	0	7,387	7,387
Oakwood Park	0	0	0	0	0	0	0	0	6,862	6,862
Odessa	511,255	510,802	255,585	0	0	0	0	0	180,665	1,458,307
O'Fallon	9,373,599	4,404,532	4,426,075	0	0	0	0	0	1,731,244	19,935,450
Old Appleton	0	0	0	0	0	0	0	0	3,075	3,075
Old Monroe	34,193	8,060	8,061	0	0	0	0	0	9,374	59,688
Olean	0	0	0	0	0	0	0	0	5,887	5,887
Olivette	0	1,049,596	0	148,268	0	0	0	0	278,910	1,476,774
Olympian Village	0	0	0	0	0	0	0	0	25,086	25,086
Oran	55,739	27,869	0	0	0	0	0	0	47,397	131,005
Oregon	0	0	0	0	0	0	0	0	35,061	35,061
Oronogo	61,620	0	24,427	0	0	0	0	0	36,598	122,645
Orrick	36,401	0	14,969	0	0	0	0	0	33,336	84,706
Osage Beach	4,149,213	2,048,947	2,049,000	0	0	0	0	0	137,317	8,384,477
Osborn	0	0	0	0	0	0	0	0	17,061	17,061
Osceola	81,622	46,642	0	0	0	0	0	0	31,311	159,575
Osgood	0	0	0	0	0	0	0	0	1,912	1,912
Otterville	29,219	0	0	0	0	0	0	0	17,849	47,068
Overland	0	854,418	0	0	0	0	0	0	631,391	1,485,809
Owensville	629,274	458,216	305,536	0	0	0	0	0	93,745	1,486,771
Ozark	2,228,114	2,227,702	0	0	0	0	0	0	362,418	4,818,234
Pacific	692,213	346,700	0	0	0	0	0	0	247,899	1,286,812
Pagedale	0	300,682	0	0	0	0	0	0	135,593	436,275
Palmyra	366,079	260,516	0	0	0	0	0	0	130,005	756,600
Paris	124,586	54,475	54,490	0	0	0	0	0	57,334	290,885

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Park Hills	678,214	625,335	312,674	0	0	0	0	0	294,771	1,910,994
Parkdale	0	0	0	0	0	0	0	0	7,687	7,687
Parkville	969,207	0	462,610	0	0	0	0	0	152,204	1,584,021
Parkway	40,418	0	0	0	0	0	0	0	10,499	50,917
Parma	21,889	10,944	7,516	7,719	0	0	0	0	31,948	80,016
Parnell	0	0	0	0	0	0	0	0	7,387	7,387
Pasadena Hills	0	62,074	0	8,960	0	0	0	0	43,010	114,044
Pasadena Park	0	26,463	0	0	0	0	0	0	18,336	44,799
Pascola	0	0	0	0	0	0	0	0	5,175	5,175
Passaic	0	0	0	0	0	0	0	0	1,500	1,500
Pattonsburg	13,047	0	0	1,541	0	0	0	0	9,787	24,375
Paynesville	0	0	0	0	0	0	0	0	3,412	3,412
Peculiar	316,982	298,950	140,459	95,874	0	0	0	0	97,645	949,910
Penermon	0	0	0	0	0	0	0	0	2,812	2,812
Perry	88,963	0	40,940	0	0	0	0	0	24,974	154,877
Perryville	1,548,643	580,740	774,321	0	0	0	0	0	287,497	3,191,201
Pevely	500,478	233,518	233,824	0	0	0	0	0	141,292	1,109,112
Phillipsburg	7,607	0	0	0	0	0	0	0	7,537	15,144
Pickering	0	0	0	0	0	0	0	0	5,775	5,775
Piedmont	445,454	426,025	213,003	0	0	0	0	0	74,696	1,159,178
Pierce City	65,620	37,505	37,472	0	0	0	0	0	51,935	192,532
Pierpont Village	1,909	0	0	0	0	0	0	0	0	1,909
Pilot Grove	23,162	0	23,162	0	0	0	0	0	27,111	73,435
Pilot Knob	71,501	35,751	33,642	0	0	0	0	0	26,136	167,030
Pine Lawn	0	270,121	0	0	0	0	0	0	157,641	427,762
Pineville	67,090	33,545	0	1,328,094	0	0	0	0	28,798	1,457,527
Plato	3,590	0	0	0	0	0	0	0	0	3,590
Platte City	791,592	791,591	295,509	0	0	0	0	0	144,967	2,023,659
Platte Woods	67,905	0	33,952	0	0	0	0	0	17,774	119,631
Plattsburg	154,607	154,607	0	25,477	0	0	0	0	88,270	422,961
Pleasant Hill	626,419	580,051	267,871	0	0	0	0	0	209,314	1,683,655
Pleasant Hope	46,183	10,485	10,485	4,692	0	0	0	0	20,549	92,394
Pleasant Valley	427,956	267,406	53,483	0	0	0	0	0	124,531	873,376
Pocahontas	0	0	0	0	0	0	0	0	4,762	4,762
Pollock	0	0	0	0	0	0	0	0	4,912	4,912
Polo	27,941	25,380	25,380	0	0	0	0	0	21,824	100,525
Poplar Bluff	4,162,899	5,032,366	0	0	0	0	0	0	624,379	9,819,644
Portage Des Sioux	18,006	0	0	0	0	0	0	0	13,162	31,168
Portageville	305,676	141,471	0	0	0	0	0	0	123,556	570,703
Potosi	777,224	0	0	0	0	0	0	0	99,820	877,044
Powersville	0	0	0	0	0	0	0	0	3,225	3,225
Prairie Home	0	0	0	0	0	0	0	0	8,249	8,249
Prathersville	0	0	0	0	0	0	0	0	4,162	4,162
Preston	15,786	0	0	0	0	0	0	0	4,237	20,023

Appendix D-2

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Princeton	97,257	0	0	0	0	0	0	0	39,260	136,517
Purcell	0	0	0	0	0	0	0	0	13,387	13,387
Purdin	0	0	0	0	0	0	0	0	8,362	8,362
Purdy	102,987	1,844	1,844	0	0	0	0	0	41,360	148,035
Puxico	123,533	0	0	0	0	0	0	0	42,935	166,468
Queen City	31,198	26,708	13,357	0	0	0	0	0	23,924	95,187
Quitman	0	0	0	0	0	0	0	0	1,725	1,725
Qulin	31,714	15,857	0	0	0	0	0	0	17,511	65,082
Randolph	36,986	18,493	0	0	0	0	0	0	1,762	57,241
Ravenwood	0	0	0	0	0	0	0	0	16,799	16,799
Raymondville	0	0	0	0	0	0	0	0	16,574	16,574
Raymore	1,986,585	1,858,969	929,485	0	0	0	0	0	417,952	5,192,991
Raytown	2,604,691	2,622,430	1,183,598	0	0	0	0	0	1,139,488	7,550,207
Rayville	0	0	0	0	0	0	0	0	7,650	7,650
Rea	0	0	0	0	0	0	0	0	2,100	2,100
Redings Mill	1,510	0	0	0	0	0	0	0	5,962	7,472
Reeds	0	0	0	0	0	0	0	0	3,862	3,862
Reeds Spring	37,418	37,313	0	0	0	0	0	0	17,436	92,167
Renick	0	0	0	0	0	0	0	0	8,287	8,287
Rensselaer Village	0	0	0	0	0	0	0	0	5,437	5,437
Republic	1,643,410	1,232,475	821,705	0	0	0	0	0	328,632	4,026,222
Revere	0	0	0	0	0	0	0	0	4,537	4,537
Rhineland	0	0	0	0	0	0	0	0	6,600	6,600
Richards	0	0	0	0	0	0	0	0	3,562	3,562
Rich Hill	145,207	0	0	0	0	0	0	0	54,784	199,991
Richland	209,969	64,759	64,788	0	0	0	0	0	67,684	407,200
Richmond	936,929	441,210	441,538	0	0	0	0	0	229,337	2,049,014
Richmond Heights	0	4,456,581	0	0	0	0	0	0	360,055	4,816,636
Ridgely	0	0	0	0	0	0	0	0	2,400	2,400
Ridgeway	15,543	0	0	0	0	0	0	0	19,874	35,417
Risco	12,036	0	0	0	0	0	0	0	14,699	26,735
Ritchey	0	0	0	0	0	0	0	0	2,850	2,850
River Bend	14,590	0	0	0	0	0	0	0	375	14,965
Riverside	1,014,133	0	0	183,263	0	0	0	0	111,706	1,309,102
Riverview	0	170,254	0	24,575	0	0	0	0	117,969	312,798
Rives	0	0	0	0	0	0	0	0	3,300	3,300
Rocheport	19,065	9,533	0	0	0	0	0	0	7,800	36,398
Rockaway Beach	32,578	13,557	13,557	0	0	0	0	0	21,636	81,328
Rock Hill	0	875,403	0	0	0	0	0	0	178,678	1,054,081
Rock Port	216,668	162,495	0	36,827	0	0	0	0	52,310	468,300
Rockville	7,613	0	0	0	0	0	0	0	6,075	13,688
Rogersville	268,884	134,443	134,442	0	0	0	0	0	56,547	594,316
Rolla	3,605,631	3,605,326	1,802,785	0	0	0	0	0	613,729	9,627,471
Roscoe	0	0	0	0	0	0	0	0	4,200	4,200

Appendix D-2

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Rosebud	40,220	0	18,974	0	0	0	0	0	13,649	72,843
Rosendale	0	0	0	0	0	0	0	0	6,750	6,750
Rothville	0	0	0	0	0	0	0	0	3,487	3,487
Rush Hill	0	0	0	0	0	0	0	0	4,875	4,875
Rushville	0	0	0	0	0	0	0	0	10,499	10,499
Russellville	39,244	0	0	0	0	0	0	0	28,423	67,667
Rutledge	14,062	0	0	0	0	0	0	0	3,862	17,924
St. Ann	0	1,748,255	0	0	0	0	0	0	510,235	2,258,490
St. Charles	9,952,433	4,777,509	0	0	0	0	0	0	2,261,915	16,991,857
St. Clair	431,849	215,915	215,867	0	0	0	0	0	164,616	1,028,247
St. Elizabeth	23,204	0	0	0	0	0	0	0	11,137	34,341
St. George	0	69,704	0	0	0	0	0	0	48,297	118,001
St. James	442,876	67,123	221,396	0	0	0	0	0	138,892	870,287
St. John	0	756,731	0	0	0	0	0	0	257,648	1,014,379
St. Joseph	16,869,725	5,622,091	4,205,877	0	0	0	0	0	2,774,475	29,472,168
St. Louis	47,425,387	64,657,851	25,866,242	25,448,733	0	0	0	0	13,656,864	177,055,077
St. Martins	56,502	0	0	0	0	0	0	0	38,360	94,862
St. Mary	22,558	0	11,279	0	0	0	0	0	14,137	47,974
St. Paul	0	0	0	0	0	0	0	0	61,272	61,272
St. Peters	11,667,734	1,166,703	5,833,870	0	0	0	0	0	1,926,683	20,594,990
St. Robert	2,231,724	1,286,825	1,091,982	0	0	0	0	0	103,494	4,714,025
St. Thomas	12,777	0	0	0	0	0	0	0	10,762	23,539
Ste. Genevieve	589,324	274,335	274,336	79,538	0	0	0	0	167,841	1,385,374
Saginaw	17,227	0	0	0	0	0	0	0	10,349	27,576
Salem	1,042,886	521,351	0	0	0	0	0	0	182,015	1,746,252
Salisbury	172,411	0	0	0	0	0	0	0	64,721	237,132
Sarcoxi	92,993	39,516	39,516	0	0	0	0	0	50,772	222,797
Savannah	564,686	188,166	0	0	0	0	0	0	178,565	931,417
Schell City	0	0	0	0	0	0	0	0	10,724	10,724
Scotsdale	0	5,542	0	0	0	0	0	0	7,912	13,454
Scott City	361,106	82,329	164,658	0	0	0	0	0	172,153	780,246
Scott City (Disbuted)	42	0	0	0	0	0	0	0	0	42
Sedalia	4,375,023	3,712,631	2,095,707	0	0	0	0	0	762,671	10,946,032
Sedgewickville	0	0	0	0	0	0	0	0	7,387	7,387
Seligman	85,663	42,832	42,831	0	0	0	0	0	32,886	204,212
Senath	52,003	0	0	0	0	0	0	0	61,872	113,875
Seneca	189,783	86,014	86,015	0	0	0	0	0	80,058	441,870
Seymour	195,083	106,287	0	0	0	0	0	0	68,771	370,141
Shelbina	208,031	167,190	0	0	0	0	0	0	72,858	448,079
Shelbyville	33,642	0	0	0	0	0	0	0	25,574	59,216
Sheldon	37,857	0	0	0	0	0	0	0	19,836	57,693
Sheridan	0	0	0	0	0	0	0	0	6,937	6,937
Shoal Creek Drive	0	0	0	0	0	0	0	0	12,974	12,974
Shoal Creek Estates	0	0	0	0	0	0	0	0	1,912	1,912

Appendix D-2

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Shrewsbury	0	1,205,042	0	0	0	0	0	0	249,136	1,454,178
Sibley	0	0	0	0	0	0	0	0	13,012	13,012
Sikeston	5,600,040	251	1,399,556	0	0	0	0	0	637,165	7,637,012
Silex	32,368	0	0	5,399	0	0	0	0	7,724	45,491
Silver Creek	18,661	9,330	0	0	0	0	0	0	22,799	50,790
Skidmore	7,862	0	0	0	0	0	0	0	12,824	20,686
Slater	102,533	51,267	51,267	0	0	0	0	0	78,108	283,175
Smithton	15,206	0	0	0	0	0	0	0	19,124	34,330
Smithville	718,593	0	332,435	86,991	0	0	0	0	206,764	1,344,783
South Gifford	0	0	0	0	0	0	0	0	2,700	2,700
South Gorin	0	0	0	0	0	0	0	0	5,362	5,362
South Greenfield	0	0	0	0	0	0	0	0	5,100	5,100
South Lineville	0	0	0	0	0	0	0	0	1,387	1,387
South West City	102,033	23,932	48,202	205,899	0	0	0	0	32,061	412,127
Sparta	90,505	45,058	0	0	0	0	0	0	42,898	178,461
Spickard	4,359	0	0	0	0	0	0	0	11,812	16,171
Springfield	35,438,295	10,131,045	4,287,239	4,025,073	0	0	0	0	5,683,942	59,565,594
Stanberry	0	106,820	0	0	0	0	0	0	46,610	153,430
Stark City	0	0	0	0	0	0	0	0	5,850	5,850
Steele	162,589	81,226	0	0	0	0	0	0	84,858	328,673
Steelville	228,577	222,373	0	0	0	0	0	0	53,585	504,535
Stella	3,134	0	0	0	0	0	0	0	6,675	9,809
Stewartsville	81,082	21,646	0	0	0	0	0	0	28,461	131,189
Stockton	232,050	173,922	116,025	30,862	0	0	0	0	73,496	626,355
Stotesbury	0	0	0	0	0	0	0	0	1,612	1,612
Stotts City	0	0	0	0	0	0	0	0	9,374	9,374
Stoutland	4,825	0	0	0	0	0	0	0	6,637	11,462
Stoutsville	0	0	0	0	0	0	0	0	1,650	1,650
Stover	101,556	0	46,716	0	0	0	0	0	36,298	184,570
Strafford	317,584	158,791	0	0	0	0	0	0	69,184	545,559
Strasburg	0	0	0	0	0	0	0	0	5,100	5,100
Sturgeon	63,437	0	19,056	0	0	0	0	0	35,398	117,891
Sugar Creek	273,785	270,941	0	97,758	0	0	0	0	143,955	786,439
Sullivan	1,335,631	667,806	667,496	0	0	0	0	0	238,150	2,909,083
Summersville	55,320	0	24,759	0	0	0	0	0	20,399	100,478
Sumner	0	0	0	0	0	0	0	0	5,325	5,325
Sunrise Beach	143,819	71,911	71,910	47,401	0	0	0	0	13,799	348,840
Sunset Hills	0	1,922,283	0	0	0	0	0	0	309,996	2,232,279
Sweet Springs	156,950	48,748	48,749	0	0	0	0	0	61,047	315,494
Sycamore Hills	0	0	0	0	0	0	0	0	27,073	27,073
Syracuse	0	0	0	0	0	0	0	0	6,450	6,450
Tallapoosa	0	0	0	0	0	0	0	0	7,650	7,650
Taneyville	12,049	0	0	0	0	0	0	0	13,462	25,511
Taos	21,205	0	0	0	0	0	0	0	32,623	53,828

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Tarkio	221,298	66,515	0	0	0	0	0	0	72,558	360,371
Thayer	580,106	125,043	0	0	0	0	0	0	82,533	787,682
Theodosia	55,115	0	27,557	0	0	0	0	0	8,999	91,671
Tightwad	0	0	0	0	0	0	0	0	2,362	2,362
Tina	0	0	0	0	0	0	0	0	7,237	7,237
Tindall	0	0	0	0	0	0	0	0	2,437	2,437
Tipton	174,053	0	0	0	0	0	0	0	122,281	296,334
Town and Country	0	2,381,806	0	0	0	0	0	0	408,503	2,790,309
Tracy	17,576	0	8,788	0	0	0	0	0	7,987	34,351
Trenton	706,311	674,529	0	0	0	0	0	0	233,087	1,613,927
Trimble	32,317	0	0	0	0	0	0	0	16,912	49,229
Triplett	0	0	0	0	0	0	0	0	2,400	2,400
Troy	2,122,868	0	1,028,178	0	0	0	0	0	252,624	3,403,670
Truesdale	84,096	42,003	0	0	0	0	0	0	14,887	140,986
Truxton	0	0	0	0	0	0	0	0	3,600	3,600
Turney	0	0	0	0	0	0	0	0	5,812	5,812
Tuscumbia	12,364	0	0	0	0	0	0	0	8,175	20,539
Twin Bridges	0	0	0	0	0	0	0	0	1,575	1,575
Twin Oaks	0	502,820	0	0	0	0	0	0	13,574	516,394
Umber View Heights	0	0	0	0	0	0	0	0	1,950	1,950
Union	1,523,987	761,974	761,994	0	0	0	0	0	290,872	3,338,827
Union Star	0	0	0	0	0	0	0	0	16,237	16,237
Unionville	204,507	0	0	0	0	0	0	0	76,533	281,040
Unity Village	2,291	1,718	1,145	0	0	0	0	0	5,250	10,404
University City	0	4,311,190	0	294,057	0	0	0	0	1,403,474	6,008,721
Uplands Park	0	24,894	0	3,593	0	0	0	0	17,249	45,736
Urbana	41,969	0	20,909	0	0	0	0	0	15,262	78,140
Urich	41,102	20,551	20,551	0	0	0	0	0	18,711	100,915
Utica	0	0	0	0	0	0	0	0	10,274	10,274
Valley Park	0	846,463	0	0	0	0	0	0	244,412	1,090,875
Van Buren	167,277	78,007	0	0	0	0	0	0	31,686	276,970
Vandalia	281,143	140,571	0	0	0	0	0	0	144,855	566,569
Vandiver	64,487	0	0	0	0	0	0	0	3,112	67,599
Vanduser	0	0	0	0	0	0	0	0	8,137	8,137
Velda City	0	87,453	0	0	0	0	0	0	0	87,453
Velda Village	0	0	0	0	0	0	0	0	40,873	40,873
Velda Village Hills	0	58,987	0	0	0	0	0	0	60,597	119,584
Verona	26,774	26,681	0	0	0	0	0	0	26,773	80,228
Versailles	540,897	531,161	0	0	0	0	0	0	96,182	1,168,240
Viburnum	63,609	0	0	0	0	0	0	0	30,936	94,545
Vienna	101,213	0	46,848	13,399	0	0	0	0	23,549	185,009
Village of Aulville	0	0	0	0	0	0	0	0	3,225	3,225
Village of Bradleyville	0	0	0	0	0	0	0	0	2,912	2,912
Village of Loch Lloyd	0	0	0	0	0	0	0	0	13,799	13,799

Appendix D-2

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Village of Pinhook	0	0	0	0	0	0	0	0	1,800	1,800
Village of Plato	0	0	0	0	0	0	0	0	2,700	2,700
Vinita Park	0	209,404	0	8,171	0	0	0	0	72,146	289,721
Vinita Terrace	0	15,802	0	0	0	0	0	0	10,949	26,751
Vista	0	0	0	0	0	0	0	0	2,062	2,062
Waco	0	0	0	0	0	0	0	0	3,225	3,225
Walker	0	0	0	0	0	0	0	0	10,312	10,312
Walnut Grove	33,643	0	0	2,814	0	0	0	0	23,624	60,081
Wardell	13,622	3,404	0	0	0	0	0	0	16,799	33,825
Wardsville	37,096	0	0	0	0	0	0	0	36,598	73,694
Warrensburg	2,709,473	2,331,944	0	275,960	0	0	0	0	612,717	5,930,094
Warrenton	1,368,088	342,022	684,045	0	0	0	0	0	198,027	2,592,182
Warsaw	762,875	472,489	273,160	82,601	0	0	0	0	77,621	1,668,746
Warson Woods	0	164,136	0	0	0	0	0	0	74,358	238,494
Washburn	22,618	11,309	11,309	0	0	0	0	0	16,799	62,035
Washington	3,467,442	1,733,721	1,733,699	464,179	0	0	0	0	496,586	7,895,627
Watson	0	0	0	0	0	0	0	0	4,537	4,537
Waverly	81,413	0	18,776	0	0	0	0	0	30,223	130,412
Wayland	63,866	0	0	0	0	0	0	0	15,937	79,803
Waynesville	451,036	328,907	206,810	0	0	0	0	0	131,505	1,118,258
Weatherby	0	0	0	0	0	0	0	0	4,612	4,612
Weatherby Lake	0	0	0	0	0	0	0	0	70,234	70,234
Weaubleau	29,316	14,657	0	0	0	0	0	0	19,424	63,397
Webb City	1,464,646	1,376,412	688,769	0	0	0	0	0	367,930	3,897,757
Webster Groves	0	2,561,206	0	0	0	0	0	0	871,078	3,432,284
Weldon Spring	246,394	0	0	0	0	0	0	0	197,614	444,008
Weldon Spring Heights	0	0	0	0	0	0	0	0	2,962	2,962
Wellington	0	0	0	0	0	0	0	0	29,398	29,398
Wellston	0	133,128	0	0	0	0	0	0	92,245	225,373
Wellsville	43,538	13,142	21,769	0	0	0	0	0	53,360	131,809
Wentworth	0	0	0	0	0	0	0	0	5,287	5,287
Wentzville	4,163,358	2,081,680	1,976,953	370,520	0	0	0	0	258,586	8,851,097
Westboro	0	0	0	0	0	0	0	0	6,112	6,112
West Alton	0	0	0	0	0	0	0	0	21,486	21,486
West Line	0	0	0	0	0	0	0	0	3,562	3,562
Weston	151,255	56,720	75,627	238,899	0	0	0	0	61,159	583,660
Westphalia	38,574	0	0	3,650	0	0	0	0	11,999	54,223
West Plains	2,797,410	1,398,552	1,341,521	0	0	0	0	0	407,453	5,944,936
West Sullivan	65,208	16,302	0	0	0	0	0	0	3,600	85,110
Westwood	0	0	0	0	0	0	0	0	10,649	10,649
Wheatland	33,370	16,684	15,369	0	0	0	0	0	14,549	79,972
Wheaton	61,616	0	0	0	0	0	0	0	27,036	88,652
Wheeling	0	0	0	0	0	0	0	0	10,049	10,049
Whiteside	0	0	0	0	0	0	0	0	2,512	2,512



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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Whitewater	0	0	0	0	0	0	0	0	4,237	4,237
Wilbur Park	0	25,706	0	0	0	0	0	0	17,811	43,517
Wildwood	0	1,783,601	0	0	0	0	0	0	1,233,083	3,016,684
Willard	346,481	329,405	0	37,506	0	0	0	0	119,731	833,123
Williamsville	27,529	8,736	0	0	0	0	0	0	14,212	50,477
Willow Springs	282,113	205,647	0	0	0	0	0	0	80,508	568,268
Wilson City	0	0	0	0	0	0	0	0	6,187	6,187
Winchester	0	89,348	0	0	0	0	0	0	61,909	151,257
Windsor	207,254	95,559	0	0	0	0	0	0	115,756	418,569
Windsor Place	34,842	0	0	0	0	0	0	0	0	34,842
Winfield	153,663	0	72,169	0	0	0	0	0	27,111	252,943
Winona	109,205	49,669	49,669	0	0	0	0	0	48,372	256,915
Winston	0	0	0	0	0	0	0	0	9,262	9,262
Woods Heights	25,412	0	0	378	0	0	0	0	27,823	53,613
Woodson Terrace	0	1,128,218	0	32,722	0	0	0	0	157,079	1,318,019
Wooldridge	0	0	0	0	0	0	0	0	1,762	1,762
Worth	0	0	0	0	0	0	0	0	3,525	3,525
Worthington	0	0	0	0	0	0	0	0	3,337	3,337
Wright City	277,112	60,311	120,621	0	0	0	0	0	57,447	515,491
Wyaconda	7,091	0	0	0	0	0	0	0	11,624	18,715
Wyatt	10,599	0	0	0	0	0	0	0	13,649	24,248
Zalma	0	0	0	0	0	0	0	0	3,487	3,487
COUNTIES:										
Adair County	0	0	0	0	1,409,297	1,408,202	0	0	608,715	3,426,214
Andrew County	0	0	0	240,844	452,333	1,085,577	0	0	656,518	2,435,272
Atchison County	0	0	0	200,979	0	1,133,935	0	0	554,857	1,889,771
Audrain County	0	0	0	0	1,128,958	2,463,887	0	0	778,664	4,371,509
Barry County	0	0	0	0	1,730,654	2,594,616	0	0	1,169,477	5,494,747
Barton County	0	0	0	0	492,235	492,196	0	0	632,962	1,617,393
Bates County	0	0	0	80,497	0	1,068,027	0	0	850,242	1,998,766
Benton County	0	0	0	103,194	791,407	1,407,939	0	0	713,370	3,015,910
Bollinger County	0	0	0	0	288,473	650,323	0	0	506,582	1,445,378
Boone County	0	0	0	0	11,147,937	15,840,365	0	0	1,520,637	28,508,939
Buchanan County	0	0	0	0	5,887,312	7,062,394	0	0	567,386	13,517,092
Butler County	0	0	0	0	2,798,103	2,797,915	0	0	1,129,907	6,725,925
Caldwell County	0	0	0	500,313	223,468	670,172	0	0	522,683	1,916,636
Callaway County	0	0	0	0	0	3,088,361	0	0	1,457,815	4,546,176
Camden County	0	0	0	0	3,579,086	5,363,854	0	0	2,547,876	11,490,816
Cape Girardeau County	0	0	0	0	6,099,435	6,088,319	0	0	885,386	13,073,140
Carroll County	0	0	0	376,816	326,017	488,961	0	0	759,340	1,951,134
Carter County	0	0	0	0	207,553	207,554	0	0	290,068	705,175
Cass County	0	0	0	1,655,546	4,871,638	7,301,665	0	0	1,285,217	15,114,066
Cedar County	0	0	0	0	429,404	472,788	0	0	556,668	1,458,860
Chariton County	0	0	0	494,821	260,688	652,136	0	0	679,706	2,087,351

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
COUNTIES:										
Christian County	0	0	0	0	2,787,419	6,352,473	0	0	1,276,411	10,416,303
Clark County	0	0	0	0	278,231	556,419	0	0	472,419	1,307,069
Clay County	0	0	0	2,827,257	13,148,371	9,825,284	0	0	805,218	26,606,130
Clinton County	0	0	0	301,844	494,886	494,894	0	0	625,759	1,917,383
Cole County	0	0	0	1,184,966	4,916,228	9,851,695	0	0	1,032,832	16,985,721
Cooper County	0	0	0	0	755,554	1,888,855	0	0	519,302	3,163,711
Crawford County	0	0	0	0	921,355	2,066,051	0	0	632,158	3,619,564
Dade County	0	0	0	41,040	213,477	486,779	0	0	508,005	1,249,301
Dallas County	0	0	0	0	558,510	1,612,241	0	0	622,489	2,793,240
Daviess County	0	0	0	55,411	0	691,125	0	0	549,629	1,296,165
DeKalb County	0	0	0	88,990	629,395	629,524	0	0	537,544	1,885,453
Dent County	0	0	0	0	732,794	732,203	0	0	597,338	2,062,335
Douglas County	0	0	0	0	435,455	435,459	0	0	635,137	1,506,051
Dunklin County	0	0	0	0	0	2,724,233	0	0	773,471	3,497,704
Franklin County	0	0	0	0	4,914,203	12,277,576	0	0	2,218,522	19,410,301
Gasconade County	0	0	0	0	791,672	1,335,259	0	0	517,135	2,644,066
Gentry County	0	0	0	42,628	0	526,998	0	0	485,845	1,055,471
Greene County	0	0	0	0	20,856,115	30,250,958	0	0	3,254,899	54,361,972
Grundy County	0	0	0	0	431,887	863,137	0	0	415,208	1,710,232
Harrison County	0	0	0	81,928	0	1,300,540	0	0	699,277	2,081,745
Henry County	0	0	0	114,223	1,094,388	1,181,402	0	0	721,228	3,111,241
Hickory County	0	0	0	0	267,535	535,073	0	0	428,065	1,230,673
Holt County	0	0	0	90,871	183,148	648,161	0	0	434,329	1,356,509
Howard County	0	0	0	0	278,997	1,014,776	0	0	362,137	1,655,910
Howell County	0	0	0	0	2,080,616	1,815,841	0	0	1,066,127	4,962,584
Iron County	0	0	0	0	309,781	627,034	0	0	362,681	1,299,496
Jackson County	0	0	0	0	39,341,894	49,271,171	0	0	995,938	89,609,003
Jasper County	0	0	0	0	5,529,413	8,837,338	0	0	1,296,061	15,662,812
Jefferson County	0	0	0	0	9,548,613	21,282,412	0	0	3,698,269	34,529,294
Johnson County	0	0	0	459,448	2,116,220	5,018,182	0	0	1,273,614	8,867,464
Knox County	0	0	0	0	137,319	411,850	0	0	435,551	984,720
Laclede County	0	0	0	0	1,792,875	1,790,994	0	0	770,486	4,354,355
Lafayette County	0	0	0	273,198	1,092,253	2,457,245	0	0	810,516	4,633,212
Lawrence County	0	0	0	322,919	1,184,075	2,365,354	0	0	964,446	4,836,794
Lewis County	0	0	0	202,406	277,480	988,188	0	0	430,838	1,898,912
Lincoln County	0	0	0	0	1,910,184	4,970,039	0	0	1,065,512	7,945,735
Linn County	0	0	0	76,366	588,621	588,626	0	0	578,576	1,832,189
Livingston County	0	0	0	92,941	940,491	469,766	0	0	514,900	2,018,098
Macon County	0	0	0	0	617,917	1,081,434	0	0	756,976	2,456,327
Madison County	0	0	0	0	507,440	966,364	0	0	313,602	1,787,406
Maries County	0	0	0	43,195	227,035	452,700	0	0	395,246	1,118,176
Marion County	0	0	0	401,160	1,771,358	2,213,935	0	0	495,631	4,882,084
McDonald County	0	0	0	0	1,287,116	3,745,912	0	0	701,863	5,734,891
Mercer County	0	0	0	0	136,034	438,414	0	0	366,642	941,090

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
COUNTIES:										
Miller County	0	0	0	143,587	1,500,101	1,498,526	0	0	811,452	3,953,666
Mississippi County	0	0	0	0	452,978	1,132,386	0	0	359,348	1,944,712
Moniteau County	0	0	0	0	489,236	926,693	0	0	487,183	1,903,112
Monroe County	0	0	0	26,619	256,545	256,548	0	0	579,673	1,119,385
Montgomery County	0	0	0	0	432,394	1,080,846	0	0	547,104	2,060,344
Morgan County	0	0	0	0	948,148	1,036,782	0	0	1,200,333	3,185,263
New Madrid County	0	0	0	0	1,406,364	1,390,920	0	0	751,380	3,548,664
Newton County	0	0	0	0	2,224,940	2,966,510	0	0	1,073,161	6,264,611
Nodaway County	0	0	0	126,543	1,006,869	1,006,830	0	0	1,009,179	3,149,421
Oregon County	0	0	0	0	418,069	418,071	0	0	464,262	1,300,402
Osage County	0	0	0	0	905,251	719,648	0	0	521,825	2,146,724
Ozark County	0	0	0	0	258,431	552,610	0	0	637,772	1,448,813
Pemiscot County	0	0	0	0	681,095	1,021,600	0	0	540,406	2,243,101
Perry County	0	0	0	0	1,132,090	2,456,743	0	0	547,622	4,136,455
Pettis County	0	0	0	430,635	2,654,294	2,653,641	0	0	1,012,732	6,751,302
Phelps County	0	0	0	0	2,380,811	1,785,423	0	0	806,805	4,973,039
Pike County	0	0	0	0	676,065	2,163,635	0	0	568,847	3,408,547
Platte County	0	0	0	3,951,003	7,123,273	12,223,695	0	0	1,318,268	24,616,239
Polk County	0	0	0	0	0	2,568,385	0	0	833,394	3,401,779
Pulaski County	0	0	0	0	2,036,249	1,018,249	0	0	736,430	3,790,928
Putnam County	0	0	0	0	0	699,009	0	0	469,177	1,168,186
Ralls County	0	0	0	322,706	412,071	1,235,302	0	0	492,634	2,462,713
Randolph County	0	0	0	0	1,211,700	1,211,109	0	0	756,976	3,179,785
Ray County	0	0	0	165,642	723,672	1,447,351	0	0	715,124	3,051,789
Reynolds County	0	0	0	0	177,550	185,537	0	0	628,474	991,561
Ripley County	0	0	0	0	0	433,717	0	0	388,689	822,406
St. Charles County	0	0	0	5,534,614	21,221,774	49,215,359	0	0	3,901,846	79,873,593
St. Clair County	0	0	0	0	256,010	0	0	0	564,867	820,877
St. Francois County	0	0	0	0	3,298,857	4,652,173	0	0	744,545	8,695,575
St. Louis County	0	0	108,960,198	0	0	63,569,818	145,150,146	0	12,066,404	329,746,566
Ste. Genevieve County	0	0	0	0	792,023	1,583,373	0	0	668,946	3,044,342
Saline County	0	0	0	0	966,039	2,190,192	0	0	685,099	3,841,330
Schuyler County	0	0	0	0	137,434	412,041	0	0	267,242	816,717
Scotland County	0	0	0	0	0	471,746	0	0	421,179	892,925
Scott County	0	0	0	0	2,978,238	5,222	0	0	466,937	3,450,397
Shannon County	0	0	0	0	235,371	235,366	0	0	568,529	1,039,266
Shelby County	0	0	0	55,706	246,050	492,088	0	0	504,580	1,298,424
Stoddard County	0	0	0	0	1,238,852	1,239,934	0	0	993,630	3,472,416
Stone County	0	0	0	329,034	1,652,442	4,438,432	0	0	1,112,448	7,532,356
Sullivan County	0	0	0	0	233,005	814,850	0	0	465,367	1,513,222
Taney County	0	0	0	0	6,477,896	14,567,408	0	0	1,117,136	22,162,440
Texas County	0	0	0	0	919,994	1,837,282	0	0	890,315	3,647,591
Vernon County	0	0	0	0	883,063	881,348	0	0	891,239	2,655,650
Warren County	0	0	0	0	1,174,137	3,522,416	0	0	682,639	5,379,192

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
COUNTIES:										
Washington County	0	0	0	199,687	681,803	2,649,912	0	0	526,115	4,057,517
Wayne County	0	0	0	0	455,711	455,712	0	0	513,995	1,425,418
Webster County	0	0	0	0	1,225,085	3,262,875	0	0	858,780	5,346,740
Worth County	0	0	0	21,421	65,188	160,966	0	0	196,050	443,625
Wright County	0	0	0	0	722,148	722,009	0	0	626,269	2,070,426
DISTRICTS:										
39th Street Community Development District	0	0	0	2,056	0	0	0	105,173	0	107,229
39th Street Transportation Development District	0	0	0	0	0	0	0	231,456	0	231,456
58 Highway Regional Market Community Improvement District	0	0	0	2,821	0	0	0	102,163	0	104,984
63 Bypass Community Improvement District	0	0	0	4,050	0	0	0	39,827	0	43,877
71 Highway and 150 Highway Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
210 Highway Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
370 MO Bottom Taussig Transportation Development District	0	0	0	0	0	0	0	542,391	0	542,391
620 Market Community Improvement District	0	0	0	6,661	0	0	0	55,681	0	62,342
620 Market Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
840 E Taylor Community Improvement District	0	0	0	0 *	0	0	0	0 *	0	0
1100 Washington Ave Community Improvement District	0	0	0	0	0	0	0	292	0	292
1133 Washington Ave Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
1200 Main South Loop Transportation Development District	0	0	0	0	0	0	0	207,181	0	207,181
1201 Washington Community Improvement District	0	0	0	13,514	0	0	0	907	0	14,421
1225 Washington Community Improvement District	0	0	0	0	0	0	0	5,415	0	5,415
1225 Washington Transportation Development District	0	0	0	0	0	0	0	5,415	0	5,415
1717 Market Place Transportation Development District	0	0	0	0	0	0	0	40,900	0	40,900
2017 Chouteau Community Improvement District	0	0	0	3,643	0	0	0	40,188	0	43,831
8750 Manchester Road Community Improvement District	0	0	0	1,546	0	0	0	40,714	0	42,260
Adair County Ambulance District	0	0	0	0	0	0	0	987,623	0	987,623
Adams Farm Transportation Development District	0	0	0	0	0	0	0	124,914	0	124,914
Airport Plaza Community Improvement District	0	0	0	0	0	0	0	46,357	0	46,357
American Center Community Improvement District	0	0	0	0	0	0	0	7,813	0	7,813
Andrew County Ambulance District	0	0	0	0	0	0	0	377,953	0	377,953
Antioch Center Community Improvement District	0	0	0	0	0	0	0	295,526	0	295,526
Antonia Fire Protection District	0	0	0	0	0	0	0	92,220	0	92,220
Arnold Retail Corr Transportation Development District	0	0	0	0	0	0	0	621,524	0	621,524
Ava Ambulance District	0	0	0	0	0	0	0	389,495	0	389,495
Ballwin Town Center Transportation Development District	0	0	0	0	0	0	0	33,167	0	33,167
Barton County Ambulance District	0	0	0	0	0	0	0	472,704	0	472,704
Belleau Community Improvement District	0	0	0	10,466	0	0	0	0	0	10,466
Belton Town Centre Transportation Development District	0	0	0	0	0	0	0	146,461	0	146,461
Big Bend Crossing Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Big River Ambulance District	0	0	0	0	0	0	0	524,311	0	524,311
Big Spring Plaza Community Improvement District	0	0	0	1,910	0	0	0	54,936	0	56,846
Blue Jay Crossing Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Boonville Riverfront Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Boscherts Landing Transportation Development District	0	0	0	0	0	0	0	0 *	0	0

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	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
DISTRICTS:										
Bourbon County Fire Protection District	0	0	0	0	0	0	0	95,484	0	95,484
Bowman Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Branson Hills Community Improvement District	0	0	0	0	0	0	0	711,332	0	711,332
Branson Hills Infra Fac Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Branson Landing Transportation Development District	0	0	0	0	0	0	0	199,657	0	199,657
Branson/Lakes Area Tourism Community District	0	0	0	0	0	0	0	7,089,429	0	7,089,429
Briarcliff Parkway Highway 9 Transportation Development District	0	0	0	0	0	0	0	25,720	0	25,720
Bridgewood Plaza Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Broadway Fairview Transportation Development District	0	0	0	0	0	0	0	101,276	0	101,276
Broadway Hotel Community Improvement District	0	0	0	3,843	0	0	0	246,241	0	250,084
Broadway Hotel Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Brookside Community Improvement District	0	0	0	1,552	0	0	0	377,704	0	379,256
Bryan Road Community Improvement District	0	0	0	326	0	0	0	5,072	0	5,398
Brywood Centre Community Improvement District	0	0	0	0 *	0	0	0	60,714	0	60,714
Caldwell County Ambulance District	0	0	0	0	0	0	0	230,432	0	230,432
Caledonia Community Improvement District	0	0	0	13,341	0	0	0	6,410	0	19,751
Callaway County Ambulance District	0	0	0	0	0	0	0	1,542,778	0	1,542,778
Cam-MO Ambulance District	0	0	0	0	0	0	0	543,644	0	543,644
CB5421 5975 Transportation Development District	0	0	0	0	0	0	0	68,620	0	68,620
Cedar County Ambulance District	0	0	0	0	0	0	0	427,870	0	427,870
Centerstate Transportation Development District	0	0	0	0	0	0	0	68,258	0	68,258
Central Jackson County Fire Protection District	0	0	0	0	0	0	0	2,887,236	0	2,887,236
Chambers West Florissant Community Improvement District	0	0	0	128	0	0	0	45,143	0	45,271
Chesterfield Valley Transportation Development District	0	0	0	0	0	0	0	520,233	0	520,233
City Hospital RPA2 Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Cole Camp Ambulance District	0	0	0	0	0	0	0	82,364	0	82,364
College Station Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
College Station Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Columbia Mall Transportation Development District	0	0	0	0	0	0	0	222,562	0	222,562
Conley Road Transportation Development District	0	0	0	0	0	0	0	302,232	0	302,232
Cooper County Ambulance District	0	0	0	0	0	0	0	196,317	0	196,317
Coronado Drive Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Country Club Plaza Transportation Development District	0	0	0	0	0	0	0	264,840	0	264,840
Cozens MLK Grand Community Improvement District	0	0	0	10,962	0	0	0	22,381	0	33,343
Crackerneck Creek Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Crestwood Point Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Crestwood Square Community Improvement District	0	0	0	764	0	0	0	56,827	0	57,591
Crossings Community Improvement District	0	0	0	4,163	0	0	0	65,576	0	69,739
Dade County Ambulance District	0	0	0	0	0	0	0	182,179	0	182,179
Dardenne Town Square Transportation Development District	0	0	0	0	0	0	0	82,020	0	82,020
Daviess/Dekalb Regional Jail District	0	0	0	0	0	0	0	857,842	0	857,842
Des Peres Corners Transportation Development District	0	0	0	0	0	0	0	156,766	0	156,766
Douglas Square Transportation Development District	0	0	0	0	0	0	0	44,651	0	44,651
Douglas Station Transportation Development District	0	0	0	0	0	0	0	15,702	0	15,702

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
DISTRICTS:										
Downtown Springfield Community Improvement District	0	0	0	2,041	0	0	0	114,673	0	116,714
East Highway 60 Community Improvement District	0	0	0	0	0	0	0	71,482	0	71,482
East Hills Community Improvement District	0	0	0	30,376	0	0	0	564,281	0	594,657
East Main & Highway 47 Community Improvement District	0	0	0	3,788	0	0	0	64,819	0	68,607
Elm and 370 Community Improvement District	0	0	0	4,024	0	0	0	13,867	0	17,891
Elm Grove Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Eureka Commercial Park Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Eureka Old Town Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Eureka Pointe Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Eureka South I-44 Community Improvement District	0	0	0	2,646	0	0	0	793	0	3,439
Farris Family Transportation Development District	0	0	0	0	0	0	0	15,904	0	15,904
Fenton Crossing Transportation Development District	0	0	0	0	0	0	0	101,331	0	101,331
Fountain Lakes Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Fountains Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Foxwood Village Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Francis Place Transportation Development District	0	0	0	0	0	0	0	76,748	0	76,748
Fulton South Business 54 Transportation Development District	0	0	0	0	0	0	0	19,310	0	19,310
Georgian Square Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Glenwood Watson Transportation Development District	0	0	0	0	0	0	0	65,680	0	65,680
Grandview Crossing Community Improvement District	0	0	0	39,967	0	0	0	28,325	0	68,292
Gravois Bluffs Transportation Development District	0	0	0	0	0	0	0	908,544	0	908,544
Grindstone Plaza Transportation Development District	0	0	0	0	0	0	0	135,050	0	135,050
Grove Community Improvement District	0	0	0	5,134	0	0	0	133,754	0	138,888
Hanley Eager Road Transportation Development District	0	0	0	0	0	0	0	142,055	0	142,055
Hanley Road Corridor Transportation Development District	0	0	0	0	0	0	0	1,326,751	0	1,326,751
Hanley Station Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Harrisonville Market Place A Transportation Development District	0	0	0	0	0	0	0	13,680	0	13,680
Harrisonville Market Place B Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Harrisonville Towne Center Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Hawk Ridge Transportation Development District	0	0	0	0	0	0	0	263,663	0	263,663
Hawthorne Development Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Hayti Ventures Community Improvement District	0	0	0	0 *	0	0	0	0 *	0	0
Hazelwood Community Center Community Improvement District	0	0	0	6,304	0	0	0	143	0	6,447
Heers Tower Community Improvement District	0	0	0	0	0	0	0	2,849	0	2,849
Herman Area Ambulance District	0	0	0	0	0	0	0	333,917	0	333,917
High Ridge Fire Protection District	0	0	0	0	0	0	0	1,175,870	0	1,175,870
Highlands Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Highway 100 Community Improvement District	0	0	0	8,948	0	0	0	5,164	0	14,112
Highway 350 Community Improvement District	0	0	0	5,134	0	0	0	205,629	0	210,763
Highway 367 and Parker Road Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Highway 71/291 Partners in Progress Transportation Development District	0	0	0	0	0	0	0	306,939	0	306,939
Hilltop Community Improvement District	0	0	0	0	0	0	0	366,666	0	366,666
Historic Downtown Branson Community Improvement District	0	0	0	0	0	0	0	312,316	0	312,316
Horseshoe Bend Ped Transportation Development District	0	0	0	0	0	0	0	0 *	0	0

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
DISTRICTS:										
Hutchings Farm Transportation Development District	0	0	0	0	0	0	0	8,518	0	8,518
I-470 and 350 Transportation Development District	0	0	0	0	0	0	0	552,893	0	552,893
I-470 Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
I-70 and Adams Dairy Parkway Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Imperial Main Community Improvement District	0	0	0	5,371	0	0	0	22,772	0	28,143
Independence Ave Colbern Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Independence Event Center Community Improvement District	0	0	0	0	0	0	0	3,260,907	0	3,260,907
Inter City Fire Protection District	0	0	0	0	0	0	0	80,200	0	80,200
Interstate Plaza/N Town Village Transportation Development District	0	0	0	0	0	0	0	232,899	0	232,899
Iron County Ambulance District	0	0	0	0	0	0	0	312,410	0	312,410
James River Commons Community Improvement District	0	0	0	7,365	0	0	0	472,461	0	479,826
Jefferson County EMG Service	0	0	0	0	0	0	0	3,887,078	0	3,887,078
Jeter Farm Community Improvement District	0	0	0	0 *	0	0	0	0	0	0
Joachim Platten Ambulance District	0	0	0	0	0	0	0	2,463,629	0	2,463,629
KC International Airport Community Improvement District	0	0	0	31,649	0	0	0	407,773	0	439,422
Kearney West Side Community Improvement District	0	0	0	0	0	0	0	54,528	0	54,528
Kingsmill Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Koch Plaza Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Laclede Landing Community Improvement District	0	0	0	0 *	0	0	0	159,292	0	159,292
Lake Lotawana Community Improvement District	0	0	0	2,163	0	0	0	20,070	0	22,233
Lake of the Woods Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Landing Mall Community Improvement District	0	0	0	0 *	0	0	0	96,181	0	96,181
Langsford Plaza Community Improvement District	0	0	0	968	0	0	0	9,054	0	10,022
Lebanon Marketplace Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Liberty Tri Shop Center Community Improvement District	0	0	0	7,152	0	0	0	47,374	0	54,526
Liberty Triangle Community Improvement District	0	0	0	3,882	0	0	0	124,409	0	128,291
Lincoln County Ambulance District	0	0	0	0	0	0	0	1,909,550	0	1,909,550
Lincoln Crossing Community Improvement District	0	0	0	4,913	0	0	0	64,807	0	69,720
Linn County Ambulance District	0	0	0	0	0	0	0	527,331	0	527,331
Logan Estates Community Improvement District	0	0	0	1,463	0	0	0	53	0	1,516
Loop Trolley Transportation Development District	0	0	0	0	0	0	0	197,650	0	197,650
Loughborough Commons Community Improvement District	0	0	0	0	0	0	0	621,523	0	621,523
Lucas and Hunt Chandler Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
M150 and 135th Street Transportation Development District	0	0	0	0	0	0	0	166,263	0	166,263
Manchester Ballas Community Improvement District	0	0	0	16,364	0	0	0	1,858,784	0	1,875,148
Manchester Highlands Transportation Development District	0	0	0	0	0	0	0	369,975	0	369,975
Maple Valley Plaza Community Improvement District	0	0	0	0 *	0	0	0	16,043	0	16,043
Maries Osage Ambulance District	0	0	0	0	0	0	0	143,185	0	143,185
Marion County Ambulance District	0	0	0	0	0	0	0	1,753,782	0	1,753,782
Mark Twain Mall Transportation Development District	0	0	0	0	0	0	0	131,653	0	131,653
Market at McKnight 1 Transportation Development District	0	0	0	0	0	0	0	29,736	0	29,736
Martin City Community Improvement District	0	0	0	2,595	0	0	0	264,914	0	267,509
Mayfair Plaza Community Improvement District	0	0	0	2,116	0	0	0	118,288	0	120,404
Meadows Transportation Development District	0	0	0	0	0	0	0	49,836	0	49,836

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
DISTRICTS:										
Megan Shoppe's Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Meramec Ambulance District	0	0	0	0	0	0	0	603,824	0	603,824
Meramec Station Road and Highway 141 Transportation Development District	0	0	0	0	0	0	0	33,761	0	33,761
Merchants Laclede Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Mexico Road Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Mid Rivers Commons Community Improvement District	0	0	0	0 *	0	0	0	0 *	0	0
Mid Rivers N Transportation Development District	0	0	0	0	0	0	0	34,517	0	34,517
Mid-Missouri Ambulance District	0	0	0	0	0	0	0	938,318	0	938,318
Midwest Plaza Community Improvement District	0	0	0	0	0	0	0	13,717	0	13,717
Miller County Ambulance District	0	0	0	0	0	0	0	1,215,911	0	1,215,911
Miner Gateway Community Improvement District	0	0	0	2,258	0	0	0	40,079	0	42,337
Monroe City Ambulance District	0	0	0	0	0	0	0	176,916	0	176,916
Mountain Farm Community Improvement District	0	0	0	1,876	0	0	0	8,276	0	10,152
New Haven Ambulance District	0	0	0	0	0	0	0	126,611	0	126,611
New Longview Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
New Madrid County Ambulance District	0	0	0	0	0	0	0	657,430	0	657,430
Nodaway County Ambulance District	0	0	0	0	0	0	0	1,006,407	0	1,006,407
Noel T. Adams Ambulance District	0	0	0	0	0	0	0	420,118	0	420,118
North 763 Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
North Crawford County Ambulance District	0	0	0	0	0	0	0	535,832	0	535,832
North Oak Village Community Improvement District	0	0	0	34,683	0	0	0	170,927	0	205,610
North Oaks Plaza Shopping Center Community Improvement District	0	0	0	734	0	0	0	90,353	0	91,087
Northwest Area Community Improvement District	0	0	0	1,439	0	0	0	24,333	0	25,772
Northwoods Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Old Town Cottleville Community Improvement District	0	0	0	0	0	0	0	48,687	0	48,687
Olive Boulevard Transportation Development District	0	0	0	0	0	0	0	106,046	0	106,046
Olive Graeser Transportation Development District	0	0	0	0	0	0	0	71	0	71
Oregon County Ambulance District	0	0	0	0	0	0	0	381,366	0	381,366
Orpheum Theatre Community Improvement District	0	0	0	0	0	0	0	6,801	0	6,801
Orrick Fire Protection District	0	0	0	0	0	0	0	62,935	0	62,935
Osage Ambulance District	0	0	0	0	0	0	0	264,112	0	264,112
Osage Commercial Area Community Improvement District	0	0	0	849	0	0	0	114,070	0	114,919
Osage Station Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Owensville Area Ambulance District	0	0	0	0	0	0	0	356,275	0	356,275
Ozark Centre Transportation Development District	0	0	0	0	0	0	0	95,793	0	95,793
Ozark County Ambulance District	0	0	0	0	0	0	0	72,590	0	72,590
Paddock Forest Community Improvement District	0	0	0	12,679	0	0	0	0 *	0	12,679
Park Hills Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Park Plaza Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Parkville Commons Transportation Development District	0	0	0	0	0	0	0	123,488	0	123,488
Parkville Old Towne Market Community Improvement District	0	0	0	593	0	0	0	65,716	0	66,309
PC I Community Improvement District	0	0	0	0	0	0	0	346,547	0	346,547
Peachtree Community Improvement District	0	0	0	6,067	0	0	0	4,140	0	10,207
Performing Arts Community Improvement District	0	0	0	15,505	0	0	0	169,660	0	185,165



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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
DISTRICTS:										
Pershall Road Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Phoenix Center II Community Improvement District	0	0	0	0	0	0	0	266,079	0	266,079
Platte City Market Community Improvement District	0	0	0	776	0	0	0	115,298	0	116,074
Platte County MO S I Transportation Development District	0	0	0	0	0	0	0	312,430	0	312,430
Platte County MO S II Transportation Development District	0	0	0	0	0	0	0	67,974	0	67,974
Platte Valley Plaza Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Plattner Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Plaza at Noah's Ark Community Improvement District	0	0	0	771	0	0	0	0 *	0	771
Plaza on Boulevard Jennings Community Improvement District	0	0	0	576	0	0	0	205,013	0	205,589
Prairie Township Fire District	0	0	0	0	0	0	0	65,797	0	65,797
Prewitt Point Transportation Development District	0	0	0	0	0	0	0	169,877	0	169,877
Pulaski County Ambulance District	0	0	0	0	0	0	0	1,682,694	0	1,682,694
Raintree 150 Center Community Improvement District	0	0	0	0	0	0	0	41,733	0	41,733
Raintree Lake Village Transportation Development District	0	0	0	0	0	0	0	5,436	0	5,436
Raintree N Transportation Development District	0	0	0	0	0	0	0	45,962	0	45,962
Randolph County Ambulance District	0	0	0	0	0	0	0	1,210,353	0	1,210,353
Ray County Ambulance District	0	0	0	0	0	0	0	594,331	0	594,331
Raytown Highway 350 Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Raytown Square Community Improvement District	0	0	0	2,602	0	0	0	159,214	0	161,816
Red Bridge Community Improvement District	0	0	0	368	0	0	0	88,043	0	88,411
Residence Inn Downtown/St. Louis Community Improvement District	0	0	0	0	0	0	0	43,612	0	43,612
Residence Inn St. Louis Downtown Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Richardson Crossing Community Improvement District	0	0	0	4,993	0	0	0	16,145	0	21,138
Riverfront Hotel Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Rock Bridge Center Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Rock Community Fire Protection District	0	0	0	0	0	0	0	2,727,313	0	2,727,313
Rock Township Ambulance District	0	0	0	0	0	0	0	1,629,499	0	1,629,499
Rogers Plaza Community Improvement District	0	0	0	0 *	0	0	0	0 *	0	0
South Metropolitan Fire Protection District	0	0	0	0	0	0	0	968,453	0	968,453
Salt Lick Road Transportation Development District	0	0	0	0	0	0	0	47,324	0	47,324
Salt River Ambulance District	0	0	0	0	0	0	0	187,344	0	187,344
Sappington Square Community Improvement District	0	0	0	188	0	0	0	25,255	0	25,443
Shopee's at Cross Keys Transportation Development District	0	0	0	0	0	0	0	223,419	0	223,419
Shopee's at Hilltop Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Shopee's at Stadium Transportation Development District	0	0	0	0	0	0	0	56,795	0	56,795
Shopee's Old Webster Transportation Development District	0	0	0	0	0	0	0	4,239	0	4,239
Shops on Blue Parkway Community Improvement District	0	0	0	2,744	0	0	0	96,264	0	99,008
Skelly Community Improvement District	0	0	0	0 *	0	0	0	19,098	0	19,098
Smithville Area Fire Protection District	0	0	0	0	0	0	0	379,360	0	379,360
SNI Valley Fire Protection District	0	0	0	0	0	0	0	517,309	0	517,309
Soda Fountain Square Community Improvement District	0	0	0	753	0	0	0	27,900	0	28,653
South 160 Community Improvement District	0	0	0	0	0	0	0	88,596	0	88,596
South Grand Community Improvement District	0	0	0	4,076	0	0	0	89,571	0	93,647
South Manchester Transportation Development District	0	0	0	0	0	0	0	30,522	0	30,522

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
DISTRICTS:										
Southern Hills Community Improvement District	0	0	0	0	0	0	0	315,421	0	315,421
Southern Stone Fire District	0	0	0	0	0	0	0	1,447,894	0	1,447,894
Southtowne Community Improvement District	0	0	0	4,533	0	0	0	193,809	0	198,342
Springdale Community Improvement District	0	0	0	8,851	0	0	0	29,067	0	37,918
St. Charles Riverfront Community Improvement District	0	0	0	33,838	0	0	0	252,964	0	286,802
St. Charles Riverfront Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
St. Clair Ambulance District	0	0	0	0	0	0	0	307,040	0	307,040
St. Clair Fire Protection District	0	0	0	0	0	0	0	381,727	0	381,727
St. Cyr Road Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
St. Francois County Ambulance District	0	0	0	0	0	0	0	3,109,190	0	3,109,190
St. James Ambulance District	0	0	0	0	0	0	0	250,724	0	250,724
St. John Crossing Transportation Development District	0	0	0	0	0	0	0	18,517	0	18,517
St. John's Church Road Transportation Development District	0	0	0	0	0	0	0	147,182	0	147,182
St. Joseph Gateway Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Stadium Corridor A Transportation Development District	0	0	0	0	0	0	0	83,323	0	83,323
Stardust Mung Diamond Transportation Development District	0	0	0	0	0	0	0	139,300	0	139,300
Station Plaza Transportation Development District	0	0	0	0	0	0	0	12,204	0	12,204
Ste. Genevieve County Ambulance District	0	0	0	0	0	0	0	703,687	0	703,687
Steelville Ambulance District	0	0	0	0	0	0	0	168,325	0	168,325
Stone Ridge Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Stoneybrooke Community Improvement District	0	0	0	778	0	0	0	167,972	0	168,750
Strafford Plaza Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Strother Interchange Transportation Development District	0	0	0	0	0	0	0	53,414	0	53,414
SueMandy Drive 1 Community Improvement District	0	0	0	0	0	0	0	88,116	0	88,116
SueMandy Drive 2 Community Improvement District	0	0	0	20	0	0	0	0 *	0	20
SueMandy Mid Rivers Community Improvement District	0	0	0	5,050	0	0	0	806,334	0	811,384
Sullivan Fire Protection District	0	0	0	0	0	0	0	885,911	0	885,911
Summit Fair Community Improvement District	0	0	0	0	0	0	0	230,144	0	230,144
Sunrise Farms Community Improvement District	0	0	0	0 *	0	0	0	0	0	0
Taney County Ambulance District	0	0	0	0	0	0	0	3,234,798	0	3,234,798
Three Trails Village Community Improvement District	0	0	0	5,505	0	0	0	67,058	0	72,563
Toad Cove Complex Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Toad Cove Complex Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Toad Cove Resort Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Toad Cove Resort Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Tori Pines Commons Community Improvement District	0	0	0	6,562	0	0	0	68	0	6,630
Tower Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Town and Country Cross Transportation Development District	0	0	0	0	0	0	0	111,254	0	111,254
Town Plaza Community Improvement District	0	0	0	12,512	0	0	0	131,146	0	143,658
Truman Road Community Improvement District	0	0	0	0 *	0	0	0	90,676	0	90,676
Truman Village Community Improvement District	0	0	0	2,940	0	0	0	513	0	3,453
Tuileries Plaza Transportation Development District	0	0	0	0	0	0	0	20,668	0	20,668
Union Community Improvement District	0	0	0	850	0	0	0	28,604	0	29,454
US Hwy 36 Int 72 Corr Transportation Development District	0	0	0	0	0	0	0	2,809,923	0	2,809,923

Appendix D-2

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2010

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
DISTRICTS:										
US Hwy 50/63 City View Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
US Hwy 65 Truman Dam Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
VanFar Ambulance District	0	0	0	0	0	0	0	41,565	0	41,565
Veteran's Memorial Parkway Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Viaduct Commercial Area Community Improvement District	0	0	0	1,715	0	0	0	60,331	0	62,046
Victoria Crossings Community Improvement District	0	0	0	4,520	0	0	0	0	0	4,520
Waldo Community Improvement District	0	0	0	3,693	0	0	0	407,453	0	411,146
Warsaw Lincoln Ambulance District	0	0	0	0	0	0	0	582,534	0	582,534
Washington Area Ambulance District	0	0	0	0	0	0	0	1,368,900	0	1,368,900
Washington Avenue Transportation Development District	0	0	0	0	0	0	0	0 *	0	0
Washington County Ambulance District	0	0	0	0	0	0	0	605,994	0	605,994
Watson-Laclede Station Road Community Improvement District	0	0	0	662	0	0	0	37,061	0	37,723
Wentzville Bluffs Community Improvement District	0	0	0	2,177	0	0	0	23,979	0	26,156
Wentzville II Transportation Development District	0	0	0	0	0	0	0	53,618	0	53,618
Wentzville III Transportation Development District	0	0	0	0	0	0	0	27,600	0	27,600
Wentzville Parkway 1 Transportation Development District	0	0	0	0	0	0	0	37,567	0	37,567
Wentzville Transportation Development District	0	0	0	0	0	0	0	102,179	0	102,179
Westport Community Improvement District	0	0	0	1,003	0	0	0	331,026	0	332,029
Windsor Place Community Improvement District	0	0	0	772	0	0	0	30,369	0	31,141
Winghaven Transportation Development District	0	0	0	0	0	0	0	28,635	0	28,635
Zumbehl Road/Hwy 94 Community Improvement District	0	0	0	4,219	0	0	0	51,236	0	55,455
TOTAL	\$ 494,114,916	406,187,606	309,356,852	85,656,010	243,579,669	461,883,388	145,150,146	91,205,142	241,197,481	2,478,331,210

\* To preserve confidentiality, sales and use tax distributions for districts with less than 6 taxpayers are reported as zero per Department of Revenue policy.

Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Adrian	\$ 165,255	108,330	57,003	0	0	0	0	0	66,802	397,390
Advance	165,235	159,332	0	18,657	0	0	0	0	46,687	389,911
Agency	0	0	0	0	0	0	0	0	22,480	22,480
Airport Drive	193,135	93,144	0	0	0	0	0	0	23,343	309,622
Alba	12,898	0	0	0	0	0	0	0	22,067	34,965
Albany	150,708	150,651	0	0	0	0	0	0	72,694	374,053
Aldrich	0	0	0	0	0	0	0	0	2,815	2,815
Alexandria	18,376	0	0	0	0	0	0	0	6,230	24,606
Allendale	4,976	0	0	0	0	0	0	0	2,027	7,003
Allenville	0	0	0	0	0	0	0	0	3,903	3,903
Alma	0	0	0	0	0	0	0	0	14,974	14,974
Altamont	0	0	0	0	0	0	0	0	8,181	8,181
Altenburg	0	0	0	0	0	0	0	0	11,597	11,597
Alton	115,332	111,081	0	0	0	0	0	0	25,070	251,483
Amazonia	0	0	0	0	0	0	0	0	10,396	10,396
Amity	0	0	0	0	0	0	0	0	2,627	2,627
Amoret	0	0	0	0	0	0	0	0	7,919	7,919
Amsterdam	10,898	0	0	0	0	0	0	0	10,546	21,444
Anderson	196,811	0	93,310	0	0	0	0	0	69,655	359,776
Annada	0	0	0	0	0	0	0	0	1,801	1,801
Annapolis	30,023	15,012	15,011	0	0	0	0	0	11,634	71,680
Anniston	0	0	0	0	0	0	0	0	10,696	10,696
Appleton City	178,248	47,555	0	0	0	0	0	0	49,314	275,117
Arbela	0	0	0	0	0	0	0	0	1,501	1,501
Arbyrd	32,273	0	0	0	0	0	0	0	19,815	52,088
Arcadia	73,500	17,368	0	0	0	0	0	0	21,279	112,147
Archie	52,065	0	10,286	0	0	0	0	0	33,401	95,752
Arcola	0	0	0	0	0	0	0	0	1,689	1,689
Argyle	9,008	0	0	0	0	0	0	0	6,155	15,163
Arkoe	0	0	0	0	0	0	0	0	2,177	2,177
Armstrong	0	0	0	0	0	0	0	0	10,771	10,771
Arnold	4,662,081	1,128,905	0	0	0	0	0	0	749,275	6,540,261
Arrow Point Village	0	0	0	0	0	0	0	0	4,991	4,991
Arrow Rock	13,799	3,450	0	0	0	0	0	0	2,965	20,214
Asbury	13,990	0	0	0	0	0	0	0	8,181	22,171
Ash Grove	114,305	50,249	0	10,159	0	0	0	0	53,667	228,380
Ashland	268,243	122,136	0	0	0	0	0	0	82,602	472,981
Atlanta	9,722	0	0	0	0	0	0	0	16,888	26,610
Augusta	38,289	19,145	0	0	0	0	0	0	8,181	65,615
Aurora	1,027,889	514,129	482,169	18,989	0	0	0	0	263,232	2,306,408
Auxvasse	58,408	13,119	26,245	0	0	0	0	0	33,814	131,586
Ava	342,123	684,375	0	33,240	0	0	0	0	113,376	1,173,114
Avilla	0	0	0	0	0	0	0	0	5,141	5,141
Avondale	27,551	0	0	0	0	0	0	0	19,853	47,404

Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Bagnell	11,889	0	0	0	0	0	0	0	3,227	15,116
Bakersfield	11,722	0	0	0	0	0	0	0	10,696	22,418
Baldwin Park	0	0	0	0	0	0	0	0	4,316	4,316
Ballwin	0	2,704,860	0	0	0	0	0	0	1,174,034	3,878,894
Baring	0	0	0	0	0	0	0	0	5,967	5,967
Barnard	0	0	0	0	0	0	0	0	9,645	9,645
Barnett	0	0	0	0	0	0	0	0	7,769	7,769
Bates City	62,991	31,496	0	14,466	0	0	0	0	9,195	118,148
Battlefield	73,505	0	56,259	0	0	0	0	0	89,508	219,272
Bell City	11,834	2,978	0	0	0	0	0	0	17,301	32,113
Bella Villa	0	40,043	0	6,498	0	0	0	0	25,783	72,324
Belle	131,892	65,945	54,312	0	0	0	0	0	50,440	302,589
Bellefontaine Neighbors	0	646,278	0	0	0	0	0	0	416,127	1,062,405
Bellerive	0	35,231	0	0	0	0	0	0	9,532	44,763
Bellflower	12,845	5,108	5,108	0	0	0	0	0	16,025	39,086
Bel-Nor	0	93,141	0	15,116	0	0	0	0	59,972	168,229
Bel-Ridge	0	406,308	0	0	0	0	0	0	115,666	521,974
Belton	2,527,121	3,157,845	1,263,561	0	0	0	0	0	815,515	7,764,042
Benton	41,925	0	0	0	0	0	0	0	27,471	69,396
Benton City	0	0	0	0	0	0	0	0	4,579	4,579
Berger	4,366	0	0	0	0	0	0	0	7,731	12,097
Berkeley	0	1,630,363	0	0	0	0	0	0	377,659	2,008,022
Bernie	111,372	55,686	0	0	0	0	0	0	66,690	233,748
Bertrand	0	0	0	0	0	0	0	0	27,772	27,772
Bethany	676,237	289,493	0	0	0	0	0	0	115,853	1,081,583
Bethel	0	0	0	0	0	0	0	0	4,541	4,541
Beverly Hills	0	54,023	0	0	0	0	0	0	22,630	76,653
Bevier	61,004	0	26,073	0	0	0	0	0	27,134	114,211
Big Lake	0	0	0	0	0	0	0	0	4,766	4,766
Bigelow	0	0	0	0	0	0	0	0	1,426	1,426
Billings	61,701	0	0	0	0	0	0	0	40,945	102,646
Birch Tree	50,026	1,626	23,228	0	0	0	0	0	23,794	98,674
Birmingham	7,406	0	0	0	0	0	0	0	8,031	15,437
Bismarck	84,008	0	36,439	0	0	0	0	0	55,168	175,615
Blackburn	6,480	0	0	0	0	0	0	0	10,658	17,138
Black Jack	0	395,880	0	64,246	0	0	0	0	254,900	715,026
Blackwater	8,009	4,004	2,052	0	0	0	0	0	7,468	21,533
Blairstown	8,393	0	0	0	0	0	0	0	5,292	13,685
Bland	22,104	19,386	0	0	0	0	0	0	21,204	62,694
Blodgett	0	0	0	0	0	0	0	0	9,945	9,945
Bloomfield	120,364	17,195	0	14,657	0	0	0	0	73,257	225,473
Bloomsdale	79,414	0	0	0	0	0	0	0	15,725	95,139
Blue Eye	12,189	0	0	0	0	0	0	0	4,841	17,030
Blue Springs	6,229,486	0	2,906,024	0	0	0	0	0	1,804,416	10,939,926

Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Blythedale	0	0	0	0	0	0	0	0	8,744	8,744
Bogard	0	0	0	0	0	0	0	0	8,782	8,782
Bolckow	0	0	0	0	0	0	0	0	8,782	8,782
Bolivar	1,723,790	1,267,793	812,339	0	0	0	0	0	343,132	4,147,054
Bonne Terre	426,717	199,752	199,752	0	0	0	0	0	151,581	977,802
Boonville	1,008,903	478,342	0	0	0	0	0	0	307,817	1,795,062
Bosworth	0	0	0	0	0	0	0	0	14,336	14,336
Bourbon	163,117	0	78,098	0	0	0	0	0	50,590	291,805
Bowling Green	498,634	127,271	254,562	0	0	0	0	0	122,346	1,002,813
Bragg City	0	0	0	0	0	0	0	0	7,093	7,093
Brandsville	0	0	0	0	0	0	0	0	6,530	6,530
Branson	10,262,327	0	5,091,554	0	0	0	0	0	235,647	15,589,528
Branson West	816,776	408,387	408,387	0	0	0	0	0	15,312	1,648,862
Brashear	8,972	0	0	0	0	0	0	0	10,508	19,480
Braymer	51,359	0	0	0	0	0	0	0	34,152	85,511
Breckenridge	8,352	0	0	0	0	0	0	0	17,038	25,390
Breckenridge Hills	0	130,567	0	45,565	0	0	0	0	180,779	356,911
Brentwood	0	5,516,673	0	0	0	0	0	0	288,714	5,805,387
Bridgeton	0	6,079,816	0	0	0	0	0	0	583,583	6,663,399
Brimson	0	0	0	0	0	0	0	0	2,364	2,364
Bronaugh	0	0	0	0	0	0	0	0	9,195	9,195
Brookfield	733,062	183,271	344,600	66,130	0	0	0	0	178,978	1,506,041
Brooklyn Heights	0	0	0	0	0	0	0	0	4,691	4,691
Browning	8,301	0	0	1,224	0	0	0	0	11,897	21,422
Brownington	0	0	0	0	0	0	0	0	4,466	4,466
Brumley	3,858	0	0	0	0	0	0	0	3,828	7,686
Brunswick	130,548	0	0	0	0	0	0	0	34,715	165,263
Bucklin	32,819	0	0	2,439	0	0	0	0	19,665	54,923
Buckner	174,358	87,179	74,705	33,647	0	0	0	0	102,268	472,157
Buffalo	669,164	0	310,496	0	0	0	0	0	104,369	1,084,029
Bull Creek Village	10,519	0	0	0	0	0	0	0	8,444	18,963
Bunceton	8,641	0	0	0	0	0	0	0	13,060	21,701
Bunker	41,750	0	0	0	0	0	0	0	16,025	57,775
Burgess	0	0	0	0	0	0	0	0	2,627	2,627
Burlington Junction	0	0	0	0	0	0	0	0	23,719	23,719
Butler	625,423	390,546	312,810	0	0	0	0	0	157,961	1,486,740
Butterfield	3,939	0	0	0	0	0	0	0	14,899	18,838
Byrnes Mill	168,624	0	0	0	0	0	0	0	89,170	257,794
Cabool	326,439	163,218	0	0	0	0	0	0	81,364	571,021
Cainsville	0	0	0	0	0	0	0	0	13,886	13,886
Cairo	0	0	0	0	0	0	0	0	10,996	10,996
Caledonia	14,657	0	0	0	0	0	0	0	5,930	20,587
Calhoun	18,766	7,672	3,556	0	0	0	0	0	18,427	48,421
California	479,351	214,937	0	0	0	0	0	0	150,305	844,593

Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Callao	4,886	0	0	0	0	0	0	0	10,921	15,807
Calverton Park	0	77,054	0	0	0	0	0	0	49,614	126,668
Camden	0	0	0	0	0	0	0	0	7,844	7,844
Camden Point	0	0	0	0	0	0	0	0	18,164	18,164
Camdenton	1,429,438	714,720	699,174	0	0	0	0	0	104,294	2,947,626
Cameron	1,263,691	631,847	0	0	0	0	0	0	367,338	2,262,876
Campbell	141,628	0	0	0	0	0	0	0	70,668	212,296
Canalou	0	0	0	0	0	0	0	0	13,060	13,060
Canton	232,460	87,173	0	0	0	0	0	0	95,963	415,596
Cape Girardeau	8,626,400	8,892,993	4,188,669	0	0	0	0	0	1,326,629	23,034,691
Cardwell	16,872	0	0	0	0	0	0	0	29,611	46,483
Carl Junction	273,157	104,467	104,459	0	0	0	0	0	198,681	680,764
Carrollton	407,662	0	203,818	0	0	0	0	0	154,696	766,176
Cartersville	70,397	35,198	26,958	7,776	0	0	0	0	69,429	209,758
Carthage	1,889,710	1,244,162	903,931	0	0	0	0	0	475,423	4,513,226
Caruthersville	517,689	258,805	0	0	0	0	0	0	253,699	1,030,193
Carytown	0	0	0	0	0	0	0	0	8,144	8,144
Cassville	834,457	834,456	0	0	0	0	0	0	108,460	1,777,373
Catron	0	0	0	0	0	0	0	0	2,552	2,552
Cedar Hill Lakes	0	0	0	0	0	0	0	0	8,594	8,594
Center	57,382	0	0	0	0	0	0	0	24,169	81,551
Centertown	22,251	0	0	0	0	0	0	0	9,645	31,896
Centerview	0	0	0	0	0	0	0	0	9,345	9,345
Centerville	18,124	0	0	0	0	0	0	0	6,417	24,541
Centralia	332,960	166,470	166,470	0	0	0	0	0	141,636	807,536
Chaffee	170,938	85,469	0	0	0	0	0	0	114,240	370,647
Chain of Rocks	0	0	0	0	0	0	0	0	3,415	3,415
Chain-O-Lakes	0	0	0	0	0	0	0	0	4,766	4,766
Chamais	22,981	0	0	0	0	0	0	0	17,113	40,094
Champ	0	0	0	0	0	0	0	0	450	450
Charlack	0	83,408	0	0	0	0	0	0	53,705	137,113
Charleston	527,346	0	248,777	0	0	0	0	0	177,589	953,712
Chesterfield	0	11,211,637	0	0	0	0	0	0	1,756,453	12,968,090
Chilhowee	13,806	0	0	0	0	0	0	0	12,347	26,153
Chillicothe	1,820,131	1,294,847	863,296	0	0	0	0	0	336,564	4,314,838
Chula	0	0	0	0	0	0	0	0	7,431	7,431
Clarence	78,828	0	0	0	0	0	0	0	34,339	113,167
Clark	0	0	0	0	0	0	0	0	10,321	10,321
Clarksburg	5,110	0	0	0	0	0	0	0	14,073	19,183
Clarksdale	0	0	0	0	0	0	0	0	13,173	13,173
Clarkson Valley	0	0	0	0	0	0	0	0	100,391	100,391
Clarksville	31,181	0	0	0	0	0	0	0	18,389	49,570
Clarkton	57,737	0	0	0	0	0	0	0	49,914	107,651
Claycomo	294,205	73,656	0	0	0	0	0	0	47,550	415,411

Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Clayton	0	2,563,290	0	0	0	0	0	0	598,032	3,161,322
Clearmont	0	0	0	0	0	0	0	0	7,168	7,168
Cleveland	58,499	0	0	0	0	0	0	0	22,217	80,716
Clever	78,500	39,250	0	0	0	0	0	0	37,905	155,655
Cliff Village	0	0	0	0	0	0	0	0	1,238	1,238
Clifton Hill	0	0	0	0	0	0	0	0	4,654	4,654
Climax Springs	1,844	0	0	0	0	0	0	0	3,002	4,846
Clinton	1,705,208	1,660,968	406,445	176,977	0	0	0	0	349,437	4,299,035
Clyde	0	0	0	0	0	0	0	0	2,777	2,777
Cobalt	0	0	0	0	0	0	0	0	7,093	7,093
Coffey	0	0	0	0	0	0	0	0	5,254	5,254
Cole Camp	142,633	0	58,116	9,743	0	0	0	0	38,580	249,072
Collins	36,937	10,552	0	3,233	0	0	0	0	6,605	57,327
Columbia	19,527,445	9,348,162	9,349,099	0	0	0	0	0	3,172,402	41,397,108
Commerce	0	0	0	0	0	0	0	0	4,128	4,128
Conception Junction	0	0	0	0	0	0	0	0	7,581	7,581
Concordia	303,809	294,767	71,427	0	0	0	0	0	88,569	758,572
Coney Island	0	0	0	0	0	0	0	0	3,528	3,528
Conway	68,438	34,220	0	0	0	0	0	0	27,884	130,542
Cool Valley	0	86,842	0	0	0	0	0	0	40,569	127,411
Cooter	0	0	0	0	0	0	0	0	16,513	16,513
Corder	5,956	2,978	0	4,054	0	0	0	0	16,025	29,013
Corning	0	0	0	0	0	0	0	0	788	788
Cosby	0	0	0	0	0	0	0	0	5,367	5,367
Cottleville	722,866	361,412	0	0	0	0	0	0	72,357	1,156,635
Country Club Village	45,453	0	0	0	0	0	0	0	69,279	114,732
Country Club Hills	0	83,297	0	0	0	0	0	0	51,828	135,125
Country Life Acres	0	0	0	0	0	0	0	0	3,040	3,040
Cowgill	0	0	0	0	0	0	0	0	9,270	9,270
Craig	11,928	0	0	0	0	0	0	0	11,597	23,525
Crane	130,317	0	59,089	15,851	0	0	0	0	52,166	257,423
Creighton	12,914	0	0	0	0	0	0	0	12,084	24,998
Crestwood	0	3,520,444	0	0	0	0	0	0	445,212	3,965,656
Creve Coeur	0	1,836,089	0	0	0	0	0	0	619,236	2,455,325
Crocker	105,914	0	44,928	0	0	0	0	0	38,768	189,610
Cross Timbers	0	0	0	0	0	0	0	0	6,943	6,943
Crystal City	829,724	392,546	0	0	0	0	0	0	159,388	1,381,658
Crystal Lake Park	0	26,637	0	0	0	0	0	0	17,151	43,788
Crystal Lakes	3,917	0	0	0	0	0	0	0	14,374	18,291
Cuba	627,570	0	313,785	0	0	0	0	0	121,220	1,062,575
Curryville	18,974	0	0	0	0	0	0	0	9,420	28,394
Dadeville	0	0	0	0	0	0	0	0	8,407	8,407
Dalton	0	0	0	0	0	0	0	0	1,013	1,013
Dardene Prairie	994,129	497,065	0	0	0	0	0	0	164,529	1,655,723



Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Darlington	0	0	0	0	0	0	0	0	4,241	4,241
Dearborn	47,327	0	0	0	0	0	0	0	19,853	67,180
Deepwater	8,598	370	370	0	0	0	0	0	19,027	28,365
Deerfield	0	0	0	0	0	0	0	0	2,815	2,815
DeKalb	0	0	0	0	0	0	0	0	9,645	9,645
Dellwood	0	472,495	0	0	0	0	0	0	197,217	669,712
Delta	25,563	11,121	0	0	0	0	0	0	19,403	56,087
Dennis Acres	0	0	0	0	0	0	0	0	2,552	2,552
Denver	0	0	0	0	0	0	0	0	1,501	1,501
Des Arc	0	0	0	0	0	0	0	0	7,018	7,018
Desloge	1,045,114	1,008,802	504,754	0	0	0	0	0	180,216	2,738,886
De Soto	1,211,246	583,601	0	0	0	0	0	0	239,250	2,034,097
Des Peres	0	6,556,845	0	391,401	0	0	0	0	322,453	7,270,699
De Witt	0	0	0	0	0	0	0	0	4,503	4,503
Dexter	1,322,361	1,444,022	0	0	0	0	0	0	276,067	3,042,450
Diamond	71,156	0	21,271	0	0	0	0	0	30,286	122,713
Diehlstadt	0	0	0	0	0	0	0	0	6,117	6,117
Diggins	12,368	0	5,520	0	0	0	0	0	11,184	29,072
Dixon	171,517	0	75,626	0	0	0	0	0	58,921	306,064
Doniphan	487,975	0	228,003	0	0	0	0	0	72,507	788,485
Doolittle	48,590	0	0	0	0	0	0	0	24,169	72,759
Dover	0	0	0	0	0	0	0	0	4,053	4,053
Downing	0	0	0	0	0	0	0	0	14,862	14,862
Drexel	99,072	49,536	0	0	0	0	0	0	40,907	189,515
Dudley	46,481	0	0	0	0	0	0	0	10,846	57,327
Duenweg	92,539	46,269	0	0	0	0	0	0	38,805	177,613
Duquesne	349,018	91,093	0	0	0	0	0	0	61,548	501,659
Dutchtown	7,196	0	0	0	0	0	0	0	3,715	10,911
Eagleville	131,855	82,409	32,964	0	0	0	0	0	12,047	259,275
East Lynne	10,068	5,034	0	0	0	0	0	0	11,259	26,361
Easton	7,888	0	0	0	0	0	0	0	9,683	17,571
East Prairie	259,517	175,883	115,250	0	0	0	0	0	121,107	671,757
Edgar Springs	23,343	0	0	0	0	0	0	0	7,131	30,474
Edgerton	20,324	0	0	0	0	0	0	0	20,003	40,327
Edina	138,099	0	0	0	0	0	0	0	46,274	184,373
Edmundson	0	584,524	0	21,962	0	0	0	0	31,525	638,011
Eldon	838,779	758,369	303,398	0	0	0	0	0	183,707	2,084,253
El Dorado Springs	402,070	401,953	0	0	0	0	0	0	141,674	945,697
Ellington	292,275	139,890	0	0	0	0	0	0	39,218	471,383
Ellisville	0	1,365,462	0	0	0	0	0	0	341,668	1,707,130
Ellsinore	58,317	28,103	0	0	0	0	0	0	13,623	100,043
Elmer	0	0	0	0	0	0	0	0	3,678	3,678
Elmira	0	0	0	0	0	0	0	0	3,077	3,077
Elmo	0	0	0	0	0	0	0	0	6,230	6,230

Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Elsberry	148,392	0	67,844	16,933	0	0	0	0	76,823	309,992
Emerald Beach	0	0	0	0	0	0	0	0	9,382	9,382
Eminence	78,885	37,734	37,734	0	0	0	0	0	20,566	174,919
Emma	9,228	0	0	0	0	0	0	0	9,120	18,348
Eolia	29,062	0	0	0	0	0	0	0	16,325	45,387
Essex	13,854	0	0	1,700	0	0	0	0	19,665	35,219
Ethel	0	0	0	0	0	0	0	0	3,753	3,753
Eureka	0	2,143,207	0	0	0	0	0	0	288,076	2,431,283
Everton	26,570	0	0	0	0	0	0	0	12,084	38,654
Ewing	23,874	0	0	0	0	0	0	0	17,414	41,288
Excelsior Estates	0	0	0	0	0	0	0	0	9,870	9,870
Excelsior Springs	1,514,379	1,473,486	716,406	226,897	0	0	0	0	407,082	4,338,250
Exeter	22,215	0	0	0	0	0	0	0	26,533	48,748
Fairfax	33,047	0	0	0	0	0	0	0	24,206	57,253
Fair Grove	135,055	101,127	67,528	0	0	0	0	0	41,545	345,255
Fair Play	25,158	13,310	11,856	0	0	0	0	0	15,687	66,011
Fairview	11,223	0	0	0	0	0	0	0	14,824	26,047
Farber	6,521	0	0	0	0	0	0	0	15,425	21,946
Farley	0	0	0	0	0	0	0	0	8,482	8,482
Farmington	3,307,693	3,205,023	0	0	0	0	0	0	522,560	7,035,276
Fayette	218,676	24,315	0	0	0	0	0	0	104,820	347,811
Fenton	0	3,817,673	0	0	0	0	0	0	163,628	3,981,301
Ferguson	0	3,553,270	0	0	0	0	0	0	840,885	4,394,155
Ferrelview	15,188	0	0	0	0	0	0	0	22,255	37,443
Festus	3,048,799	1,483,167	1,484,111	0	0	0	0	0	362,534	6,378,611
Fidelity	0	0	0	0	0	0	0	0	9,457	9,457
Fillmore	0	0	0	0	0	0	0	0	7,919	7,919
Fisk	45,265	21,261	0	0	0	0	0	0	13,623	80,149
Fleming	0	0	0	0	0	0	0	0	4,579	4,579
Flemington	0	0	0	0	0	0	0	0	4,654	4,654
Flint Hill	109,757	0	0	0	0	0	0	0	14,224	123,981
Flordell Hills	0	54,264	0	8,806	0	0	0	0	34,940	98,010
Florissant	0	6,539,845	0	0	0	0	0	0	1,895,125	8,434,970
Foley	10,661	0	0	0	0	0	0	0	6,680	17,341
Fordland	29,459	0	0	0	0	0	0	0	25,670	55,129
Forest City	6,580	0	0	0	0	0	0	0	12,685	19,265
Foristell	217,906	86,748	0	37,641	0	0	0	0	12,422	354,717
Forsyth	339,807	328,237	0	0	0	0	0	0	63,275	731,319
Fortescue	0	0	0	0	0	0	0	0	1,914	1,914
Foster	0	0	0	0	0	0	0	0	4,879	4,879
Fountain N' Lakes	0	0	0	0	0	0	0	0	4,841	4,841
Four Seasons	181,155	90,578	0	0	0	0	0	0	56,031	327,764
Frankford	8,704	0	0	0	0	0	0	0	13,173	21,877
Franklin	1,386	693	693	0	0	0	0	0	4,203	6,975

Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Fredericktown	662,999	0	310,234	0	0	0	0	0	147,416	1,120,649
Freeburg	116,376	0	0	0	0	0	0	0	15,875	132,251
Freeman	32,059	0	0	0	0	0	0	0	19,553	51,612
Freistatt	0	0	0	0	0	0	0	0	6,905	6,905
Fremont Hills	20,967	0	0	5,154	0	0	0	0	22,405	48,526
Frohna	0	0	0	0	0	0	0	0	7,206	7,206
Frontenac	0	1,970,721	0	0	0	0	0	0	130,715	2,101,436
Fulton	1,507,084	753,542	753,542	0	0	0	0	0	455,157	3,469,325
Gainesville	193,168	6,743	0	0	0	0	0	0	23,719	223,630
Galena	21,749	0	0	0	0	0	0	0	16,926	38,675
Gallatin	129,936	0	73,322	22,034	0	0	0	0	67,140	292,432
Galt	0	0	0	0	0	0	0	0	10,321	10,321
Garden City	94,401	40,187	40,186	0	0	0	0	0	56,294	231,068
Gasconade	3,178	0	0	0	0	0	0	0	10,020	13,198
Gentry	0	0	0	0	0	0	0	0	3,790	3,790
Gerald	128,313	0	61,111	0	0	0	0	0	43,947	233,371
Gerster	168	0	0	0	0	0	0	0	1,313	1,481
Gibbs	0	0	0	0	0	0	0	0	3,753	3,753
Gideon	38,402	0	0	0	0	0	0	0	41,770	80,172
Gilliam	3,864	483	0	0	0	0	0	0	8,594	12,941
Gilman City	15,754	0	0	0	0	0	0	0	14,261	30,015
Ginger Blue	12,343	0	0	0	0	0	0	0	0	12,343
Gladstone	2,985,012	2,073,133	1,382,099	440,514	0	0	0	0	989,464	7,870,222
Glasgow	107,761	26,941	49,253	0	0	0	0	0	47,400	231,355
Glenaire	0	0	0	0	0	0	0	0	20,754	20,754
Glenallen	0	0	0	0	0	0	0	0	5,442	5,442
Glendale	0	458,279	0	54,551	0	0	0	0	216,432	729,262
Glen Echo Park	0	0	0	0	0	0	0	0	6,230	6,230
Glenwood	0	0	0	0	0	0	0	0	7,618	7,618
Golden City	30,540	17,452	17,452	0	0	0	0	0	33,176	98,620
Goodman	57,305	0	0	0	0	0	0	0	44,397	101,702
Gordonville	0	0	0	0	0	0	0	0	15,950	15,950
Gower	72,113	18,029	0	9,408	0	0	0	0	52,504	152,054
Graham	0	0	0	0	0	0	0	0	7,168	7,168
Grain Valley	653,059	416,863	275,231	0	0	0	0	0	193,652	1,538,805
Granby	204,530	38,337	0	0	0	0	0	0	79,600	322,467
Grand Falls Plaza	0	0	0	0	0	0	0	0	3,903	3,903
Grandin	10,724	0	0	0	0	0	0	0	8,857	19,581
Grand Pass	0	0	0	0	0	0	0	0	1,989	1,989
Grandview	2,744,762	2,638,786	1,267,481	0	0	0	0	0	933,770	7,584,799
Granger	0	0	0	0	0	0	0	0	1,651	1,651
Grant City	157,843	0	0	0	0	0	0	0	34,752	192,595
Grantwood	0	84,452	0	8,352	0	0	0	0	33,138	125,942
Gravois Mills	32,823	0	0	0	0	0	0	0	7,806	40,629

Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Green Castle	0	0	0	0	0	0	0	0	11,559	11,559
Green City	53,699	26,850	0	0	0	0	0	0	25,820	106,369
Greendale	0	48,635	0	0	0	0	0	0	27,096	75,731
Greenfield	126,085	19,836	0	0	0	0	0	0	50,965	196,886
Green Park	0	402,868	0	0	0	0	0	0	100,053	502,921
Green Ridge	31,943	0	0	0	0	0	0	0	16,701	48,644
Greentop	20,570	0	4,456	0	0	0	0	0	16,025	41,051
Greenville	44,026	40,709	0	0	0	0	0	0	16,926	101,661
Greenwood	237,479	96,790	96,790	0	0	0	0	0	148,316	579,375
Guilford	0	0	0	0	0	0	0	0	3,265	3,265
Gunn City	0	0	0	0	0	0	0	0	3,190	3,190
Hale	25,311	12,655	12,655	0	0	0	0	0	17,751	68,372
Half Way	12,129	0	0	0	0	0	0	0	6,605	18,734
Hallsville	69,116	0	0	0	0	0	0	0	36,704	105,820
Haltown	0	0	0	0	0	0	0	0	7,093	7,093
Hamilton	120,310	0	60,155	0	0	0	0	0	68,041	248,506
Hanley Hills	0	123,800	0	0	0	0	0	0	79,712	203,512
Hannibal	2,882,375	3,602,151	0	0	0	0	0	0	666,410	7,150,936
Hardin	18,482	0	0	0	0	0	0	0	23,043	41,525
Harris	0	0	0	0	0	0	0	0	3,941	3,941
Harrisburg	17,497	0	0	0	0	0	0	0	6,905	24,402
Harrisonville	1,997,915	952,568	0	0	0	0	0	0	335,738	3,286,221
Hartsburg	3,696	0	0	0	0	0	0	0	4,053	7,749
Hartville	66,750	33,375	0	0	0	0	0	0	22,780	122,905
Harwood	0	0	0	0	0	0	0	0	3,378	3,378
Hawk Point	53,226	0	0	0	0	0	0	0	17,226	70,452
Hayti	336,388	246,495	156,671	0	0	0	0	0	120,357	859,911
Hayti Heights	8,166	2,674	0	0	0	0	0	0	28,935	39,775
Haywood City	0	0	0	0	0	0	0	0	8,969	8,969
Hazelwood	0	6,385,670	0	1,787,768	0	0	0	0	983,497	9,156,935
Henrietta	64,740	0	0	0	0	0	0	0	17,151	81,891
Herculaneum	475,265	498,694	0	0	0	0	0	0	105,270	1,079,229
Hermann	469,720	111,883	223,771	0	0	0	0	0	100,354	905,728
Hermitage	127,890	62,547	0	6,917	0	0	0	0	18,615	215,969
Higbee	19,163	0	9,582	0	0	0	0	0	23,381	52,126
Higginsville	568,838	406,416	265,265	0	0	0	0	0	175,713	1,416,232
High Hill	9,186	0	0	0	0	0	0	0	8,669	17,855
Highlandville	29,924	0	0	0	0	0	0	0	32,726	62,650
Hillsboro	250,862	94,073	0	0	0	0	0	0	62,862	407,797
Hillsdale	0	86,089	0	0	0	0	0	0	55,431	141,520
Hoberg	0	0	0	0	0	0	0	0	2,252	2,252
Holcomb	27,038	0	0	0	0	0	0	0	26,120	53,158
Holden	256,938	0	115,657	24,711	0	0	0	0	94,199	491,505
Holland	0	0	0	0	0	0	0	0	9,232	9,232

Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Holliday	0	0	0	0	0	0	0	0	4,841	4,841
Hollister	966,092	483,047	468,897	0	0	0	0	0	145,126	2,063,162
Holt	54,433	52,365	25,148	0	0	0	0	0	15,199	147,145
Holts Summit	576,272	139,235	139,235	107,298	0	0	0	0	110,149	1,072,189
Homestead	0	0	0	0	0	0	0	0	6,793	6,793
Homestown	1,318	0	0	0	0	0	0	0	6,793	8,111
Hopkins	0	0	0	0	0	0	0	0	21,729	21,729
Hornersville	39,814	0	0	0	0	0	0	0	25,745	65,559
Houston	651,825	234,684	156,518	0	0	0	0	0	74,759	1,117,786
Houston Lake	0	0	0	0	0	0	0	0	10,658	10,658
Houstonia	0	0	0	0	0	0	0	0	10,321	10,321
Howardville	2,648	0	0	404	0	0	0	0	12,835	15,887
Hughesville	0	0	0	0	0	0	0	0	6,530	6,530
Humansville	55,474	15,797	31,943	0	0	0	0	0	35,503	138,717
Hume	15,854	0	0	0	0	0	0	0	12,647	28,501
Humphreys	0	0	0	0	0	0	0	0	6,155	6,155
Hunnewell	4,297	0	0	0	0	0	0	0	8,519	12,816
Huntleigh	0	0	0	0	0	0	0	0	12,122	12,122
Huntsdale	0	217	0	0	0	0	0	0	2,589	2,806
Huntsville	61,846	0	30,923	0	0	0	0	0	58,283	151,052
Hurdland	0	0	0	0	0	0	0	0	8,969	8,969
Hurley	3,359	0	0	0	0	0	0	0	5,892	9,251
Iatan	0	0	0	0	0	0	0	0	2,027	2,027
Iberia	89,058	51,345	2,652	0	0	0	0	0	24,432	167,487
Independence	17,680,350	14,056,693	6,851,198	0	0	0	0	0	4,251,637	42,839,878
Indian Point	175,834	87,917	0	0	0	0	0	0	22,067	285,818
Innsbrook	29,321	0	0	0	0	0	0	0	17,601	46,922
Ionia	0	0	0	0	0	0	0	0	4,053	4,053
Irondale	11,987	0	0	0	0	0	0	0	16,400	28,387
Iron Mtn. Lake	11,155	0	0	0	0	0	0	0	26,008	37,163
Ironton	244,608	114,543	114,490	0	0	0	0	0	55,206	528,847
Jackson	2,105,923	0	983,875	0	0	0	0	0	448,364	3,538,162
Jacksonville	0	0	0	0	0	0	0	0	6,117	6,117
Jameson	0	0	0	0	0	0	0	0	4,503	4,503
Jamesport	46,663	23,313	0	0	0	0	0	0	18,952	88,928
Jamestown	0	0	0	0	0	0	0	0	14,336	14,336
Jane	8,736	0	0	0	0	0	0	0	0	8,736
Jasper	90,851	45,425	39,477	0	0	0	0	0	37,942	213,695
Jefferson City	9,277,934	9,009,897	1	0	0	0	0	0	1,487,517	19,775,349
Jennings	0	1,745,446	0	0	0	0	0	0	580,543	2,325,989
Jerico Springs	0	0	0	0	0	0	0	0	9,720	9,720
Jonesburg	66,934	30,774	0	0	0	0	0	0	26,083	123,791
Joplin	18,200,720	7,575,677	6,070,778	0	0	0	0	0	1,707,740	33,554,915
Josephville	4,790	0	0	0	0	0	0	0	10,133	14,923

Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Junction City	0	0	0	0	0	0	0	0	11,972	11,972
Kahoka	246,840	0	0	0	0	0	0	0	84,103	330,943
Kansas City	66,396,030	32,971,815	57,873,865	29,172,422	0	0	0	0	16,570,943	202,985,075
Kearney	1,000,560	455,874	455,894	0	0	0	0	0	205,361	2,117,689
Kelso	86,726	0	0	0	0	0	0	0	19,778	106,504
Kennett	1,279,952	365,473	0	0	0	0	0	0	422,582	2,068,007
Keytesville	0	0	0	0	0	0	0	0	20,003	20,003
Kidder	24,153	0	0	0	0	0	0	0	10,170	34,323
Kimberling City	331,011	311,686	0	67,221	0	0	0	0	84,554	794,472
Kimmswick	47,406	0	23,703	0	0	0	0	0	3,528	74,637
King City	99,417	0	0	0	0	0	0	0	37,980	137,397
Kingdom City	267,914	133,957	133,859	0	0	0	0	0	4,541	540,271
Kingston	0	0	0	0	0	0	0	0	10,771	10,771
Kingsville	0	0	0	0	0	0	0	0	9,645	9,645
Kinloch	0	30,031	0	0	0	0	0	0	16,851	46,882
Kirbyville	11,919	0	0	0	0	0	0	0	4,128	16,047
Kirksville	2,520,501	1,805,801	1,204,148	0	0	0	0	0	649,410	6,179,860
Kirkwood	0	4,336,954	0	258,461	0	0	0	0	1,025,455	5,620,870
Knob Noster	163,815	72,529	72,529	49,204	0	0	0	0	92,397	450,474
Knox City	0	0	0	0	0	0	0	0	8,369	8,369
Koshkonong	33,780	0	0	0	0	0	0	0	7,693	41,473
La Belle	37,900	0	0	0	0	0	0	0	25,107	63,007
Laclede	0	5,048	5,047	0	0	0	0	0	15,575	25,670
Laddonia	0	19,010	19,010	0	0	0	0	0	23,268	61,288
Ladue	0	1,605,987	0	0	0	0	0	0	324,442	1,930,429
La Grange	44,047	0	0	0	0	0	0	0	37,529	81,576
Lake Annette	0	0	0	0	0	0	0	0	6,117	6,117
Lake Lafayette	0	0	0	0	0	0	0	0	12,985	12,985
Lake Lotawana	152,595	19,074	18,567	0	0	0	0	0	70,255	260,491
Lake Mykee	0	0	0	0	0	0	0	0	12,235	12,235
Lake Ozark	805,872	263,022	263,023	0	0	0	0	0	55,881	1,387,798
Lake St. Louis	2,094,496	0	1,047,250	0	0	0	0	0	381,637	3,523,383
Lakeshire	0	80,144	0	0	0	0	0	0	51,603	131,747
Lakeside	0	0	0	0	0	0	0	0	1,389	1,389
Lake Tapawingo	0	0	0	0	0	0	0	0	31,637	31,637
Lake Waukomis	0	0	0	0	0	0	0	0	34,414	34,414
Lake Winnebago	0	16,823	0	0	0	0	0	0	33,852	50,675
Lamar	642,620	321,228	321,228	0	0	0	0	0	166,068	1,451,144
Lamar Heights	0	99,060	0	0	0	0	0	0	8,106	107,166
La Monte	82,659	0	0	0	0	0	0	0	39,931	122,590
Lanagan	15,250	0	0	0	0	0	0	0	15,425	30,675
Lancaster	70,784	0	0	0	0	0	0	0	27,659	98,443
La Plata	104,476	23,702	0	0	0	0	0	0	55,769	183,947
Laredo	0	0	0	0	0	0	0	0	9,382	9,382

Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
La Russell	0	0	0	0	0	0	0	0	5,179	5,179
Lathrop	116,819	58,493	0	0	0	0	0	0	78,512	253,824
LaTour	0	0	0	0	0	0	0	0	2,029	2,029
Laurie	420,794	210,397	204,672	0	0	0	0	0	24,882	860,745
Lawson	184,058	169,157	0	0	0	0	0	0	87,669	440,884
Leadington	149,882	149,855	74,928	35,724	0	0	0	0	7,731	418,120
Leadwood	49,534	0	0	0	0	0	0	0	43,534	93,068
Leasburg	0	0	0	0	0	0	0	0	12,122	12,122
Leawood	0	0	0	0	0	0	0	0	33,927	33,927
Lebanon	3,049,208	1,474,850	1,476,918	0	0	0	0	0	456,170	6,457,146
Lee's Summit	12,314,728	9,119,595	5,837,113	0	0	0	0	0	2,653,332	29,924,768
Leeton	27,544	13,772	0	0	0	0	0	0	23,231	64,547
Leonard	0	0	0	0	0	0	0	0	2,477	2,477
Leslie	0	0	0	0	0	0	0	0	3,265	3,265
Levasy	2,326	0	0	0	0	0	0	0	4,053	6,379
Lewis & Clark	0	0	0	0	0	0	0	0	5,817	5,817
Lewistown	46,064	0	0	0	0	0	0	0	22,330	68,394
Lexington	376,101	351,512	48,229	0	0	0	0	0	167,119	942,961
Liberal	34,809	0	0	0	0	0	0	0	29,235	64,044
Liberty	3,494,225	3,235,508	871,507	0	0	0	0	0	984,473	8,585,713
Licking	239,369	119,684	0	0	0	0	0	0	55,206	414,259
Lilbourn	51,630	0	0	2,323	0	0	0	0	48,901	102,854
Lincoln	95,358	44,105	0	15,007	0	0	0	0	38,505	192,975
Linn	230,948	0	0	0	0	0	0	0	50,815	281,763
Linn Creek	74,449	55,512	18,287	27,660	0	0	0	0	10,508	186,416
Linneus	0	0	0	0	0	0	0	0	13,848	13,848
Livonia	0	0	0	0	0	0	0	0	4,278	4,278
Lock Springs	0	0	0	0	0	0	0	0	2,589	2,589
Lockwood	80,835	0	0	6,889	0	0	0	0	37,117	124,841
Lohman	0	0	0	0	0	0	0	0	6,305	6,305
Loma Linda	21,865	0	0	0	0	0	0	0	19,027	40,892
Lone Jack	47,858	44,946	0	0	0	0	0	0	19,815	112,619
Longtown	0	0	0	0	0	0	0	0	2,852	2,852
Louisburg	0	0	0	0	0	0	0	0	5,517	5,517
Louisiana	786,358	0	0	63,338	0	0	0	0	144,976	994,672
Lowry City	111,091	12,723	0	9,710	0	0	0	0	27,321	160,845
Lucerne	0	0	0	0	0	0	0	0	3,453	3,453
Ludlow	0	0	0	0	0	0	0	0	7,656	7,656
Lupus	0	0	0	0	0	0	0	0	1,088	1,088
Luray	0	0	0	0	0	0	0	0	3,828	3,828
MacKenzie	0	0	0	0	0	0	0	0	5,141	5,141
Macks Creek	9,669	0	0	0	0	0	0	0	10,020	19,689
Macon	823,532	229,199	0	0	0	0	0	0	207,838	1,260,569
Madison	23,557	0	0	0	0	0	0	0	21,992	45,549

Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Maitland	7,997	0	0	0	0	0	0	0	12,835	20,832
Malden	590,145	286,756	0	0	0	0	0	0	179,466	1,056,367
Malta Bend	15,602	0	0	0	0	0	0	0	9,345	24,947
Manchester	0	1,936,454	0	0	0	0	0	0	719,102	2,655,556
Mansfield	126,234	72,134	0	0	0	0	0	0	50,627	248,995
Maplewood	0	3,200,884	0	78,390	0	0	0	0	346,322	3,625,596
Marble Hill	243,837	121,918	0	0	0	0	0	0	56,369	422,124
Marceline	192,259	0	83,660	0	0	0	0	0	96,000	371,919
Marionville	215,848	71,950	71,950	0	0	0	0	0	79,300	439,048
Marlborough	0	263,443	0	0	0	0	0	0	83,878	347,321
Marquand	9,505	0	0	0	0	0	0	0	9,420	18,925
Marshall	1,507,806	760,191	0	0	0	0	0	0	466,604	2,734,601
Marshfield	1,133,736	566,849	533,754	0	0	0	0	0	214,668	2,449,007
Marston	61,835	92,575	0	123,492	0	0	0	0	22,893	300,795
Marthasville	0	75,685	37,884	16,700	0	0	0	0	31,412	161,681
Martinsburg	38,467	0	0	0	0	0	0	0	12,235	50,702
Maryland Heights	0	3,718,529	0	0	0	0	0	0	966,609	4,685,138
Maryville	1,661,496	1,681,277	0	0	0	0	0	0	397,099	3,739,872
Matthews	270,904	66,881	0	0	0	0	0	0	22,705	360,490
Maysville	62,227	15,557	31,114	0	0	0	0	0	45,486	154,384
Mayview	0	0	0	0	0	0	0	0	11,034	11,034
McBaine	0	0	0	0	0	0	0	0	638	638
McCord Bend	0	0	0	0	0	0	0	0	10,959	10,959
McFall	0	0	0	0	0	0	0	0	5,066	5,066
McKittrick	0	0	0	0	0	0	0	0	2,702	2,702
Meadville	0	0	0	0	0	0	0	0	17,151	17,151
Memphis	320,195	0	0	0	0	0	0	0	77,348	397,543
Mendon	0	0	0	0	0	0	0	0	7,806	7,806
Mercer	0	0	0	0	0	0	0	0	12,835	12,835
Merriam Woods	21,382	0	10,180	0	0	0	0	0	42,859	74,421
Merwin	0	0	0	0	0	0	0	0	3,115	3,115
Meta	23,732	0	0	0	0	0	0	0	9,345	33,077
Metz	0	0	0	0	0	0	0	0	2,514	2,514
Mexico	1,618,265	767,229	0	0	0	0	0	0	424,833	2,810,327
Miami	0	0	0	0	0	0	0	0	6,005	6,005
Middletown	15,397	0	0	0	0	0	0	0	7,468	22,865
Milan	195,064	0	0	0	0	0	0	0	73,483	268,547
Milford	0	0	0	0	0	0	0	0	1,951	1,951
Millard	0	0	0	0	0	0	0	0	2,815	2,815
Miller	68,691	10,157	20,314	0	0	0	0	0	28,297	127,459
Mill Spring	0	0	0	0	0	0	0	0	8,219	8,219
Milo	0	0	0	0	0	0	0	0	3,152	3,152
Mindenmines	0	0	0	0	0	0	0	0	15,349	15,349
Miner	508,532	501,549	0	18,860	0	0	0	0	39,631	1,068,572



Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Mineral Point	0	0	0	0	0	0	0	0	13,623	13,623
Miramiquoa Park	0	0	0	0	0	0	0	0	4,766	4,766
Missouri City	0	0	0	0	0	0	0	0	11,071	11,071
Moberly	2,150,065	2,055,836	1,028,564	0	0	0	0	0	515,692	5,750,157
Mokane	10,141	0	0	0	0	0	0	0	7,055	17,196
Moline Acres	0	189,737	0	0	0	0	0	0	99,903	289,640
Monett	1,756,420	1,300,678	0	0	0	0	0	0	277,568	3,334,666
Monroe City	323,325	146,409	0	0	0	0	0	0	97,126	566,860
Montgomery City	293,299	0	138,897	0	0	0	0	0	91,647	523,843
Monticello	0	0	0	0	0	0	0	0	4,729	4,729
Montrose	29,780	14,889	0	0	0	0	0	0	15,650	60,319
Mooresville	0	0	0	0	0	0	0	0	3,340	3,340
Morehouse	23,011	0	0	0	0	0	0	0	38,092	61,103
Morley	7,151	0	0	0	0	0	0	0	29,723	36,874
Morrison	5,688	0	0	0	0	0	0	0	4,616	10,304
Morrisville	12,932	0	0	0	0	0	0	0	12,910	25,842
Mosby	69,561	0	0	0	0	0	0	0	9,082	78,643
Moscow Mills	248,609	0	116,900	0	0	0	0	0	65,376	430,885
Mound City	80,167	80,167	78,977	0	0	0	0	0	44,773	284,084
Mountain Grove	943,665	471,791	450,564	0	0	0	0	0	171,660	2,037,680
Mountain View	750,546	0	232,755	0	0	0	0	0	91,197	1,074,498
Moundville	0	0	0	0	0	0	0	0	3,865	3,865
Mount Leonard	0	0	0	0	0	0	0	0	4,616	4,616
Mount Moriah	0	0	0	0	0	0	0	0	5,367	5,367
Mount Vernon	510,085	509,630	0	0	0	0	0	0	150,756	1,170,471
Napoleon	0	0	0	0	0	0	0	0	7,806	7,806
Naylor	17,335	8,551	8,551	6,773	0	0	0	0	22,893	64,103
Neck City	0	0	0	0	0	0	0	0	4,466	4,466
Neelyville	16,579	0	0	0	0	0	0	0	18,277	34,856
Nelson	0	0	0	0	0	0	0	0	7,956	7,956
Neosho	2,153,638	2,067,331	1,033,418	0	0	0	0	0	394,247	5,648,634
Nevada	1,447,942	1,447,731	723,866	0	0	0	0	0	323,016	3,942,555
Newark	0	0	0	0	0	0	0	0	3,753	3,753
New Bloomfield	25,500	12,746	0	0	0	0	0	0	22,480	60,726
Newburg	16,482	7,042	7,042	0	0	0	0	0	18,164	48,730
New Cambria	7,051	0	0	0	0	0	0	0	8,332	15,383
New Florence	93,895	44,786	44,786	0	0	0	0	0	28,672	212,139
New Franklin	43,839	21,920	15,596	0	0	0	0	0	42,971	124,326
New Hampton	0	0	0	0	0	0	0	0	13,098	13,098
New Haven	215,482	101,458	101,461	0	0	0	0	0	70,067	488,468
New London	85,849	0	24,758	0	0	0	0	0	37,567	148,174
New Madrid	214,320	107,057	0	78,414	0	0	0	0	125,123	524,914
New Melle	40,711	20,355	20,356	8,544	0	0	0	0	10,771	100,737
Newtonia	0	0	0	0	0	0	0	0	8,669	8,669

Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Newtown	0	0	0	0	0	0	0	0	7,844	7,844
Niangua	12,182	0	6,091	0	0	0	0	0	16,701	34,974
Nixa	1,964,898	0	982,450	0	0	0	0	0	455,007	3,402,355
Noel	169,663	63,630	79,712	0	0	0	0	0	55,544	368,549
Norborne	37,512	0	18,599	0	0	0	0	0	30,211	86,322
Normandy	0	227,162	0	49,632	0	0	0	0	193,389	470,183
North Kansas City	3,120,326	0	1,539,588	0	0	0	0	0	176,914	4,836,828
North Lilbourn	0	0	0	0	0	0	0	0	3,565	3,565
Northmoor	131,423	0	0	0	0	0	0	0	14,974	146,397
Northwoods	0	391,007	0	0	0	0	0	0	174,249	565,256
Norwood	26,017	13,009	0	0	0	0	0	0	20,716	59,742
Norwood Court	0	0	0	0	0	0	0	0	39,819	39,819
Novelty	0	0	0	0	0	0	0	0	4,466	4,466
Novinger	0	0	0	0	0	0	0	0	20,041	20,041
Oak Grove	945,416	455,939	455,957	0	0	0	0	0	207,725	2,065,037
Oak Grove Village	101,468	29,295	0	0	0	0	0	0	14,336	145,099
Oakland	0	128,983	0	0	0	0	0	0	57,795	186,778
Oak Ridge	0	0	0	0	0	0	0	0	7,581	7,581
Oaks	1,219	93	610	0	0	0	0	0	5,104	7,026
Oakview	52,225	48,404	0	6,598	0	0	0	0	14,486	121,713
Oakwood	0	0	0	0	0	0	0	0	7,393	7,393
Oakwood Park	0	0	0	0	0	0	0	0	6,868	6,868
Odessa	530,200	529,916	265,060	0	0	0	0	0	180,817	1,505,993
O'Fallon	9,582,007	2,446,927	4,515,210	0	0	0	0	0	1,732,697	18,276,841
Old Appleton	0	0	0	0	0	0	0	0	3,077	3,077
Old Monroe	35,389	8,427	8,428	0	0	0	0	0	9,382	61,626
Olean	0	0	0	0	0	0	0	0	5,892	5,892
Olivette	0	1,200,179	0	220,658	0	0	0	0	279,144	1,699,981
Olympian Village	0	0	0	0	0	0	0	0	25,107	25,107
Oran	56,254	28,124	0	0	0	0	0	0	47,437	131,815
Oregon	0	0	0	0	0	0	0	0	35,090	35,090
Oronogo	63,604	0	25,619	0	0	0	0	0	36,629	125,852
Orrick	39,699	0	16,580	0	0	0	0	0	33,364	89,643
Osage Beach	4,447,172	2,201,627	2,201,650	0	0	0	0	0	137,433	8,987,882
Osborn	0	0	0	0	0	0	0	0	17,076	17,076
Osceola	81,832	46,769	0	0	0	0	0	0	31,337	159,938
Osgood	0	0	0	0	0	0	0	0	1,914	1,914
Oterville	32,463	0	0	0	0	0	0	0	17,864	50,327
Overland	0	879,785	0	0	0	0	0	0	631,921	1,511,706
Owensville	645,434	470,288	313,580	0	0	0	0	0	93,824	1,523,126
Ozark	2,413,271	2,412,024	0	0	0	0	0	0	362,722	5,188,017
Pacific	750,102	385,378	0	0	0	0	0	0	248,107	1,383,587
Pagedale	0	338,727	0	0	0	0	0	0	135,706	474,433
Palmyra	383,382	270,235	0	0	0	0	0	0	130,115	783,732

Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Paris	129,725	57,089	57,089	0	0	0	0	0	57,382	301,285
Park Hills	696,112	644,783	322,398	0	0	0	0	0	295,019	1,958,312
Parkdale	0	0	0	0	0	0	0	0	7,693	7,693
Parkville	1,018,722	0	485,876	0	0	0	0	0	152,332	1,656,930
Parkway	41,544	0	0	0	0	0	0	0	10,508	52,052
Parma	22,017	11,009	7,838	4,603	0	0	0	0	31,975	77,442
Parnell	0	0	0	0	0	0	0	0	7,393	7,393
Pasadena Hills	0	66,854	0	10,850	0	0	0	0	43,046	120,750
Pasadena Park	0	28,502	0	0	0	0	0	0	18,352	46,854
Pascola	0	0	0	0	0	0	0	0	5,179	5,179
Passaic	0	0	0	0	0	0	0	0	1,501	1,501
Pattonsburg	16,661	0	0	2,074	0	0	0	0	9,795	28,530
Paynesville	0	0	0	0	0	0	0	0	3,415	3,415
Peculiar	323,590	304,776	142,984	143,417	0	0	0	0	97,727	1,012,494
Penermon	0	0	0	0	0	0	0	0	2,815	2,815
Perry	87,712	0	40,158	0	0	0	0	0	24,995	152,865
Perryville	1,532,921	574,846	766,460	0	0	0	0	0	287,738	3,161,965
Pevely	557,361	260,676	262,635	0	0	0	0	0	141,411	1,222,083
Phillipsburg	9,290	0	0	0	0	0	0	0	7,543	16,833
Pickering	0	0	0	0	0	0	0	0	5,779	5,779
Piedmont	455,787	333,564	216,589	0	0	0	0	0	74,759	1,080,699
Pierce City	71,580	40,902	40,903	0	0	0	0	0	51,978	205,363
Pierpont Village	1,515	0	0	0	0	0	0	0	0	1,515
Pilot Grove	35,757	0	35,755	28,344	0	0	0	0	27,134	126,990
Pilot Knob	73,614	36,807	34,743	0	0	0	0	0	26,158	171,322
Pine Lawn	0	291,706	0	0	0	0	0	0	157,774	449,480
Pineville	151,281	75,640	0	961,578	0	0	0	0	28,823	1,217,322
Plato	5,989	0	0	0	0	0	0	0	0	5,989
Platte City	801,392	801,392	299,919	0	0	0	0	0	145,089	2,047,792
Platte Woods	72,694	0	36,347	0	0	0	0	0	17,789	126,830
Plattsburg	167,782	167,605	0	23,815	0	0	0	0	88,344	447,546
Pleasant Hill	619,062	569,673	260,255	0	0	0	0	0	209,489	1,658,479
Pleasant Hope	44,597	10,098	10,098	4,355	0	0	0	0	20,566	89,714
Pleasant Valley	410,920	160,696	51,366	0	0	0	0	0	124,635	747,617
Pocahontas	0	0	0	0	0	0	0	0	4,766	4,766
Pollock	0	0	0	0	0	0	0	0	4,916	4,916
Polo	28,415	25,649	25,650	0	0	0	0	0	21,842	101,556
Poplar Bluff	4,313,920	5,183,903	0	0	0	0	0	0	624,903	10,122,726
Portage Des Sioux	17,354	0	0	0	0	0	0	0	13,173	30,527
Portageville	319,808	148,055	0	0	0	0	0	0	123,659	591,522
Potosi	815,413	0	0	0	0	0	0	0	99,903	915,316
Powersville	0	0	0	0	0	0	0	0	3,227	3,227
Prairie Home	0	0	0	0	0	0	0	0	8,256	8,256
Prathersville	0	0	0	0	0	0	0	0	4,166	4,166

Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Preston	15,455	0	0	0	0	0	0	0	4,241	19,696
Princeton	99,222	0	0	0	0	0	0	0	39,293	138,515
Purcell	0	0	0	0	0	0	0	0	13,398	13,398
Purdin	0	0	0	0	0	0	0	0	8,369	8,369
Purdy	110,466	0	0	0	0	0	0	0	41,395	151,861
Puxico	127,384	0	0	0	0	0	0	0	42,971	170,355
Queen City	32,216	27,492	13,747	0	0	0	0	0	23,944	97,399
Quitman	0	0	0	0	0	0	0	0	1,726	1,726
Quilin	25,856	12,928	0	0	0	0	0	0	17,526	56,310
Randolph	34,738	17,369	0	0	0	0	0	0	1,764	53,871
Ravenwood	0	0	0	0	0	0	0	0	16,813	16,813
Raymondville	0	0	0	0	0	0	0	0	16,588	16,588
Raymore	2,010,341	1,898,289	949,144	0	0	0	0	0	418,303	5,276,077
Raytown	2,606,415	1,878,502	1,192,047	0	0	0	0	0	1,140,445	6,817,409
Rayville	0	0	0	0	0	0	0	0	7,656	7,656
Rea	0	0	0	0	0	0	0	0	2,102	2,102
Redings Mill	1,529	0	0	0	0	0	0	0	5,967	7,496
Reeds	0	0	0	0	0	0	0	0	3,865	3,865
Reeds Spring	42,990	41,082	0	0	0	0	0	0	17,451	101,523
Renick	0	0	0	0	0	0	0	0	8,294	8,294
Rensselaer	0	0	0	0	0	0	0	0	5,442	5,442
Republic	1,751,921	1,313,924	875,961	0	0	0	0	0	328,908	4,270,714
Revere	0	0	0	0	0	0	0	0	4,541	4,541
Rhineland	0	0	0	0	0	0	0	0	6,605	6,605
Richards	0	0	0	0	0	0	0	0	3,565	3,565
Rich Hill	150,431	0	0	0	0	0	0	0	54,830	205,261
Richland	210,739	64,251	64,251	0	0	0	0	0	67,741	406,982
Richmond	985,859	358,970	461,110	0	0	0	0	0	229,530	2,035,469
Richmond Heights	0	4,708,898	0	0	0	0	0	0	360,358	5,069,256
Ridgely	0	0	0	0	0	0	0	0	2,402	2,402
Ridgeway	16,734	0	0	0	0	0	0	0	19,891	36,625
Risco	12,827	0	0	0	0	0	0	0	14,711	27,538
Ritchey	0	0	0	0	0	0	0	0	2,852	2,852
River Bend	19,085	0	0	0	0	0	0	0	375	19,460
Riverside	995,917	0	0	181,476	0	0	0	0	111,800	1,289,193
Riverview	0	183,369	0	29,758	0	0	0	0	118,068	331,195
Rives	0	0	0	0	0	0	0	0	3,303	3,303
Rocheport	17,681	8,841	0	0	0	0	0	0	7,806	34,328
Rockaway Beach	41,727	18,428	18,415	0	0	0	0	0	21,654	100,224
Rock Hill	0	895,936	0	0	0	0	0	0	178,828	1,074,764
Rock Port	220,882	165,492	0	42,177	0	0	0	0	52,354	480,905
Rockville	8,805	0	0	0	0	0	0	0	6,080	14,885
Rogersville	275,492	137,746	134,983	0	0	0	0	0	56,594	604,815
Rolla	3,698,315	3,698,185	1,849,144	0	0	0	0	0	614,245	9,859,889

Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Roscoe	0	0	0	0	0	0	0	0	4,203	4,203
Rosebud	43,449	0	20,778	0	0	0	0	0	13,661	77,888
Rosendale	0	0	0	0	0	0	0	0	6,755	6,755
Rothville	0	0	0	0	0	0	0	0	3,490	3,490
Rush Hill	0	0	0	0	0	0	0	0	4,879	4,879
Rushville	0	0	0	0	0	0	0	0	10,508	10,508
Russellville	40,851	0	0	0	0	0	0	0	28,447	69,298
Rutledge	14,020	0	0	0	0	0	0	0	3,865	17,885
St. Ann	0	2,107,847	0	0	0	0	0	0	510,663	2,618,510
St. Charles	10,763,710	5,166,805	0	0	0	0	0	0	2,263,814	18,194,329
St. Clair	464,905	232,447	232,346	0	0	0	0	0	164,754	1,094,452
St. Elizabeth	23,903	0	0	0	0	0	0	0	11,146	35,049
St. George	0	75,073	0	0	0	0	0	0	48,338	123,411
St. James	443,629	0	221,815	0	0	0	0	0	139,009	804,453
St. John	0	858,934	0	0	0	0	0	0	257,865	1,116,799
St. Joseph	17,659,847	5,884,572	3,910,474	0	0	0	0	0	2,776,804	30,231,697
St. Louis	49,711,503	64,273,546	27,111,171	31,275,917	0	0	0	0	13,665,332	186,037,469
St. Martins	44,008	0	0	0	0	0	0	0	38,393	82,401
St. Mary	21,705	0	10,853	0	0	0	0	0	14,149	46,707
St. Paul	0	0	0	0	0	0	0	0	61,323	61,323
St. Peters	12,040,794	1,203,906	6,020,399	0	0	0	0	0	1,928,301	21,193,400
St. Robert	2,132,866	1,066,089	1,040,886	0	0	0	0	0	103,581	4,343,422
St. Thomas	11,342	0	0	0	0	0	0	0	10,771	22,113
Ste. Genevieve	610,676	283,221	283,221	132,297	0	0	0	0	167,982	1,477,397
Saginaw	18,515	0	0	0	0	0	0	0	10,358	28,873
Salem	1,069,825	534,846	0	0	0	0	0	0	182,168	1,786,839
Salisbury	177,908	0	0	0	0	0	0	0	64,776	242,684
Sarcoxi	106,136	45,766	45,766	0	0	0	0	0	50,815	248,483
Savannah	575,729	191,838	0	0	0	0	0	0	178,715	946,282
Schell City	0	0	0	0	0	0	0	0	10,733	10,733
Scotsdale	0	6,258	0	0	0	0	0	0	7,919	14,177
Scott City	381,660	88,166	176,332	0	0	0	0	0	172,298	818,456
Sedalia	4,584,181	3,892,419	2,197,615	0	0	0	0	0	763,312	11,437,527
Sedgewickville	0	0	0	0	0	0	0	0	7,393	7,393
Seligman	81,508	40,754	40,754	0	0	0	0	0	32,913	195,929
Senath	46,740	0	0	0	0	0	0	0	61,924	108,664
Seneca	199,695	91,000	91,000	0	0	0	0	0	80,125	461,820
Seymour	181,653	98,092	0	0	0	0	0	0	68,829	348,574
Shelbina	221,334	63,277	0	0	0	0	0	0	72,920	357,531
Shelbyville	35,032	0	0	0	0	0	0	0	25,595	60,627
Sheldon	37,843	0	0	0	0	0	0	0	19,853	57,696
Sheridan	0	0	0	0	0	0	0	0	6,943	6,943
Shoal Creek Drive	0	0	0	0	0	0	0	0	12,985	12,985
Shoal Creek Estates	0	0	0	0	0	0	0	0	1,914	1,914

Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Shrewsbury	0	1,367,986	0	0	0	0	0	0	249,346	1,617,332
Sibley	0	0	0	0	0	0	0	0	13,023	13,023
Sikeston	5,836,559	293	1,458,610	0	0	0	0	0	637,700	7,933,162
Silex	33,082	0	0	8,070	0	0	0	0	7,731	48,883
Silver Creek	47,190	6,455	0	0	0	0	0	0	22,818	76,463
Skidmore	11,426	0	0	0	0	0	0	0	12,835	24,261
Slater	97,261	48,631	48,630	0	0	0	0	0	78,174	272,696
Smithton	14,202	0	0	0	0	0	0	0	19,140	33,342
Smithville	728,818	0	328,740	97,576	0	0	0	0	206,937	1,362,071
South Gifford	0	0	0	0	0	0	0	0	2,702	2,702
South Gorin	0	0	0	0	0	0	0	0	5,367	5,367
South Greenfield	0	0	0	0	0	0	0	0	5,104	5,104
South Lineville	0	0	0	0	0	0	0	0	1,389	1,389
South West City	97,246	22,786	45,573	44,019	0	0	0	0	32,088	241,712
Sparta	90,737	45,387	0	0	0	0	0	0	42,934	179,058
Spickard	3,964	0	0	0	0	0	0	0	11,822	15,786
Springfield	38,391,190	9,276,874	4,638,398	4,440,085	0	0	0	0	5,688,715	62,435,262
Stanberry	0	115,332	0	0	0	0	0	0	46,649	161,981
Stark City	0	0	0	0	0	0	0	0	5,855	5,855
Steele	165,517	82,733	0	0	0	0	0	0	84,929	333,179
Steelville	234,452	228,207	0	0	0	0	0	0	53,630	516,289
Stella	3,664	0	0	0	0	0	0	0	6,680	10,344
Stewartsville	79,756	21,267	0	0	0	0	0	0	28,485	129,508
Stockton	232,437	173,959	116,217	28,581	0	0	0	0	73,558	624,752
Stotesbury	0	0	0	0	0	0	0	0	1,614	1,614
Stotts City	0	0	0	0	0	0	0	0	9,382	9,382
Stoutland	5,459	0	0	0	0	0	0	0	6,643	12,102
Stoutsville	0	0	0	0	0	0	0	0	1,651	1,651
Stover	99,968	0	46,395	0	0	0	0	0	36,328	182,691
Strafford	327,153	163,575	0	0	0	0	0	0	69,242	559,970
Strasburg	0	0	0	0	0	0	0	0	5,104	5,104
Sturgeon	66,991	0	20,416	0	0	0	0	0	35,428	122,835
Sugar Creek	327,621	332,639	0	65,316	0	0	0	0	144,076	869,652
Sullivan	1,420,193	710,053	716,628	0	0	0	0	0	238,349	3,085,223
Summersville	57,877	0	26,161	0	0	0	0	0	20,416	104,454
Sumner	0	0	0	0	0	0	0	0	5,329	5,329
Sunrise Beach	162,730	85,061	81,365	57,658	0	0	0	0	13,811	400,625
Sunset Hills	0	2,426,074	0	0	0	0	0	0	310,256	2,736,330
Sweet Springs	150,517	45,916	45,916	0	0	0	0	0	61,098	303,447
Sycamore Hills	0	0	0	0	0	0	0	0	27,096	27,096
Syracuse	0	0	0	0	0	0	0	0	6,455	6,455
Tallapoosa	0	0	0	0	0	0	0	0	7,656	7,656
Taneyville	14,029	0	0	0	0	0	0	0	13,473	27,502
Taos	16,990	0	0	0	0	0	0	0	32,651	49,641

Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Tarkio	241,809	41,322	0	0	0	0	0	0	72,619	355,750
Thayer	457,685	0	0	0	0	0	0	0	82,602	540,287
Theodosia	55,340	0	27,678	0	0	0	0	0	9,007	92,025
Tightwad	0	0	0	0	0	0	0	0	2,364	2,364
Tina	0	0	0	0	0	0	0	0	7,243	7,243
Tindall	0	0	0	0	0	0	0	0	2,439	2,439
Tipton	188,741	0	0	0	0	0	0	0	122,384	311,125
Town and Country	0	3,163,010	0	0	0	0	0	0	408,846	3,571,856
Tracy	17,379	0	8,690	0	0	0	0	0	7,994	34,063
Trenton	745,541	708,657	0	0	0	0	0	0	233,283	1,687,481
Trimble	38,653	0	0	0	0	0	0	0	16,926	55,579
Triplett	0	0	0	0	0	0	0	0	2,402	2,402
Troy	2,193,817	0	1,061,662	0	0	0	0	0	252,836	3,508,315
Truesdale	108,393	55,587	0	0	0	0	0	0	14,899	178,879
Truxton	0	0	0	0	0	0	0	0	3,603	3,603
Turney	0	0	0	0	0	0	0	0	5,817	5,817
Tuscumbia	12,238	0	0	0	0	0	0	0	8,181	20,419
Twin Bridges	0	0	0	0	0	0	0	0	1,576	1,576
Twin Oaks	0	557,258	0	0	0	0	0	0	13,586	570,844
Umber View Heights	0	0	0	0	0	0	0	0	1,951	1,951
Union	1,612,094	805,635	806,047	0	0	0	0	0	291,116	3,514,892
Union Star	0	0	0	0	0	0	0	0	16,250	16,250
Unionville	214,256	0	0	0	0	0	0	0	76,598	290,854
Unity Village	2,423	1,818	1,211	0	0	0	0	0	5,254	10,706
University City	0	4,577,658	0	356,079	0	0	0	0	1,404,652	6,338,389
Uplands Park	0	26,812	0	4,351	0	0	0	0	17,263	48,426
Urbana	43,101	0	21,530	0	0	0	0	0	15,274	79,905
Urich	43,337	21,668	21,670	0	0	0	0	0	18,727	105,402
Utica	0	0	0	0	0	0	0	0	10,283	10,283
Valley Park	0	771,303	0	0	0	0	0	0	244,617	1,015,920
Van Buren	156,741	73,071	0	0	0	0	0	0	31,712	261,524
Vandalia	272,317	136,159	0	0	0	0	0	0	144,976	553,452
Vandiver	78,221	0	0	0	0	0	0	0	3,115	81,336
Vanduser	0	0	0	0	0	0	0	0	8,144	8,144
Velda City	0	94,191	0	0	0	0	0	0	0	94,191
Velda Village	0	0	0	0	0	0	0	0	40,907	40,907
Velda Village Hills	0	63,532	0	0	0	0	0	0	60,648	124,180
Verona	34,846	34,846	0	0	0	0	0	0	26,796	96,488
Versailles	569,975	561,295	0	0	0	0	0	0	96,263	1,227,533
Viburnum	56,014	0	0	0	0	0	0	0	30,962	86,976
Vienna	105,822	0	49,272	14,674	0	0	0	0	23,568	193,336
Village of Aulville	0	0	0	0	0	0	0	0	3,227	3,227
Village of Bradleyville	0	0	0	0	0	0	0	0	3,190	3,190
Village of Loch Lloyd	0	0	0	0	0	0	0	0	13,811	13,811

Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Village of Pinhook	0	0	0	0	0	0	0	0	1,801	1,801
Village of Plato	0	0	0	0	0	0	0	0	2,702	2,702
Vinita Park	0	314,664	0	15,953	0	0	0	0	72,207	402,824
Vinita Terrace	0	17,020	0	0	0	0	0	0	10,959	27,979
Vista	0	0	0	0	0	0	0	0	2,064	2,064
Waco	0	0	0	0	0	0	0	0	3,227	3,227
Walker	0	0	0	0	0	0	0	0	10,321	10,321
Walnut Grove	38,654	0	0	4,294	0	0	0	0	23,644	66,592
Wardell	12,707	3,406	0	0	0	0	0	0	16,813	32,926
Wardsville	36,490	0	0	0	0	0	0	0	36,629	73,119
Warrensburg	2,818,996	2,422,871	0	252,308	0	0	0	0	613,231	6,107,406
Warrenton	1,438,307	359,577	719,154	0	0	0	0	0	198,193	2,715,231
Warsaw	755,284	467,518	268,872	62,172	0	0	0	0	77,686	1,631,532
Warson Woods	0	191,422	0	0	0	0	0	0	74,421	265,843
Washburn	23,374	11,687	11,687	0	0	0	0	0	16,813	63,561
Washington	3,647,453	1,823,727	1,825,477	506,070	0	0	0	0	497,003	8,299,730
Watson	0	0	0	0	0	0	0	0	4,541	4,541
Waverly	79,032	0	17,912	0	0	0	0	0	30,249	127,193
Wayland	63,349	0	0	0	0	0	0	0	15,950	79,299
Waynesville	403,051	294,797	186,546	0	0	0	0	0	131,616	1,016,010
Weatherby	0	0	0	0	0	0	0	0	4,616	4,616
Weatherby Lake	0	0	0	0	0	0	0	0	70,293	70,293
Weaubleau	38,265	18,973	0	0	0	0	0	0	19,440	76,678
Webb City	1,483,048	1,394,097	698,502	0	0	0	0	0	368,239	3,943,886
Webster Groves	0	2,727,408	0	0	0	0	0	0	871,809	3,599,217
Weldon Spring	285,282	0	0	0	0	0	0	0	197,780	483,062
Weldon Spring Heights	0	0	0	0	0	0	0	0	2,965	2,965
Wellington	0	0	0	0	0	0	0	0	29,423	29,423
Wellston	0	143,384	0	0	0	0	0	0	92,322	235,706
Wellsville	45,325	13,466	22,663	0	0	0	0	0	53,404	134,858
Wentworth	0	0	0	0	0	0	0	0	5,292	5,292
Wentzville	4,220,572	2,110,278	2,015,533	491,914	0	0	0	0	258,803	9,097,100
Westboro	0	0	0	0	0	0	0	0	6,117	6,117
West Alton	0	0	0	0	0	0	0	0	21,504	21,504
West Line	0	0	0	0	0	0	0	0	3,565	3,565
Weston	177,572	66,560	88,786	317,884	0	0	0	0	61,210	712,012
Westphalia	40,953	0	0	11,708	0	0	0	0	12,009	64,670
West Plains	2,904,841	1,452,243	1,385,124	0	0	0	0	0	407,795	6,150,003
West Sullivan	84,394	21,098	0	0	0	0	0	0	3,603	109,095
Westwood	0	0	0	0	0	0	0	0	10,658	10,658
Wheatland	33,614	16,815	15,453	0	0	0	0	0	14,561	80,443
Wheaton	68,447	0	0	0	0	0	0	0	27,059	95,506
Wheeling	0	0	0	0	0	0	0	0	10,058	10,058
Whiteside	0	0	0	0	0	0	0	0	2,514	2,514



Appendix D-3

Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
CITIES:										
Whitewater	0	0	0	0	0	0	0	0	4,241	4,241
Wilbur Park	0	27,686	0	0	0	0	0	0	17,826	45,512
Wildwood	0	1,920,998	0	0	0	0	0	0	1,234,119	3,155,117
Willard	364,487	345,564	0	33,037	0	0	0	0	119,831	862,919
Williamsville	28,627	8,422	0	0	0	0	0	0	14,224	51,273
Willow Springs	288,726	210,437	0	0	0	0	0	0	80,576	579,739
Wilson City	0	0	0	0	0	0	0	0	6,192	6,192
Winchester	0	96,231	0	0	0	0	0	0	61,961	158,192
Windsor	210,171	122,898	0	0	0	0	0	0	115,853	448,922
Windsor Place	37,780	0	0	0	0	0	0	0	0	37,780
Winfield	162,045	0	76,615	0	0	0	0	0	27,134	265,794
Winona	109,848	49,903	49,903	0	0	0	0	0	48,413	258,067
Winston	0	0	0	0	0	0	0	0	9,270	9,270
Woods Heights	26,100	0	0	388	0	0	0	0	27,847	54,335
Woodson Terrace	0	1,227,857	0	39,624	0	0	0	0	157,211	1,424,692
Wooldridge	0	0	0	0	0	0	0	0	1,764	1,764
Worth	0	0	0	0	0	0	0	0	3,528	3,528
Worthington	0	0	0	0	0	0	0	0	3,340	3,340
Wright City	261,687	56,413	112,827	0	0	0	0	0	57,495	488,422
Wyaconda	7,197	0	0	0	0	0	0	0	11,634	18,831
Wyatt	10,589	0	0	0	0	0	0	0	13,661	24,250
Zalma	0	0	0	0	0	0	0	0	3,490	3,490
COUNTIES:										
Adair County	0	0	0	0	1,435,813	1,125,341	0	0	581,009	3,142,163
Andrew County	0	0	0	118,319	471,815	1,132,253	0	0	641,571	2,363,958
Atchison County	0	0	0	336,658	0	1,128,185	0	0	537,885	2,002,728
Audrain County	0	0	0	0	1,142,160	3,139,168	0	0	778,605	5,059,933
Barry County	0	0	0	0	1,816,939	2,725,340	0	0	1,161,010	5,703,289
Barton County	0	0	0	0	509,135	509,056	0	0	634,100	1,652,291
Bates County	0	0	0	134,816	0	1,354,773	0	0	848,270	2,337,859
Benton County	0	0	0	84,948	731,763	1,465,772	0	0	711,554	2,994,037
Bollinger County	0	0	0	0	288,550	652,311	0	0	506,898	1,447,759
Boone County	0	0	0	0	11,351,462	18,707,923	0	0	1,520,513	31,579,898
Buchanan County	0	0	0	0	6,150,922	7,378,485	0	0	567,081	14,096,488
Butler County	0	0	0	0	2,852,960	2,852,507	0	0	1,139,276	6,844,743
Caldwell County	0	0	0	99,972	194,167	600,548	0	0	523,108	1,417,795
Callaway County	0	0	0	0	0	3,337,630	0	0	1,462,734	4,800,364
Camden County	0	0	0	0	3,833,098	5,740,641	0	0	2,508,467	12,082,206
Cape Girardeau County	0	0	0	0	6,234,702	6,223,979	0	0	873,927	13,332,608
Carroll County	0	0	0	206,447	327,335	490,911	0	0	761,719	1,786,412
Carter County	0	0	0	0	211,528	211,529	0	0	288,665	711,722
Cass County	0	0	0	503,577	5,025,298	7,536,286	0	0	1,279,810	14,344,971
Cedar County	0	0	0	0	445,706	485,849	0	0	556,309	1,487,864
Chariton County	0	0	0	169,157	261,246	699,443	0	0	680,530	1,810,376

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
COUNTIES:										
Christian County	0	0	0	0	2,998,840	5,997,651	0	0	1,251,022	10,247,513
Clark County	0	0	0	0	264,900	529,788	0	0	470,643	1,265,331
Clay County	0	0	0	3,047,659	13,855,974	10,337,003	0	0	804,853	28,045,489
Clinton County	0	0	0	143,049	484,108	484,108	0	0	624,467	1,735,732
Cole County	0	0	0	789,527	391,903	10,162,969	0	0	1,030,362	12,374,761
Cooper County	0	0	0	0	776,191	1,940,478	0	0	518,782	3,235,451
Crawford County	0	0	0	0	940,452	2,113,589	0	0	632,429	3,686,470
Dade County	0	0	0	61,588	219,357	500,487	0	0	509,389	1,290,821
Dallas County	0	0	0	0	594,369	1,714,819	0	0	622,902	2,932,090
Daviess County	0	0	0	53,575	0	714,103	0	0	548,852	1,316,530
DeKalb County	0	0	0	0	640,022	640,140	0	0	535,949	1,816,111
Dent County	0	0	0	0	739,142	739,058	0	0	597,635	2,075,835
Douglas County	0	0	0	0	439,065	439,055	0	0	631,749	1,509,869
Dunklin County	0	0	0	0	0	2,757,178	0	0	776,615	3,533,793
Franklin County	0	0	0	0	5,206,643	10,626,783	0	0	2,183,663	18,017,089
Gasconade County	0	0	0	0	817,952	1,382,449	0	0	516,310	2,716,711
Gentry County	0	0	0	29,072	0	479,819	0	0	481,230	990,121
Greene County	0	0	0	0	22,468,268	32,548,495	0	0	3,220,436	58,237,199
Grundy County	0	0	0	0	454,181	906,985	0	0	415,860	1,777,026
Harrison County	0	0	0	52,544	0	1,340,954	0	0	700,487	2,093,985
Henry County	0	0	0	113,458	1,123,858	666,616	0	0	720,754	2,624,686
Hickory County	0	0	0	0	262,842	525,683	0	0	426,215	1,214,740
Holt County	0	0	0	107,553	187,400	655,856	0	0	432,372	1,383,181
Howard County	0	0	0	0	286,568	1,042,335	0	0	361,116	1,690,019
Howell County	0	0	0	0	2,127,201	1,303,873	0	0	1,066,959	4,498,033
Iron County	0	0	0	0	374,434	553,615	0	0	366,203	1,294,252
Jackson County	0	0	0	0	42,020,791	52,436,768	0	0	994,633	95,452,192
Jasper County	0	0	0	0	5,830,377	9,322,136	0	0	1,282,602	16,435,115
Jefferson County	0	0	0	0	9,905,352	22,107,351	0	0	3,670,377	35,683,080
Johnson County	0	0	0	433,135	2,159,600	4,224,090	0	0	1,268,739	8,085,564
Knox County	0	0	0	0	129,723	389,171	0	0	435,605	954,499
Laclede County	0	0	0	0	1,835,380	1,832,167	0	0	767,568	4,435,115
Lafayette County	0	0	0	306,195	1,150,268	2,587,521	0	0	820,512	4,864,496
Lawrence County	0	0	0	346,398	1,264,043	2,524,903	0	0	959,308	5,094,652
Lewis County	0	0	0	194,367	294,550	980,039	0	0	430,132	1,899,088
Lincoln County	0	0	0	0	1,971,857	5,292,069	0	0	1,051,458	8,315,384
Linn County	0	0	0	86,075	593,562	593,563	0	0	578,842	1,852,042
Livingston County	0	0	0	109,240	983,336	491,593	0	0	524,837	2,109,006
Macon County	0	0	0	0	644,754	1,128,410	0	0	756,604	2,529,768
Madison County	0	0	0	0	506,197	961,787	0	0	313,374	1,781,358
Maries County	0	0	0	38,124	235,940	469,610	0	0	397,004	1,140,678
Marion County	0	0	0	466,042	1,792,632	2,240,479	0	0	494,161	4,993,314
McDonald County	0	0	0	0	1,172,103	3,443,055	0	0	700,248	5,315,406
Mercer County	0	0	0	0	139,866	452,766	0	0	368,720	961,352

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
COUNTIES:										
Miller County	0	0	0	169,074	1,588,917	1,586,145	0	0	806,984	4,151,120
Mississippi County	0	0	0	0	462,039	1,154,788	0	0	359,581	1,976,408
Moniteau County	0	0	0	0	503,224	942,073	0	0	486,512	1,931,809
Monroe County	0	0	0	40,426	263,313	263,311	0	0	580,344	1,147,394
Montgomery County	0	0	0	0	448,311	1,120,618	0	0	546,696	2,115,625
Morgan County	0	0	0	0	1,001,970	1,110,760	0	0	1,200,035	3,312,765
New Madrid County	0	0	0	0	1,453,761	1,433,094	0	0	756,986	3,643,841
Newton County	0	0	0	0	2,433,778	3,244,975	0	0	1,073,538	6,752,291
Nodaway County	0	0	0	140,445	1,014,109	1,109,373	0	0	1,006,837	3,270,764
Oregon County	0	0	0	0	414,589	414,591	0	0	459,513	1,288,693
Osage County	0	0	0	0	934,885	741,936	0	0	520,215	2,197,036
Ozark County	0	0	0	0	256,043	546,521	0	0	636,533	1,439,097
Pemiscot County	0	0	0	0	678,130	1,017,099	0	0	542,524	2,237,753
Perry County	0	0	0	0	1,143,766	2,228,273	0	0	544,673	3,916,712
Pettis County	0	0	0	407,434	2,647,650	2,627,118	0	0	1,053,183	6,735,385
Phelps County	0	0	0	0	2,418,961	1,814,279	0	0	804,434	5,037,674
Pike County	0	0	0	0	734,097	2,341,647	0	0	569,701	3,645,445
Platte County	0	0	0	4,945,715	7,327,746	12,423,010	0	0	1,198,854	25,895,325
Polk County	0	0	0	0	0	2,641,389	0	0	820,270	3,461,659
Pulaski County	0	0	0	0	1,931,642	965,830	0	0	721,970	3,619,442
Putnam County	0	0	0	0	0	729,652	0	0	468,745	1,198,397
Ralls County	0	0	0	260,846	437,710	1,311,575	0	0	490,746	2,500,877
Randolph County	0	0	0	0	1,263,505	1,263,982	0	0	677,610	3,205,097
Ray County	0	0	0	215,720	748,584	1,497,170	0	0	716,260	3,177,734
Reynolds County	0	0	0	0	236,940	14,476	0	0	641,879	893,295
Ripley County	0	0	0	0	0	442,533	0	0	386,938	829,471
St. Charles County	0	0	0	6,437,687	21,898,616	50,761,793	0	0	3,991,926	83,090,022
St. Clair County	0	0	0	0	257,318	0	0	0	566,096	823,414
St. Francois County	0	0	0	0	3,421,739	4,842,557	0	0	741,379	9,005,675
St. Louis County	0	0	117,062,626	0	0	31,205,663	156,546,119	0	12,526,815	317,341,223
Ste. Genevieve County	0	0	0	0	799,437	1,596,882	0	0	646,539	3,042,858
Saline County	0	0	0	0	1,000,265	1,926,559	0	0	685,711	3,612,535
Schuyler County	0	0	0	0	131,506	302,292	0	0	267,136	700,934
Scotland County	0	0	0	0	0	513,143	0	0	420,552	933,695
Scott County	0	0	0	0	1,639,306	731,632	0	0	467,684	2,838,622
Shannon County	0	0	0	0	223,732	223,591	0	0	568,629	1,015,952
Shelby County	0	0	0	61,586	245,054	489,959	0	0	504,943	1,301,542
Stoddard County	0	0	0	0	1,289,007	1,288,713	0	0	987,880	3,565,600
Stone County	0	0	0	370,805	1,809,822	4,813,622	0	0	1,086,642	8,080,891
Sullivan County	0	0	0	0	228,552	799,153	0	0	464,090	1,491,795
Taney County	0	0	0	0	6,836,322	15,683,021	0	0	1,069,597	23,588,940
Texas County	0	0	0	0	941,088	1,881,206	0	0	872,462	3,694,756
Vernon County	0	0	0	0	914,550	912,908	0	0	888,562	2,716,020
Warren County	0	0	0	0	1,233,871	3,701,610	0	0	677,840	5,613,321

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
COUNTIES:										
Washington County	0	0	0	201,662	713,274	2,785,006	0	0	526,544	4,226,486
Wayne County	0	0	0	0	441,536	441,537	0	0	510,465	1,393,538
Webster County	0	0	0	0	1,266,325	3,376,095	0	0	854,829	5,497,249
Worth County	0	0	0	12,467	66,337	163,955	0	0	186,461	429,220
Wright County	0	0	0	0	752,167	752,078	0	0	625,572	2,129,817
DISTRICTS:										
39th Street Community Development District	0	0	0	1,145	0	0	0	104,885	0	106,030
58 Highway Regional Market Community Improvement District	0	0	0	3,278	0	0	0	69,693	0	72,971
63 Bypass Community Improvement District	0	0	0	2,785	0	0	0	37,384	0	40,169
620 Market Community Improvement District	0	0	0	4,558	0	0	0	56,587	0	61,145
1201 Washington Community Improvement District	0	0	0	1,909	0	0	0	48	0	1,957
2017 Chouteau Community Improvement District	0	0	0	3,319	0	0	0	34,719	0	38,038
8750 Manchester Road Community Improvement District	0	0	0	3,792	0	0	0	44,249	0	48,041
Adair County Ambulance District	0	0	0	0	0	0	0	1,006,676	0	1,006,676
Airport Plaza Community Improvement District	0	0	0	0	0	0	0	51,864	0	51,864
American Center Community Improvement District	0	0	0	0	0	0	0	2,752	0	2,752
Andrew County Ambulance District	0	0	0	0	0	0	0	112,090	0	112,090
Antioch Center Community Improvement District	0	0	0	0	0	0	0	281,902	0	281,902
Ava Ambulance District	0	0	0	0	0	0	0	391,804	0	391,804
Barton County Ambulance District	0	0	0	0	0	0	0	490,758	0	490,758
Belleau Community Improvement District	0	0	0	4,777	0	0	0	3,515	0	8,292
Big River Ambulance District	0	0	0	0	0	0	0	555,814	0	555,814
Big Spring Plaza Community Improvement District	0	0	0	6,048	0	0	0	51,580	0	57,628
Bourbon County Fire Protection District	0	0	0	0	0	0	0	8,223	0	8,223
Branson Hills Community Development District	0	0	0	0	0	0	0	595,082	0	595,082
Branson Hills Infra Fac Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Branson/Lakes Area Tourism Community District	0	0	0	0	0	0	0	7,262,564	0	7,262,564
Bridgewood Plaza Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Broadway Hotel Community Improvement District	0	0	0	5,913	0	0	0	271,145	0	277,058
Brookside Community Development District	0	0	0	2,037	0	0	0	378,263	0	380,300
Bryan Road Community Development District	0	0	0	718	0	0	0	8,481	0	9,199
Caldwell County Ambulance District	0	0	0	0	0	0	0	180,709	0	180,709
Caledonia Community Development District	0	0	0	20,314	0	0	0	58,725	0	79,039
Callaway County Ambulance District	0	0	0	0	0	0	0	1,665,555	0	1,665,555
Cam-MO Ambulance District	0	0	0	0	0	0	0	590,311	0	590,311
Cedar County Ambulance District	0	0	0	0	0	0	0	442,904	0	442,904
Central Jackson County Fire Protection District	0	0	0	0	0	0	0	815,205	0	815,205
Chambers W. Florissant Community Improvement District	0	0	0	408	0	0	0	46,185	0	46,593
Cole Camp Ambulance District	0	0	0	0	0	0	0	90,416	0	90,416
College Station Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Cozens MLK Grand Community Improvement District	0	0	0	4,163	0	0	0	25,849	0	30,012
Crestwood Square Community Improvement District	0	0	0	2,658	0	0	0	56,411	0	59,069
Crossings Community Development District	0	0	0	4,505	0	0	0	60,623	0	65,128
Dade County Ambulance District	0	0	0	0	0	0	0	184,466	0	184,466

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
DISTRICTS:										
Daviess/Dekalb Regional Jail District	0	0	0	0	0	0	0	874,836	0	874,836
Downtown Springfield Community Improvement District	0	0	0	2,913	0	0	0	119,632	0	122,545
East Highway 60 Community Improvement District	0	0	0	0	0	0	0	78,714	0	78,714
East Hills Community Improvement District	0	0	0	8,588	0	0	0	359,156	0	367,744
East Main & Highway 47 Community Improvement District	0	0	0	2,565	0	0	0	66,335	0	68,900
Elm and 370 Community Improvement District	0	0	0	14,699	0	0	0	29,441	0	44,140
Eureka Pointe Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Eureka South I-44 Community Improvement District	0	0	0	3,749	0	0	0	526	0	4,275
Fountains Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Grandview Crossing Community Development District	0	0	0	41,156	0	0	0	38,625	0	79,781
Grove Community Improvement District	0	0	0	672	0	0	0	39,914	0	40,586
Hazelwood Community Center Community Improvement District	0	0	0	7,585	0	0	0	197	0	7,782
Heers Tower Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Herman Area Ambulance District	0	0	0	0	0	0	0	349,959	0	349,959
High Ridge Fire Protection District	0	0	0	0	0	0	0	1,264,251	0	1,264,251
Highway 100 Community Improvement District	0	0	0	4,599	0	0	0	7,799	0	12,398
Highway 350 Community Improvement District	0	0	0	5,540	0	0	0	30,090	0	35,630
Hilltop Community Improvement District	0	0	0	0	0	0	0	397,047	0	397,047
Historic Downtown Branson Community Improvement District	0	0	0	0	0	0	0	306,124	0	306,124
I-470 Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Imperial Main Community Improvement District	0	0	0	5,436	0	0	0	983	0	6,419
Independence Event Center Community Improvement District	0	0	0	0	0	0	0	2,695,241	0	2,695,241
Inter City Fire Protection District	0	0	0	0	0	0	0	77,933	0	77,933
Iron County Ambulance District	0	0	0	0	0	0	0	371,808	0	371,808
James River Commons Community Improvement District	0	0	0	17,463	0	0	0	69	0	17,532
Jeter Farm Community Improvement District	0	0	0	0 *	0	0	0	0	0	0
Joachim Platin Ambulance District	0	0	0	0	0	0	0	773,421	0	773,421
KC International Airport Community Development District	0	0	0	54,198	0	0	0	438,025	0	492,223
Kearney West Side Community Improvement District	0	0	0	0	0	0	0	58,830	0	58,830
Laclede Landing Community Improvement District	0	0	0	119	0	0	0	10,291	0	10,410
Lake Lotawana Community Development District	0	0	0	6,525	0	0	0	17,612	0	24,137
Langsford Plaza Community Improvement District	0	0	0	999	0	0	0	6,498	0	7,497
Lebanon Marketplace Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Liberty Tri Shop Center Community Improvement District	0	0	0	898	0	0	0	63,106	0	64,004
Liberty Triangle Community Improvement District	0	0	0	3,713	0	0	0	107,034	0	110,747
Lincoln County Ambulance District	0	0	0	0	0	0	0	1,786,304	0	1,786,304
Lincoln Crossings Community Improvement District	0	0	0	5,326	0	0	0	68,197	0	73,523
Linn County Ambulance District	0	0	0	0	0	0	0	533,861	0	533,861
Logan Estates Community Improvement District	0	0	0	771	0	0	0	977	0	1,748
Loughborough Commons Community Improvement District	0	0	0	0	0	0	0	620,090	0	620,090
Manchester Ballas Community Improvement District	0	0	0	8,702	0	0	0	1,666,298	0	1,675,000
Maries Osage Ambulance District	0	0	0	0	0	0	0	153,879	0	153,879
Marion County Ambulance District	0	0	0	0	0	0	0	1,795,230	0	1,795,230
Martin City Community Development District	0	0	0	4,120	0	0	0	247,796	0	251,916

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
DISTRICTS:										
Mayfair Plaza Community Improvement District	0	0	0	2,753	0	0	0	116,158	0	118,911
Meramec Ambulance District	0	0	0	0	0	0	0	637,865	0	637,865
Midwest Plaza Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Mid-Missouri Ambulance District	0	0	0	0	0	0	0	985,223	0	985,223
Miller County Ambulance District	0	0	0	0	0	0	0	1,298,948	0	1,298,948
Miner Gateway Community Improvement District	0	0	0	1,634	0	0	0	22,891	0	24,525
Monroe City Ambulance District	0	0	0	0	0	0	0	180,513	0	180,513
Mountain Farm Community Improvement District	0	0	0	134	0	0	0	7,314	0	7,448
New Haven Ambulance District	0	0	0	0	0	0	0	74,136	0	74,136
New Madrid County Ambulance District	0	0	0	0	0	0	0	681,188	0	681,188
Nodaway County Ambulance District	0	0	0	0	0	0	0	918,064	0	918,064
Noel T. Adams Ambulance District	0	0	0	0	0	0	0	440,037	0	440,037
North Crawford County Ambulance District	0	0	0	0	0	0	0	37,645	0	37,645
North Oak Village Community Improvement District	0	0	0	21,893	0	0	0	164,507	0	186,400
North Oaks Plaza Shopping Center Community Improvement District	0	0	0	809	0	0	0	96,664	0	97,473
Northwest Area Community Improvement District	0	0	0	1,535	0	0	0	32,262	0	33,797
Oregon County Ambulance District	0	0	0	0	0	0	0	30,355	0	30,355
Orrick Fire Protection District	0	0	0	0	0	0	0	67,146	0	67,146
Osage Ambulance District	0	0	0	0	0	0	0	273,460	0	273,460
Osage Commercial Area Community Improvement District	0	0	0	149	0	0	0	41,871	0	42,020
Owensville Area Ambulance District	0	0	0	0	0	0	0	370,730	0	370,730
Paddock Forest Community Improvement District	0	0	0	3,408	0	0	0	16,422	0	19,830
Parkville Old Towne Market Community Improvement District	0	0	0	289	0	0	0	76,088	0	76,377
PC I Community Improvement District	0	0	0	17,850	0	0	0	333,339	0	351,189
Peachtree Community Improvement District	0	0	0	4,513	0	0	0	6,148	0	10,661
Performing Arts Community Development District	0	0	0	19,581	0	0	0	217,066	0	236,647
Phoenix Center II Community Improvement District	0	0	0	0	0	0	0	248,920	0	248,920
Platte City Market Community Improvement District	0	0	0	167	0	0	0	59,560	0	59,727
Plaza at Noahs Ark Community Improvement District	0	0	0	1,900	0	0	0	38,773	0	40,673
Plaza on Boulevard Jennings Community Improvement District	0	0	0	290	0	0	0	207,069	0	207,359
Prairie Township Fire District	0	0	0	0	0	0	0	93,501	0	93,501
Pulaski County Ambulance District	0	0	0	0	0	0	0	1,605,975	0	1,605,975
Raintree 150 Center Community Improvement District	0	0	0	0	0	0	0	49,306	0	49,306
Randolph County Ambulance District	0	0	0	0	0	0	0	1,253,525	0	1,253,525
Ray County Ambulance District	0	0	0	0	0	0	0	624,359	0	624,359
Raytown Square Community Improvement District	0	0	0	0	0	0	0	1,255	0	1,255
Red Bridge Community Improvement District	0	0	0	0	0	0	0	5,773	0	5,773
Residence Inn Downtown/St. Louis Community Improvement District	0	0	0	0	0	0	0	46,423	0	46,423
Richardson Crossing Community Improvement District	0	0	0	8,149	0	0	0	35,221	0	43,370
Rock Community Fire Protection District	0	0	0	0	0	0	0	2,742,361	0	2,742,361
Rock Township Ambulance District	0	0	0	0	0	0	0	1,668,577	0	1,668,577
Rogers Plaza Community Improvement District	0	0	0	0 *	0	0	0	0 *	0	0
Saint Clair Fire Protection District	0	0	0	0	0	0	0	213,690	0	213,690
Salt River Ambulance District	0	0	0	0	0	0	0	189,280	0	189,280

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Department of Revenue  
Sales and Use Tax  
Combined Schedule of Distributions - Local Funds  
Year Ended June 30, 2009

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Fee Trust Fund	Total (Memorandum Only)
DISTRICTS:										
Sappington Square Community Improvement District	0	0	0	208	0	0	0	22,859	0	23,067
Shops on Blue Parkway Community Improvement District	0	0	0	10,376	0	0	0	97,009	0	107,385
Simon Square Community Improvement District	0	0	0	0 *	0	0	0	0 *	0	0
Smithville Area Fire Protection District	0	0	0	0	0	0	0	373,193	0	373,193
SNI Valley Fire Protection District	0	0	0	0	0	0	0	534,862	0	534,862
Soda Fountain Square Community Improvement District	0	0	0	3,879	0	0	0	3,793	0	7,672
South 160 Community Improvement District	0	0	0	0	0	0	0	104,610	0	104,610
South Grand Community Improvement District	0	0	0	4,088	0	0	0	91,873	0	95,961
South Metropolitan Fire Protection District	0	0	0	0	0	0	0	995,913	0	995,913
Southern Stone Fire District	0	0	0	0	0	0	0	1,582,844	0	1,582,844
Southtowne Community Improvement District	0	0	0	3,333	0	0	0	137,773	0	141,106
Springdale Community Development District	0	0	0	6,704	0	0	0	26,782	0	33,486
St. Charles Riverfront Community Development District	0	0	0	23,197	0	0	0	328,955	0	352,152
St. Clair Ambulance District	0	0	0	0	0	0	0	324,681	0	324,681
St. James Ambulance District	0	0	0	0	0	0	0	253,606	0	253,606
St. Francois County Ambulance District	0	0	0	0	0	0	0	3,217,288	0	3,217,288
Ste. Genevieve County Ambulance District	0	0	0	0	0	0	0	711,149	0	711,149
Steelville Ambulance District	0	0	0	0	0	0	0	164,856	0	164,856
Stoneybrooke Community Improvement District	0	0	0	1,654	0	0	0	170,395	0	172,049
SueMandy Mid Rivers Community Improvement District	0	0	0	6,096	0	0	0	520,181	0	526,277
Sullivan Fire Protection District	0	0	0	0	0	0	0	915,062	0	915,062
Sunrise Farms Community Improvement District	0	0	0	0 *	0	0	0	0	0	0
Taney County Ambulance District	0	0	0	0	0	0	0	3,107,219	0	3,107,219
Three Trails Village Community Development District	0	0	0	2,148	0	0	0	83,198	0	85,346
Toad Cove Complex Community Improvement District	0	0	0	0	0	0	0	0 *	0	0
Tori Pines Commons Community Improvement District	0	0	0	13,726	0	0	0	810	0	14,536
Town Plaza Community Improvement District	0	0	0	11,765	0	0	0	101,786	0	113,551
Truman Road Community Improvement District	0	0	0	0	0	0	0	7,699	0	7,699
Truman Village Community Improvement District	0	0	0	2,165	0	0	0	1,620	0	3,785
Union Community Improvement District	0	0	0	1,561	0	0	0	26,972	0	28,533
US Hwy 36 Int 72 Corr Transportation Development District	0	0	0	0	0	0	0	2,861,227	0	2,861,227
Viaduct Commercial Area Community Improvement District	0	0	0	893	0	0	0	72,300	0	73,193
Victoria Crossings Community Improvement District	0	0	0	5,933	0	0	0	12,329	0	18,262
Warsaw Lincoln Ambulance District	0	0	0	0	0	0	0	599,740	0	599,740
Washington Area Ambulance District	0	0	0	0	0	0	0	1,437,993	0	1,437,993
Washington County Ambulance District	0	0	0	0	0	0	0	641,937	0	641,937
Watson-Laclede Station Road Community Improvement District	0	0	0	406	0	0	0	30,685	0	31,091
Wentzville Bluffs Community Improvement District	0	0	0	6,936	0	0	0	203,794	0	210,730
Westport Community Development District	0	0	0	2,204	0	0	0	365,272	0	367,476
Windsor Place Community Improvement District	0	0	0	0	0	0	0	2,283	0	2,283
Zumbehl Road/Hwy 94 Community Improvement District	0	0	0	1,248	0	0	0	60,006	0	61,254
TOTAL	\$ 517,035,487	416,783,834	323,821,778	95,505,159	248,022,094	444,258,490	156,546,119	67,897,728	241,142,623	2,511,013,312

\* To preserve confidentiality, sales and use tax distributions for districts with less than 6 taxpayers are reported as zero per Department of Revenue policy.

## Appendix E

### Department of Revenue Sales and Use Tax Description of Sales and Use Tax Funds and Accounts

Sales and use tax receipts collected from businesses, motor vehicle sales tax receipts collected from businesses and individuals, and highway use tax receipts collected on vehicles purchased outside of Missouri but titled in Missouri, are deposited into various state and local funds. Marine and ATV sales and use tax collections are deposited into the same funds as state sales and use tax. Motor vehicle leasing sales tax collections are deposited into the same funds as motor vehicle sales tax.

For operating purposes, the Department of Revenue (DOR) has been charged with the responsibility of administering transactions in the funds and accounts listed below.

#### **State Funds**

The State Treasurer, as fund custodian, and the Office of Administration provide administrative control over fund resources within the authority prescribed by the General Assembly for all state funds.

General Revenue Fund: This fund, authorized by Section 144.700, RSMo, receives 75 percent of the collections from the 4 percent state sales and use tax. This fund also receives payments from common carriers in interstate air transportation, as authorized by Section 144.807, RSMo. In addition, the General Revenue Fund pays all motor vehicle sales tax refunds and receives motor vehicle sales tax collections as reimbursement from other state funds for their applicable share of the refunds.

Aviation Trust Fund: This fund, authorized by Section 144.805, RSMo, receives sales and use tax on aviation jet fuel from common carriers. These taxes are paid as a result of exemptions to General Revenue sales tax. The exemptions are a result of direct-pay agreements between common carriers and the DOR.

Conservation Commission Fund: This fund, authorized by Article IV, Section 43(a), Missouri Constitution, receives collections of the 0.125 percent state sales and use tax, motor vehicle sales tax, and highway use tax.

Highway Department Fund: This fund, as authorized by Section 144.440, RSMo, receives 75 percent of the collections from the 4 percent highway use tax.

Parks Sales Tax Fund: This fund, authorized by Article IV, Section 47(a) and 47(b), Missouri Constitution, receives 50 percent of the collections from a 0.1 percent state sales and use tax, motor vehicle sales tax, and highway use tax.

School District Fund: This fund, authorized by Section 144.701, RSMo, receives 25 percent of the collections from the 4 percent state sales and use tax and 12.5 percent of the collections from the 4 percent motor vehicle sales tax.

Soil and Water Sales Tax Fund: This fund, authorized by Article IV, Section 47(a) and 47(b), Missouri Constitution, receives 50 percent of the collections from a 0.1 percent state sales and use tax, motor vehicle sales tax, and highway use tax.

State Road Bond Fund: This fund, authorized by Article IV, Section 30(b), Missouri Constitution (Amendment 3), receives 37.5 percent of the collections from the 4 percent motor vehicle sales tax.



State Road Fund and State Transportation Fund: These funds, authorized by Section 144.070, RSMo, and Article IV, Section 30(b), Missouri Constitution, receive 37.5 percent of the collections from the 4 percent motor vehicle sales tax. In addition, as authorized by Section 144.440, RSMo, the State Road Fund receives 18.75 percent of the collections of the 4 percent highway use tax.

## **Local Funds**

Actual tax proceeds for local funds are deposited into interest-bearing bank accounts until distributed. Subsequently 99 percent of the collections and earned interest are distributed to the various political subdivisions with the remaining 1 percent going to the General Revenue Fund for a collection fee, except for the Local Fuel Tax and Bond Trust Fund which receives all of the collections. The DOR has sole responsibility for maintaining and disbursing fund resources for all local funds.

Local Fuel Tax and Bond Trust Fund: This fund, authorized by Section 144.440, RSMo, receives 12.5 percent of the collections from the 4 percent motor vehicle sales tax and 6.25 percent of the collections from the 4 percent highway use tax. In addition, this fund receives collections from the motor fuel tax authorized by Section 142.803, RSMo, and distributed to counties and incorporated cities.

### Local Sales and Use Tax Trust Fund:

This fund:

- Receives collections generated from local sales taxes imposed by local political subdivisions, as authorized by Chapters 66, 67, 70, 92, 94, 162, 190, 238, 321, and 644, RSMo.
- Receives collections generated by a use tax, authorized by Section 144.757, RSMo, based on the local sales tax in effect, upon all transactions subject to taxes imposed under Sections 144.600 to 144.745, RSMo, except as otherwise provided. Net taxes and interest are subsequently distributed to the counties and cities.
- Receives collections from motor vehicle sales and use tax paid under protest. Protested motor vehicle sales and use taxes and the related earned interest, are either returned to the taxpayer or remitted to the state and the appropriate political subdivisions, based upon decisions reached by the DOR, the Administrative Hearing Commission, or various courts.
- Receives collections from local sales and use taxes paid under protest. These monies paid under protest are either returned to the taxpayer or remitted to the state and the appropriate political subdivisions, based upon decisions reached by the DOR, the Administrative Hearing Commission, or various courts.
- Receives collections from Web/Internet based sales and use tax filings. These collections are paid through ACH debit transactions initiated by the taxpayer through a DOR approved service provider. The DOR transfers the collections to the appropriate state and local funds after processing the corresponding sales tax returns.
- Receives unidentified sales and use tax collections when these collections are unable to post to the automated Missouri Integrated Tax System (MITS). When these collections become identifiable, they are posted to MITS and are then transferred to the appropriate sales tax funds.

## **Custodial Accounts**

The DOR has been charged with the responsibility of administering transactions in the custodial accounts. Except for the Protested Sales Tax General Revenue Account and Sales Tax Bond Account held by the State Treasurer, actual custody of accounts' resources ultimately rests with the DOR. Collections for the custodial accounts held by the DOR are deposited in interest-bearing bank accounts.

Compliance Clearing Account: This account receives tax payments from taxpayer audits. The DOR holds these payments in this account pending final audit review. Depending on the results of the audit review, the DOR transfers the tax payment to the appropriate state and local funds or issues a refund to the taxpayer.

Motor Vehicle Clearing Account: This account receives collections from motor vehicle agent offices and the central office for various taxes and fees. These receipts are subsequently transferred to various state and local funds.

Protested Sales Tax General Revenue Account: This account receives the 3 percent General Revenue Fund portion of the state sales taxes paid under protest. These protested monies are deposited in the General Revenue Fund. However, these protested monies are reported by the DOR in this account.

Sales Tax Bond Account: This account, authorized by Section 144.087, RSMo, receives cash bonds posted by taxpayers. All bond collections are deposited in the General Revenue Fund and reported by the DOR in this account. Cash bonds and related interest are refunded to the taxpayer after 2 years if they are determined to have satisfactory tax compliance and if their bond was posted before January 1, 1984. If the bond was posted on or after January 1, 1984, the Attorney General has ruled that no interest should be refunded. In the event of uncollectible sales tax liabilities, the bonds and related interest, if any, are forfeited to the DOR which subsequently distributes the monies to the state and the appropriate political subdivisions.



# Thomas A. Schweich

Missouri State Auditor

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## Oregon County

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February 2013  
Report No. 2013-16



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<http://auditor.mo.gov>



# CITIZENS SUMMARY

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## Findings in the audit of Oregon County

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### Sheriff's Controls and Procedures

As noted in our prior audit reports, significant weaknesses continue to exist in the Sheriff's accounting controls and procedures. Accounting duties are not adequately segregated, the Sheriff does not provide adequate oversight, and accounting records are not maintained in an accurate, complete, and organized manner. Some entries on receipt slips and accounting records were not legible, and error correction fluid was used on many records. Receipt slips were not issued for some monies received, monies were often not recorded on receipt slips and receipt ledgers immediately when received, the numerical sequence of receipt slips was not accounted for properly, generic receipt slips were utilized, and the method of payment was not always accurately indicated on receipt slips. Checks were not restrictively endorsed immediately upon receipt, receipts were often not deposited intact or timely, and some receipts were not deposited. Bond forms are not prenumbered, copies of bond forms issued are not always maintained, and receipt slips were not obtained when transmitting bond monies directly to the Circuit Court. The composition of receipt slips issued is not reconciled to amounts deposited or transmitted, and bank reconciliations are not prepared timely. Monthly lists of liabilities are not prepared, so liabilities are not reconciled to the balance in the Sheriff's office bank account, and an unidentified balance of almost \$6,000 has accumulated in the bank account. Some monies received were not disbursed on a timely basis, and some had never been disbursed.

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### Sheriff's Accounts Receivable and Paper Service Fees

As noted in our prior audit report, the Sheriff's office does not adequately bill, pursue collection of, or track amounts due to the office for inmate board bills and transportation. Audit staff identified three board bills totaling \$680 which had been prepared but not mailed, and \$8,821 in unbilled housing and medical expenses for one inmate. The Sheriff does not attempt to collect unpaid bills by following up with phone calls or letters. A schedule of civil paper service fees and mileage has not been established and the Sheriff's office lacks a procedure to track and follow up on payee under/overpayments.

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### Public Administrator's Controls and Procedures

The Public Administrator did not request fees for his services during 2011 and 2010 for some wards and estates, including the three wards/estates with the largest cash balances. For those wards and estates in which fees are petitioned from the court, the Public Administrator estimates a fee amount but does not prepare any documentation to support the fees. Caregivers are given checks for spending money, groceries, and other personal items, but the Public Administrator does not always obtain adequate supporting documentation, making it difficult to ensure monies are appropriately spent on behalf of the wards. Attorneys are not required to submit invoices or other documentation supporting fees charged for preparing annual settlements and providing other services on behalf of wards and estates.

Senior Citizens Board	As noted in our prior audit report, the Senior Citizens Board has contracts with the entities to which it provides funding which are not signed by the appropriate parties and do not specify the amount of funding to be provided, the services to be performed, and the length of the contract.
Sheriff's Employee Compensatory Time	As noted in our prior audit report, compensatory time earned by Sheriff's office deputies and dispatchers is not calculated in accordance with county policy or the Fair Labor Standards Act of 1938, so some employees earned more compensatory time than required and some earned less. The County Clerk does not maintain centralized records of compensatory time for Sheriff's office employees, and neither the Sheriff nor the County Clerk conducted an adequate review of compensatory time earned and used and the balances recorded on employee timesheets, so errors were not detected.
Computer Controls	Passwords are not required to be periodically changed in some county offices, and a security control is not in place in some county offices to shut down computers after a certain period of inactivity and to detect or prevent incorrect login attempts. Data is not backed up by the Prosecuting Attorney, the Sheriff does not store backup data at a secure off-site location, and backup data for some county offices is not tested. The county does not have formal emergency contingency plans in the event of a disaster or other disruption of services.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.\* However, the audit revealed serious shortcomings with the Sheriff's office.

American Recovery and Reinvestment Act (Federal Stimulus)	Oregon County did not receive any federal stimulus monies during the audited time period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our website: <http://auditor.mo.gov>**

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# Oregon County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Oregon County

We have audited certain operations of Oregon County in fulfillment of our duties under Section 29.230, RSMo. In addition, Nichols, Stopp & VanHoy, LLC, Certified Public Accountants, was engaged to audit the financial statements of Oregon County for the 2 years ended December 31, 2011. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2011. The objectives of our audit were to:


1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Oregon County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

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# Oregon County

## Management Advisory Report

### State Auditor's Findings

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#### **1. Sheriff's Controls and Procedures**

Despite similar concerns noted in our prior audits, significant weaknesses continue to exist in the Sheriff's accounting controls and procedures.

Deposits into the Sheriff's bank account totaled approximately \$64,600 during the 2 years ended December 31, 2011. As a result of the significant control weaknesses identified below, there is little assurance all monies were deposited and accounted for properly.

##### **1.1 Segregation of duties**

Accounting duties are not adequately segregated, and the Sheriff does not provide adequate oversight of financial functions and records. The Sheriff's secretary is responsible for receipting, recording, depositing, and disbursing monies; and reconciling the bank account. Although the Sheriff signs the monthly turnover report to the County Treasurer and some bank reconciliations, he indicated he does not review the accuracy of the accounting records. As a result, his procedures were not adequate to identify the various errors and discrepancies noted below.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are safeguarded. If proper segregation of duties cannot be achieved, the Sheriff should implement a documented independent or supervisory review to ensure bank records are in agreement with accounting records.

##### **1.2 Accounting records**

Accounting records are not maintained in an accurate, complete, and organized manner. The Sheriff's secretary could not readily locate some documents requested during the audit and indicated some records were located at her home. The secretary stated she occasionally performs accounting duties at home in the evenings because she lacks the necessary time to perform the duties during the day. Furthermore, some entries on receipt slips, receipt ledgers, and monthly turnover reports were not legible; and error correction fluid was used on many records including deposit slips, check registers, receipt ledgers, and receipt slips.

Complete and accurate accounting records are essential to properly reflect financial activity, ensure validity of transactions, and provide an adequate audit trail. Accounting records should be legible and maintained in an organized manner, and the Sheriff should prohibit employees from taking records home.

##### **1.3 Receipting, recording, and depositing monies**

Procedures for receipting, recording, and depositing monies are not sufficient. As a result, some receipts were not deposited and/or accounted for properly.

Receipt slips were not issued for some monies received and monies were often not recorded on receipt slips and receipt ledgers immediately when received. The numerical sequence of receipt slips was not accounted for properly, generic (rather than official) receipt slips were utilized, and the



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same receipt slip number sequences used for monies received were also used for tracking inmate property. The method of payment (cash, check, money order) was not always accurately indicated on receipt slips and checks were not restrictively endorsed immediately upon receipt. Furthermore, receipts were often not deposited intact or timely. Most deposits were made at the end of the month, and some receipts were not deposited.

- Our review of November and December 2011 receipt slips and deposits determined cash and check receipts totaling \$125 were receipted, but not deposited; and checks totaling \$90 were deposited, but not receipted. Receipt slips numbered 18148 through 18189 indicate \$678 in cash was received in the month of November 2011; however, only \$653 in cash was transmitted to the Circuit Clerk or deposited on November 30, 2011, a difference of \$25. Cash deposits for December 2011 totaled \$5 less than receipt slips issued for cash during the month. The Sheriff's secretary located two envelopes containing \$30 in cash in her locked box/files which she indicated could be the undeposited cash noted in these 2 months. Receipt slips numbered 734002, 734009, and 734019 were issued for checks totaling \$95 in December 2011; however, these checks were not deposited. Also, two checks totaling \$90 received for civil fees in November 2011 were deposited, but not receipted. The Sheriff and his secretary could not explain why the above receipts were not deposited or receipted.
- Cash counts also identified significant problems. A cash count performed on May 11, 2012, included 13 receipts received between May 4, 2012, and May 11, 2012, totaling \$905. These monies were not deposited until May 31, 2012. Receipt slips had not been issued for seven of these receipts. Receipt slips were later issued on May 15, 2012, and May 17, 2012, for six of the receipts; however, a receipt slip was not issued for a \$300 cash bond receipt. Another cash count performed on July 23, 2012, included 39 receipts received between July 2, 2012, and July 23, 2012, totaling \$2,074. These monies were not deposited until July 30, 2012, and July 31, 2012. Two checks had not been receipted at the time of the cash count. In addition, receipt slip number 265234 had been issued for a \$50 cash receipt on July 12, 2012; however, this cash was not on hand at the time of the cash count, and was not subsequently deposited. The Sheriff and his secretary could not explain why the \$50 cash receipt was not on hand and not deposited, or why a receipt slip was not issued for the \$300 cash bond receipt.

To reduce the risk of loss, theft, or misuse of monies received, procedures should be established to ensure all monies received are properly receipted, promptly recorded, and deposited intact and timely.



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## 1.4 Bonds

Bond forms are not prenumbered and copies of bond forms issued are not always maintained. In addition, some bond monies collected were transmitted directly to the Circuit Court; however, the Sheriff's office did not obtain receipt slips from the Circuit Court for these transmittals.

To reduce the risk of loss, theft, or misuse of bond monies, and to provide assurance all bond monies are accounted for properly, procedures to account for all bond forms and transmittal of bonds to the Circuit Court should be established.

## 1.5 Reconciliations

The composition of receipt slips issued is not reconciled to amounts deposited or transmitted. Such reconciliations would have identified the monies not receipted and/or deposited as previously noted. Monthly receipt ledgers and reports of fees are not complete, accurate, prepared on a timely basis, or reconciled to receipt slips and deposits or transmittals. As of July 23, 2012, no receipts had been recorded on the June or July 2012 receipt ledgers.

Without accurate and up-to-date receipt records, and a detailed reconciliation of these records, there is no assurance all monies have been recorded and deposited.

## 1.6 Bank account

Bank reconciliations are not prepared timely, monthly lists of liabilities are not prepared, and unidentified amounts have accumulated in the Sheriff's bank account.

### Bank reconciliations

The Sheriff's office does not prepare bank reconciliations on a monthly basis. As of May 2012, the Sheriff's office had not prepared a formal bank reconciliation since November 2011.

### Liabilities

The Sheriff's office discontinued preparing monthly lists of liabilities during 2010; therefore, liabilities are not reconciled to the balance in the Sheriff's bank account. According to the Sheriff's secretary, all fees collected during the month are supposed to be distributed each month and the bank account should show a zero balance each month; however, she has not properly distributed monies during the past several years, and unidentified monies have accumulated in the bank account.

At our request, the Sheriff's secretary compared accounting records to bank records as of December 31, 2011, and identified liabilities totaling \$1,057. The liabilities consisted of civil fees totaling \$570, which had not been disbursed to the County Treasurer and civil paper service fee refunds totaling \$487 due to two attorneys (see MAR finding number 2.2). In addition, as noted below, our review identified receipts totaling \$367, which were not disbursed from the bank account. Even after identifying these additional liabilities, there was an unidentified balance in the bank account



## Oregon County Management Advisory Report - State Auditor's Findings

totaling \$5,863 as of December 31, 2011. This unidentified balance has increased significantly since our prior audit.

The preparation and review of monthly bank reconciliations is necessary to ensure accounting records are in balance and to identify errors in a timely manner. Additionally, liabilities should be identified monthly and reconciled to cash balances to ensure sufficient cash is available for the payment of all amounts due and all monies in the bank account can be identified. Prompt follow up on discrepancies is necessary to resolve errors and ensure monies are properly disbursed.

### 1.7 Disbursements

The Sheriff's office lacks adequate procedures to ensure monies received are properly disbursed to the County Treasurer and/or other parties. As a result, some monies were not disbursed on a timely basis, and some monies had never been disbursed. Our review identified \$367 received during November and December 2011, which was not disbursed to the County Treasurer and/or refunded to attorneys as of October 2012. In addition, the \$300 cash bond included in the May 11, 2012, cash count for which a receipt slip was not issued (see section 1.3), had not been disbursed to Dunklin County as of October 2012. Also, the Sheriff's secretary indicated in late 2011 and early 2012, she researched and identified receipts received from October 2007 to June 2010, totaling approximately \$2,280, which had not been disbursed to the County Treasurer. She subsequently disbursed these amounts to the County Treasurer. Sufficient procedures and adequate records are necessary to ensure all monies received are disbursed properly and timely.

## Recommendations

The Sheriff:

- 1.1 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.
- 1.2 Ensure accounting records are maintained in an accurate, complete, and organized manner. In addition, the Sheriff should prohibit employees from taking records home and discontinue the practice of using error correction fluid to correct records.
- 1.3 Ensure official prenumbered receipt slips are issued immediately for all receipts, the method of payment is accurately indicated on all receipt slips, checks are restrictively endorsed immediately upon receipt, and the numerical sequence of receipt slips is accounted for properly. In addition, the Sheriff should ensure receipts are deposited intact and in a timely manner.
- 1.4 Issue prenumbered bond forms for all bond monies received and account for the numerical sequence of bond forms. In addition, the



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Sheriff should ensure receipt slips are obtained for all bond monies transmitted to the Circuit Court.

- 1.5 Ensure receipt records are accurately and timely maintained and reconciled, including the composition of receipt slips issued, to the composition of deposits and transmittals.
- 1.6 Prepare bank reconciliations monthly and reconcile bank balances to monthly lists of liabilities. Any differences should be investigated and resolved. Any unidentified monies should be disposed of in accordance with state law.
- 1.7 Establish procedures to ensure all monies are disbursed to the County Treasurer and other parties on a timely basis.

## Auditee's Response

*The Sheriff provided the following responses:*

- 1.1 *I currently review the deposits weekly and the bank reconciliations monthly. I also review the receipt ledger on a monthly basis.*
- 1.2 *We have organized all of the records. Employees are now prohibited from taking records home and we have discontinued the practice of using error correction fluid to correct records.*
- 1.3 *We now use a QuickBooks system, and issue receipt slips immediately upon receipt. Manual receipt slips are only issued for after-hours receipts and those monies are placed in a locked drop box. The method of payment is indicated on all manual receipt slips and in the QuickBooks system, and checks are restrictively endorsed immediately on receipt. We have started maintaining a separate receipt slip book for non-cash items. Effective immediately, we will implement a procedure to account for the numerical sequence of receipt slips. We are now depositing every Friday and are reconciling the receipt records to the deposits.*
- 1.4 *We are now depositing all bond monies and issuing checks to the court. We will immediately implement a procedure to maintain a bond log and pre-number all bond forms.*
- 1.5 *We currently maintain a monthly ledger of receipts to prepare the County Treasurer report and reconcile the ledger to the QuickBooks system. Within the next 2 months, we will implement a procedure to reconcile the composition of receipt slips to deposits.*
- 1.6 *Monthly bank reconciliations are now prepared. We have also investigated and resolved the unidentified balance.*



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*1.7 Disbursements to the County Treasurer are now performed monthly, and disbursements to other parties are performed immediately.*

## 2. Sheriff's Accounts Receivable and Paper Service Fees

As similarly noted in our prior audit, the Sheriff's procedures over accounts receivable and paper service fees are in need of improvement.

### 2.1 Accounts receivable

The Sheriff's office does not adequately bill, pursue collection of, or track amounts due to the office for inmate board bills and transportation. Due to poor record keeping, the Sheriff's office was unable to determine total amounts due to his office.

#### Board bills

The Sheriff's office has not established procedures to ensure amounts are properly billed and collected from other counties and the City of Alton for the housing of inmates.

Procedures provide that other entities are to be billed \$40 per day for housing an inmate plus any medical expenses incurred on behalf of the inmate. However, our review noted instances where these entities were not properly and timely billed. Our review of 2011 and 2010 board bill files identified three board bills for housing provided in 2011, totaling \$680, which had been prepared but not mailed as of August 2012. We also identified \$8,821 in unbilled housing and medical expenses provided for one inmate. The inmate was held from November 2008 through October 2010, but the Sheriff's office had not billed Shannon County for housing provided from July through December 2009, and certain medical expenses as of September 2012. The Sheriff's secretary indicated board bills are prepared when she has time, but could provide no explanation for the billing discrepancies noted.

Also, the Sheriff's office does not perform additional collection efforts such as follow-up phone calls or letters for unpaid bills. For example, a \$400 board bill covering the period June 7 to 17, 2011, had not been paid or followed up on as of September 2012. The Sheriff's office was unaware of this outstanding amount due and the unbilled amounts noted above.

Procedures such as independent reconciliations of board bill records to jail records and payments received should be established to ensure housing is properly and timely billed, and payments received are proper. Unpaid board bills should be monitored and appropriate follow-up action should be taken to ensure payment is properly received. Failure to monitor unpaid amounts due may result in a loss of revenue to the county.



## Oregon County Management Advisory Report - State Auditor's Findings

### Transportation reimbursements

The Sheriff's office does not have proper procedures to ensure reimbursement claims for the transportation of inmates to the Department of Corrections (DOC) are accurately and timely submitted, and the county was not reimbursed for transportation for at least one inmate due to the failure to timely submit the applicable claim.

Five reimbursement claims totaling \$2,358 for transportation provided in 2010, and 19 claims totaling \$8,027 for transportation provided in 2011, were not submitted to the DOC until March and April 2012. At that time, the Sheriff's secretary identified another reimbursement totaling \$468 for transportation provided in January 2009, for which it was too late to submit a claim. Due to poor record keeping, we were unable to determine whether additional transportation reimbursements had not been claimed.

Section 33.120, RSMo, requires all such claims be submitted to the state within 2 years after reimbursable expenses have been accrued. Failure to prepare or submit timely reimbursement claims to the state results in a loss of revenue to the county.

### 2.2 Civil paper service fees

The Sheriff's office lacks sufficient procedures to appropriately charge and collect civil paper service fees and mileage. During 2011 and 2010, the Sheriff's office transmitted approximately \$10,000 per year in civil paper service fees to the County Treasurer.

A schedule of fees and mileage by location has not been established to determine the amount to charge for each civil paper service performed. Payees estimate the cost of the service and pay a deposit to the Sheriff's office prior to the service being performed. However, the Sheriff's office does not properly determine, track, or follow up on payee under/overpayments. The log of civil papers served maintained by the Sheriff's office is not always accurately updated with fees and mileage due, or deposits and additional payments received. Sheriff's office procedures provide that the court be informed of any unpaid civil paper service fees to be pursued and collected by the court. However, because the Sheriff's office does not maintain an up-to-date record of unpaid civil service fees, the Sheriff's office does not always inform the court of the unpaid fees due.

Our review of records associated with 10 civil papers served noted one payee underpaid \$9, and two payees overpaid approximately \$5 each. The Sheriff's office had not identified or followed up on these under/overpayments. Upon our inquiries regarding the overpayments, the Sheriff's secretary identified additional overpayments totaling \$487 received from two attorneys during the period February to December 2009, which were held in the Sheriff's bank account and had not been refunded as of August 2012. The Sheriff's secretary indicated additional overpayments have been received and refunds are due various payees; however, these amounts have not yet been determined.



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Establishing a fee schedule, collecting fees in accordance with the schedule, and maintaining a complete and accurate civil papers log, would help to ensure the correct fee and mileage is collected for each service performed, and identify any under/overpayments.

## Recommendations

The Sheriff:

- 2.1 Establish procedures to ensure all amounts owed to the Sheriff's office for inmate board and transportation are properly and timely billed, and implement procedures to track and pursue collection of amounts owed.
- 2.2 Establish a civil paper service fee schedule and adequate procedures to ensure correct fees and mileage are collected for each service performed. In addition, the Sheriff's office should perform a comprehensive review of civil paper service records, identify additional amounts due and refunds payable to each payee, and work with those payees to resolve these amounts.

## Auditee's Response

*The Sheriff provided the following responses:*

- 2.1 *We have implemented a spreadsheet to track all costs and payments for board bills and established procedures to follow up on unpaid board bills. We have also researched old board bills back to 2010 and 2011 and have followed up on those bills. In addition, we have implemented a spreadsheet to track all costs and payments for transportation. We have researched, billed, and followed up on old transportation costs that previously had not been billed.*
- 2.2 *We have established a schedule of paper service fees and mileage and procedures to ensure fees are billed and collected. We have reviewed all paper service records, and resolved all outstanding amounts due and refunds payable.*

## 3. Public Administrator's Controls and Procedures

Some procedures in the Public Administrator's office need improvement. During the 2 years ended December 31, 2011, the Public Administrator was the court appointed personal representative for approximately 50 individuals (wards) and decedent estates of the Associate Circuit Court, Probate Division.

### 3.1 Fees

The Public Administrator does not petition the court to approve fees from the accounts of some wards and estates, and does not document criteria used to determine the fees charged. Since the Public Administrator receives a salary, any fees requested by the Public Administrator and approved by the court are deposited in the county treasury. Fees totaling \$10,000 from 15





## Oregon County Management Advisory Report - State Auditor's Findings

wards and estates were paid to the county in 2011, and fees totaling \$3,700 were paid to the county from 9 wards and estates in 2010.

Our review of three of the wards and estates with the largest cash balances as of December 31, 2011, noted the Public Administrator did not request any fees for his services during 2011 or 2010. The Public Administrator indicated these three wards/estates lacked adequate funds to pay the fees; however, based on available funds and financial activities of the wards/estates, it appears funds were available to pay fees for his services. Furthermore, although the Public Administrator indicated fees can be requested when ward/estate funds become available, he does not track those fees that have not been petitioned from the court.

In addition, for those wards and estates in which fees are petitioned from the court, the Public Administrator indicated he estimates a fee amount based on the amount of services provided and available funds. However, no documentation supporting the determination of the fee amount is prepared. Public Administrator fees averaged approximately \$570, and ranged from \$100 to \$3,554, per ward or estate during the 2 years ended December 31, 2011.

To ensure fees are properly assessed and transmitted to the county, the Public Administrator should work with the Associate Circuit Judge to ensure fees are petitioned from the court for all applicable wards and estates, approved, properly monitored, and collected to the extent possible. In addition, to ensure fees charged to each ward and estate are fair, reasonable, and properly assessed, the Public Administrator should maintain documentation supporting the criteria used to determine the fee amount.

### 3.2 Supporting documentation

Adequate supporting documentation is not obtained for some disbursements.

- Adequate supporting documentation is not obtained to support some checks issued to caregivers for spending money and purchases of groceries and other personal items. As a result, there is no evidence monies are appropriately spent on behalf of the wards. A review of annual settlements covering a 12-month period for three wards who received spending monies noted the caregivers received 18 checks totaling \$5,974, 14 checks totaling \$4,335, and 3 checks totaling \$370.
- Attorney fees are paid for preparing annual settlements and providing other services on behalf of wards and estates. The Public Administrator indicated although these fees are approved by the court, the attorneys are not required to submit invoices or other documentation supporting the services provided.

To ensure payments are valid and proper, the Public Administrator should maintain adequate supporting documentation for disbursements.



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## Recommendations

The Public Administrator:

- 3.1 Work with the Associate Circuit Judge to ensure fees are assessed and paid to the county as appropriate and document the criteria used to determine fee amounts.
- 3.2 Ensure disbursements are supported by adequate documentation.

## Auditee's Response

*The Public Administrator provided the following responses:*

- 3.1 *I will work with the Associate Circuit Judge to ensure appropriate fees are assessed and documentation is established as the Associate Circuit Judge requires.*
- 3.2 *I plan to implement a procedure where wards document that monies were spent on their behalf. I will work with attorneys to better document their services.*

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## 4. Senior Citizens Board

As similarly noted in our prior audit report, written contracts between the Senior Citizen's Board and the entities to which it provides funding are not sufficient.

The 2011 and 2010 contracts with not-for-profit (NFP) corporations were not signed by the appropriate parties and did not specify the amount of funding to be provided, the services to be performed, and the length of the contract. The Senior Citizens Board distributed approximately \$43,800 in 2011 and \$40,200 in 2010 to several NFP corporations.

Section 432.070, RSMo, requires government contracts to be in writing. Written contracts, signed by the parties involved, should specify the services to be performed and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings.

## Recommendation

The Senior Citizens Board enter into written contracts with each not-for-profit corporation that are signed by both parties and clearly detail the compensation to be paid or benefits received, services to be performed, and the length of the contract.

## Auditee's Response

*The Senior Citizens Board provided the following written response:*

*The Senior Citizens Board on January 28, 2013, approved a new contract to become effective October 1, 2013, with requests from the not-for-profit corporations. These contracts will be for year 2014.*



## 5. Sheriff's Employee Compensatory Time

### 5.1 Compensatory time calculations

As similarly noted in our prior audit report, controls over Sheriff's office employee compensatory time and related records need improvement. Sheriff's office employees calculate and record their compensatory time earned, used, and balances on their timesheets which are reviewed by the Sheriff and submitted to the County Clerk's office.

Compensatory time earned by Sheriff's office deputies and dispatchers is not calculated in accordance with county policy or the Fair Labor Standards Act of 1938 (FLSA).

We reviewed timesheets of deputies and dispatchers for 2011, noting numerous instances where compensatory time was not calculated correctly. These errors caused some employees to earn more compensatory time than they would have earned if the compensatory time was calculated correctly, and some employees to earn less.

- Employees earned compensatory time when they worked more than 40 hours in a week; however, county policy requires law enforcement personnel to work more than 171 hours in a 28-day period before compensatory time is earned.
- Employees earned compensatory time as straight time off. The county policy and FLSA require the county provide compensatory time at time and one-half.
- Some employees included nonworking time (vacation, sick leave, compensatory time taken, and holidays) in total hours worked when calculating compensatory time earned, which is not allowed by county policy and not required by the FLSA.
- One dispatcher earned compensatory time for working on days not designated as county holidays, while county policy only provides for compensatory time for working on designated holidays. For example, the dispatcher's December 2011 timesheet indicated he earned 32 hours of compensatory time for working on 4 days identified as holidays (December 24, 25, 26, and 31), when only 8 hours was actually earned because county policy only designates one holiday (December 25) that month.
- Some compensatory time calculations contained mathematical errors.

Compliance with county policy and the FLSA is necessary to ensure compensatory time is properly calculated and appropriate payment made and/or time off given, and to limit any potential liability for compensatory time not properly calculated.



## Oregon County Management Advisory Report - State Auditor's Findings

### 5.2 Oversight

Although maintained for all other county employees, the County Clerk does not maintain centralized records of compensatory time for Sheriff's office employees. In addition, an adequate review of compensatory time earned, used, and balances recorded on employee timesheets was not performed by the Sheriff or County Clerk. As a result, the compensatory time errors noted above were not detected.

When we brought the errors noted above to the Sheriff's attention, the Sheriff's office began requiring written approval of compensatory time earned and monitoring compensatory time calculations. The Sheriff indicated office personnel reviewed all employee compensatory time recorded on 2011 and 2012 timesheets and identified significant concerns regarding the dispatcher's compensatory time calculations, and disciplinary action was taken against the dispatcher based on those concerns.

Without an adequate review process and centralized compensatory time records, the County Commission cannot ensure employee compensatory time balances are accurate and in compliance with county policy. Centralized records also limit the potential for disputes over liabilities for employees leaving county employment, and demonstrate compliance with the FLSA.

### Recommendations

The County Commission, County Clerk, and Sheriff:

- 5.1 Ensure compensatory time is calculated for Sheriff's office employees in accordance with the FLSA and county policy.
- 5.2 Maintain centralized compensatory time records and review for accuracy.

### Auditee's Response

*The County Commission and County Clerk provided the following responses:*

- 5.1 *The county policy was revised effective November 2012, to provide compensatory time to law enforcement personnel who work more than 43 hours during a 1-week period, in compliance with FLSA. As of November 2012, compensatory time calculations for all Sheriff's office employees are reviewed and approved by the County Clerk and County Commission.*
- 5.2 *As of November 2012, all Sheriff's office employee compensatory time records are maintained in the County Clerk's office. The County Clerk reviews all compensatory time calculations on the timesheets, and all errors and corrections are noted and documented on the timesheets. After all corrections are made, the timesheets are reviewed and approved by the County Commission.*



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*The Sheriff provided the following responses:*

- 5.1 *We have established procedures to review all timesheets and ensure compensatory time is calculated correctly.*
- 5.2 *Compensatory time records are maintained in the County Clerk's records. We are also maintaining a spreadsheet of compensatory time for all Sheriff's office employees.*

## **6. Computer Controls**

Controls over county computer systems are not sufficient to prevent unauthorized access, or to restore key systems in the event of a disaster or systems failure. As a result, county records are unprotected and susceptible to damage or theft.

### **6.1 User Passwords**

Passwords are not required to be periodically changed in county offices, other than the County Treasurer and County Clerk who change their passwords only two or three times a year. Changing passwords periodically limits access to data files and programs to only those individuals who need access for completion of job responsibilities, and reduces the possibility of unauthorized users.

### **6.2 Computer inactivity**

A security control is not in place in county offices, other than the County Treasurer and County Clerk, to shut down computers after a certain period of inactivity and detect or prevent incorrect login attempts. As a result, unauthorized individuals could access an unattended computer and have unrestricted access to programs and data files. To help protect computer files, security controls should be implemented to shut down the system after a certain period of inactivity and to detect and prevent incorrect login attempts.

### **6.3 Data backup**

Data is not backed up by the Prosecuting Attorney, and the Sheriff does not store backup data at a secure off-site location. In addition, backup data maintained by county offices, other than the County Collector, is not always tested to help prevent loss of information and ensure all essential county information and computer systems can be recovered following a disaster or computer failure.

Preparation of backup data, preferably on a daily or at least weekly basis, periodic testing to ensure it is adequate, and secure off-site storage would provide increased assurance county data could be recreated if necessary.

### **6.4 Contingency plan**

The county does not have formal emergency contingency plans and has not made formal arrangements for the use of backup facilities in the event of a disaster or other disruption of services.

Contingency plans should include plans for a variety of situations, such as short- and long-term plans for backup hardware, software, facilities,



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personnel, and power usage. Involvement of users in contingency planning is important since users will likely be responsible for maintaining at least a portion of the backups under various contingencies. The major benefit of a thorough contingency plan is the ability of the county to recover rapidly from disaster or extraordinary situations that might cause considerable loss or disruption to the county. Because of the degree of reliance on data processing, the need for contingency planning is evident.

## Recommendations

The County Commission work with county officials to:

- 6.1 Require passwords which are periodically changed to prevent unauthorized access to the county's computers and data.
- 6.2 Establish a security control requiring computers to shut down after a certain period of inactivity and report incorrect login attempts after a certain number of tries.
- 6.3 Ensure backup data is prepared, stored in a secure off-site location, and tested on a regular basis.
- 6.4 Develop formal contingency plans for the various computer systems.

## Auditee's Response

*The County Commission and County Clerk provided the following responses:*

- 6.1-  
6.3 *We will work with the various county officials on implementing the audit recommendations.*
- 6.4 *We will work with the various county officials on establishing contingency plans.*

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# Oregon County

## Organization and Statistical Information

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Oregon County is a county-organized, third-class county. The county seat is Alton.

Oregon County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 40 full-time employees and 13 part-time employees on December 31, 2011.

In addition, county operations include a Senate Bill 40 Board and a Senior Citizens Board.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2012	2011
Patrick Ledgerwood, Presiding Commissioner	\$	24,440
Johnny D. Wrenfrow, Associate Commissioner		22,440
Edward Casey, Associate Commissioner		22,440
April Bridges, Recorder of Deeds		34,000
Tracy Bridges, County Clerk		34,000
Fred O'Neill, Prosecuting Attorney		41,000
George R. Underwood, Sheriff		39,000
Kim Hollis, County Treasurer		34,000
Tom Clary, County Coroner		9,500
Mike Crawford, Public Administrator		34,000
Jerry Richardson, County Collector (1), year ended February 29,	36,095	
Charles Lon Alford, County Assessor, year ended August 31,		34,000
Scott Simer, County Surveyor (2)		

(1) Includes \$2,095 of commissions earned for collecting city property taxes.

(2) Compensation on a fee basis.

### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

Oregon County did not receive any federal stimulus monies during the 2 years ended December 31, 2011.



**Thomas A. Schweich**  
Missouri State Auditor

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## 2012 ANNUAL REPORT

Office of The Missouri State Auditor

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February 2013  
Report No. 2013-017



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<http://auditor.mo.gov>



-----A MESSAGE FROM  
THE STATE AUDITOR

The Citizens of Missouri  
The Honorable Jeremiah "Jay" Nixon  
The Missouri General Assembly

Following, please find the State Auditor's office annual report of the 146 reports issued, 201 bonds registered, and 35 initiative petitions received in 2012.

During 2012, this office continued to identify instances of theft and misuse of public monies, leading to criminal charges against those responsible, and uncovered wasted public resources and violations of law and policy in several state agencies, counties, municipal courts and other political subdivisions.

We released the Fiscal Year 2011 Statewide Single Audit, auditing the \$11.24 billion in federal funds spent on major programs by state agencies.

Shortly after taking office, I established the Auditor's Swift Assessment Program rapid response team and the Auditor's Follow-up Team to Effect Recommendations, which have continued to improve accountability in Missouri government. This year, I activated the rapid response team to address allegations of theft in the Pineville court, the findings of which were released in a February 2013 report, and released 22 follow-up reports detailing the implementation of audit recommendations.

I want to thank the professional dedicated employees of the State Auditor's office for their service to the citizens of Missouri. I look forward to another productive year improving government efficiency and accountability.

Very truly yours,

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is written in a cursive, flowing style with a large, stylized "S" at the end.

Thomas A. Schweich

# OVERVIEW OF THE MISSOURI STATE AUDITOR'S OFFICE



Missouri State Auditor Thomas A. Schweich

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## **DUTIES OF THE STATE AUDITOR**

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The Missouri Constitution and the Missouri Revised Statutes give the Missouri State Auditor the authority to audit all state agencies; boards and commissions; the state court system; school districts; counties that do not have a county auditor; and other political subdivisions, upon petition by the voters of those subdivisions.

All audits are conducted in an impartial, nonpartisan manner, in accordance with government auditing standards issued by the United States Government Accountability Office. State auditors adhere to the rigorous standards of the auditing profession and exercise the highest levels of integrity and ethics. Audit findings and recommendations are based upon reliable evidence, free from preconceived notions and the influence of personal opinions.

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## AUDITS PERFORMED

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Audits of state and local government are performed by the State Auditor's office.

- 1) **State Government Audits:** The State Auditor conducts audits of state agencies, programs, and activities; boards and commissions; statewide elected officials; the General Assembly; the judiciary; the state's financial statements; and federal awards expended by the state. The State Auditor may also conduct audits of Department of Revenue contract license offices.
- 2) **Local Government Audits:** For counties that do not have a county auditor, the State Auditor is required to conduct an audit at least once every four years. The State Auditor also conducts an audit in a county collector's office after a vacancy occurs. In addition, the State Auditor conducts audits of Transportation Development Districts and may conduct audits of school districts.

Qualified voters of a political subdivision, such as cities, school districts, water districts, etc., may request an audit through the petition process.<sup>1</sup>

For a complete listing of audits released in 2012, please see page 22.

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<sup>1</sup> The number of verified signatures required for a petition audit is determined by RSMO §29.230, as depicted in the following table:

<u>No. of Votes in Last Election for Governor</u>	<u>Percent</u>	<u>The Greater of</u> <u>Minimum</u>
Below 1,000	25% of <b>registered</b> voters	-----
1,000 to 4,999	15% of actual votes	200
5,000 to 49,999	10% of actual votes	750
50,000 or more	5% of actual votes	5,000

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## **FISCAL NOTES**

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The State Auditor's office is responsible for assessing the fiscal impact of initiative petitions proposing constitutional or statutory changes that citizens file with the Secretary of State. The fiscal note and fiscal note summary for each petition states the initiative's estimated costs or savings, if any, to state and local governmental entities. Once the Secretary of State certifies the official ballot title, summary statement of the measure, and the fiscal note summary, an initiative petition can be circulated publicly for signatures. Proposals that obtain the required number of signatures within statutory time limits will be voted on by the public at the next statewide General Election.<sup>2</sup>

The office is also responsible for assessing the fiscal impact of joint resolutions adopted by the Missouri General Assembly, proposing constitutional amendments or bills without a fiscal note summary which are to be referred to a public vote. The fiscal note and fiscal note summary for each joint resolution or bill states the measure's estimated costs or savings, if any, to state and local governmental entities.

During 2012, the State Auditor's office received notification to prepare fiscal notes and fiscal note summaries for 35 initiative petitions or joint resolutions. For a complete listing of initiative petitions received by the State Auditor's office in 2012, please see page 36.

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## **BOND REGISTRATION**

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The State Auditor's office is responsible for reviewing and registering general obligation bonds issued by political subdivisions in Missouri to ensure those bonds comply with both state law and the conditions of the contracts under which the bonds were issued. For a complete listing of

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<sup>2</sup> Petitions proposing amendments to the constitution require signatures of 8 percent of the legal voters in each of two-thirds of the congressional districts in the state, and petitions proposing laws must be signed by 5 percent of such voters.

bonds registered in 2012 with the State Auditor's office, please see page 28.

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## REVIEW OF PROPERTY TAX RATES

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State law requires the Missouri State Auditor annually to certify all taxing jurisdictions throughout Missouri as to their compliance with state law and the tax limitation provisions of Article X, Sections 16 through 24, Constitution of Missouri, commonly known as the Hancock Amendment. The State Auditor's office property tax rate report states whether a taxing jurisdiction has met its obligation to set an overall tax rate at a level approved by voters and within the limits set by Missouri law. The Review of 2012 Property Tax Rates is Report No. 2013-012 and is available on our website.

**NOTE:** The State Auditor's office does not have the authority to reduce the tax rate of any taxing jurisdiction. Additionally, the State Auditor's office has no authority to determine or review individual tax assessments. Chapter 138, RSMo, governs the appeals process for assessed valuations of individual taxpayers.

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## STATEMENTS AND TESTIMONY

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The State Auditor is often called upon to advise the governor, legislature, and citizens on matters pertaining to state government operations.

State Auditor Schweich and Deputy State Auditor Harry Otto frequently testify before Missouri legislative committees regarding audits undertaken by this office and the estimated costs associated with proposed legislation. In 2012, the office testified before several legislative committees on a variety of topics, including tax credits, the initiative petition process, the Missouri Employers Mutual audit report, and certain findings in the 2011 Statewide Single Audit.

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## **NEW INITIATIVES WITHIN THE OFFICE**

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Shortly after taking office, Auditor Schweich started the Auditor's Swift Assessment Program (ASAP) to rapidly respond to credible allegations of waste, fraud, or abuse of public monies. ASAP is only activated if there is reason to believe evidence may be destroyed and the ASAP guidelines are met.

Auditor Schweich also formed the Auditor's Follow-up Team to Effect Recommendations (AFTER). Every finding in an audit report is followed by a recommendation to bring the entity into compliance with the law and accepted accounting practices and to improve government accountability, transparency, and efficiency. When applicable, the AFTER returns after an audit and reports on the status of audit recommendations for findings requiring immediate management attention.

In order to facilitate transparency and increase accountability, Auditor Schweich also instituted the Citizens Summary and a rating scale. The Citizens Summary provides readers with a short, plain language summary of each audit, and the rating scale rates the audited entity as Excellent, Good, Fair, or Poor, so readers can tell at a glance how the entity is performing overall in the audited areas.

The State Auditor's office website at <http://auditor.mo.gov> contains a wealth of information and many helpful links. All audit reports issued and bonds registered with the office from 1999 to present and all initiative petitions received by the office from 2003 to present are available on the website. Reports are searchable, listed chronologically, and categorized by subject and by region. The website also includes news releases, employment opportunities, and links for information on petition audits, federal stimulus monies tracking, and various forms.

# 2012 AUDIT HIGHLIGHTS

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## ELECTED OFFICIALS

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The State Auditor is required by state law to conduct audits of the offices of other statewide elected officials. In 2012, the State Auditor's office released reports of the Office of the State Treasurer; the Office of the Attorney General; and the Office of the Governor. Summaries of these reports follow.

### Office of the State Treasurer

The State Auditor's office is required to conduct an annual audit of the Office of State Treasurer. The audit report includes an unqualified opinion on the financial statements of the Office of State Treasurer. No findings resulted from our audit, and, overall, the Office of the State Treasurer received a rating of **Excellent**.

(Report No. 2012-010)

### Office of the Attorney General

The State Auditor found the Attorney General retained the power to reject responses or solicit new responses for contingency fee contracts and accepted campaign contributions from law firms that submitted proposals. The Office of the Attorney General (AGO) did not always prepare and retain documentation related to its selection of legal and expert witness services, and policies and procedures related to timekeeping, tracking costs per case, and performance appraisals need improvement. The audit also noted the AGO had some weaknesses in internal control procedures and had not developed a formal, written contingency plan for resuming normal business operations and recovering computer systems and data in the event of a disaster. In the areas audited, the overall performance of the Office of the Attorney General was **Fair**.

(Report No. 2012-055)

### Office of the Governor

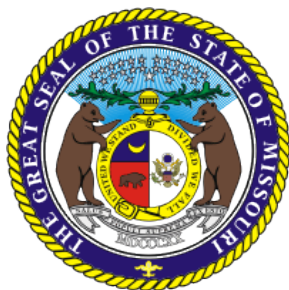
In 2011, the State Auditor's office issued a letter report regarding Governor Nixon's announced withholdings (Report No. 2011-043). The Governor declined to take the recommended action, and the matter is currently pending before the Missouri Supreme Court. In 2012, the State Auditor issued its regularly scheduled audit of the Office of the Governor and found the Governor's office charged approximately \$1.7 million of its office expenses to other state agencies. The Governor's office also lacked documentation to support why lodging expenses were higher than appeared necessary, and it spent \$92,800 in out-of-state flights without evaluating whether commercial flights would be more economical. State law is unclear regarding the use of state resources by the Governor's office for political and personal purposes, the Governor's office lacks adequate capital asset records and procedures, and some entities were not charged for holding an event/function at the mansion. In the areas audited, the overall performance of the Office of the Governor was rated **Fair**.

(Report No. 2012-095)

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## STATE AGENCIES

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The State Auditor conducted various audits of state agencies in 2012, including audits of entire departments, audits of divisions within a department, and audits of certain functions, such as information technology, within a given department or division. Summaries of some of these audits are provided below.

### Department of Natural Resources, Soil and Water Conservation Program

The State Auditor released an audit of the Department of Natural Resources (DNR), Soil and Water Conservation Program (SWCP) and found the SWCP needed to improve its procedures for reviewing and monitoring operations of Soil and Water Conservation Districts. The SWCP did not document its review of district board minutes, did not adequately document project approvals in board minutes, and did not adequately monitor district administrative grant expenditures. The SWCP received an overall audit rating of **Good**.

(Report No. 2012-007)



### **Department of Natural Resources, Division of State Parks**

The State Auditor determined the Department of Natural Resources, Division of State Parks (DSP), needed to improve its procedures for monitoring state park operations. In addition, the DSP lacked adequate control over cash handling and procurement cards. The DSP did not maintain complete records of capital assets and had not updated its policies and procedures manual in a timely manner. In the areas audited, the DSP received an overall audit rating of **Fair**.

(Report No. 2012-024)

### **Office of Administration, Information Technology Services Division**

The State Auditor found the Office of Administration, Information Technology Services Division (ITSD) used over \$2.6 million in state General Revenue Fund monies, rather than the designated appropriated monies, for Unified Communication (UC) system costs and lease/purchase payments. Had the ITSD properly billed users, state agencies may have recovered as much as \$1.274 million in federal reimbursements. The ITSD created an invoice for services that were not performed and then issued a credit to reverse the transaction to prevent General Revenue Fund appropriation spending authority from lapsing. The advance lease payment made with the funds saved the state future interest payments, but the method used was deceptive and circumvented the legislative appropriation process. As noted in prior audits, the ITSD does not have current agreements with state agencies the division serves, so ITSD management does not have minimum performance targets and cannot determine if the IT services it provides meet the needs and expectations of state agency customers. Overall, the performance of the ITSD was rated **Fair**.

(Report No. 2012-073)

### **Department of Insurance, Financial Institutions and Professional Registrations, Division of Finance**

After gaining access to additional information, the State Auditor's office issued a continuation of its audit of the Department of Insurance, Financial Institutions and Professional Registrations, Division of Finance (DOF) released in May 2011 (Report No. 2011-17). The audit determined DOF personnel are now ensuring savings and loan association examinations are performed timely and have made improvements in documenting

examination procedures and supervisory reviews. The DOF had also made improvements in the accuracy and completeness of its examination reports but had not yet implemented the prior recommendation to update its written agreements with the federal agencies and had not worked with the General Assembly to transfer over-assessments from the state's General Revenue Fund to the Division of Finance Fund to reduce future bank assessments. In the areas audited, the overall performance of the DOF was rated **Good**.

(Report No. 2012-097)

### **Department of Economic Development, Division of Business and Community Services**

The Department of Economic Development (DED), Division of Business and Community Services (BCS) failed to perform adequate due diligence for various projects, including the Mamtek USA project. In addition, state law does not prohibit the same project costs from being claimed under more than one tax credit program, and developers can "stack" tax credits without generating additional economic activity or state benefit. The audit also determined that, for the two years ended June 30, 2011, the DED paid over \$149,000 for approximately 160 flights of the Governor's office, of which the BCS was allocated \$79,815 in costs. The overall performance of the BCS in the areas audited was rated **Fair**.

(Report No. 2012-117)

### **Missouri State Public Defender**

Audit staff reviewed the Missouri State Public Defender (MSPD) caseload protocol calculation procedures and noted significant concerns with the methodology and data used to calculate key components and the final calculation as to whether maximum caseload has been exceeded. The MSPD also lacked sufficient policies and procedures for determining indigence and did not always properly charge applicable costs to defendants. The MSPD also had not considered possible opportunities to increase collections and to reduce costs associated with employee travel, transcripts on appeal, contract attorneys and professional consultants, and conflict case management. The overall performance of the MSPD in the areas audited was rated **Fair**.

(Report No. 2012-129)

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## COURTS

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In 2012, the State Auditor conducted audits of various municipal courts, a circuit court, and the Missouri Court of Appeals, Eastern District. The State Auditor has the discretion to audit courts as he deems advisable and will also generally audit the local municipal court when an audit petition is received. Below are summaries of several court audits.

### **Missouri Court of Appeals, Eastern District**

The State Auditor noted that the Missouri Court of Appeals, Eastern District, did not always comply with its administrative bid policy. In addition the court needed to improve its policies and procedures regarding payroll and personnel, receipts and deposits, accounts receivable and capital and library assets. Overall, in the areas audited, the court's performance was **Good**.

(Report No. 2012-020)

### **Nineteenth Judicial Circuit, Cole County Civil and Criminal Division**

After a request from the Presiding Judge, the State Auditor audited the Cole County civil and criminal division operations and determined at least \$14,669 was received by the Circuit Court Criminal Division but not deposited. The Circuit Clerk had failed to implement recommendations made by the Court Administrator, the office of State Courts Administrator and the Presiding Judge, and the audit revealed significant weaknesses in accounting controls and procedures. The court should also improve its law library fund controls and procedures and its parking ticket procedures, and the Circuit Clerk should work to properly disburse the more than \$100,000 held in each of two inactive bank accounts. In the areas audited, the court received an overall rating of **Poor**.

(Report No. 2012-030)

### **Sixteenth Judicial Circuit, City of Lone Jack Municipal Division**

The State Auditor determined the court owed at least an additional \$119,353 to the Department of Revenue (DOR) for the 3 years ended June 30, 2012, for excess revenues generated from fines and court costs for traffic violations occurring on state or federal highways. In addition, the

city did not perform annual excess revenue calculations or make payments of excess revenues to the DOR timely. The overall performance of the court, in the areas audited, was **Fair**.

(Report No. 2012-142)

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## CONTRACT LICENSE OFFICES

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The State Auditor conducted audits of ten contract license offices: Bridgeton (Report No. 2012-119); Jefferson City (Report No. 2012-120); Lebanon (Report No. 2012-121); Potosi (Report No. 2012-122); Sedalia (Report No. 2012-123); Cape Girardeau (Report No. 2012-134); Chesterfield (Report No. 2012-135); Montgomery (Report No. 2012-136); Platte (Report No. 2012-137); and St. Joseph (Report No. 2012-138). We rated eight of the offices **Good** and rated the Cape Girardeau and Lebanon offices **Fair**. Several of the offices need to improve their accounting controls and procedures and their handling of prepayment void transactions. Two of the contract license offices (Bridgeton and St. Joseph) appear to have been used to obtain fraudulent documents for illegal aliens. Upon discovering the frauds, license office managers contacted the Department of Revenue, which began investigations and contacted federal law enforcement officials.

### Department of Revenue and Office of Administration, Contract License Offices, Bidding and Procurement

The State Auditor audited the practices of the Department of Revenue (DOR) and the Office of Administration (OA) for the bidding and procurement of contract license offices. The DOR and OA began awarding points to bidders willing to return a percentage of the earned processing fees to the state, but there is no statutory authority for the return to state provision. Also, the OA did not always reject noncompliant bids/proposals, and the DOR and OA both needed to improve policies and procedures. In the areas audited the overall rating assigned was **Fair**.

(Report No. 2012-028)

### **Department of Revenue, Contract License Offices, Monitoring**

The State Auditor issued an audit of the Department of Revenue's (DOR) monitoring of contract license offices and found the DOR did not ensure contract agents abide by the contract terms. In addition, the payment and waiver of liquidated damages was not adequately monitored and documented, and its internal review section, the Compliance and Investigation Bureau, needed improvement. The DOR did not require contract license personnel to complete fraudulent documentation training. In the areas audited, the entity's overall performance was rated **Fair**.

(Report No. 2012-029)

### **Department of Revenue and Office of Administration, Award and Cancellation of Maplewood (formerly Deer Creek) Contract License Office Contract**

The State Auditor reviewed the decisions made by the Department of Revenue (DOR) and the Office of Administration (OA) in awarding and then cancelling the Maplewood contract license office contract. The DOR and OA did not ensure the financial stability documentation submitted was adequate, resulting in the OA improperly awarding the contract to operate the Maplewood Contract License Office and then neither the DOR nor OA documented its reasons for cancelling the contract. It is unclear why the documentation provided as part of the proposal was considered sufficient at the time the proposal was initially evaluated, but later determined to be unacceptable after the contract had been awarded. In the areas audited, the entity's overall performance was rated **Fair**.

(Report No. 2012-094)

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## **EDUCATION**

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The State Auditor's office conducted various audits related to education during 2012. Some of these audits were based upon statutory authority or obligation, while others arose through the petition process. Summaries of several education-related audits follow.

## **Department of Higher Education, Southeast Missouri State University**

The State Auditor released an audit of Southeast Missouri State University (SEMO) which found the university did not always solicit competitive proposals for professional services, did not retain written agreements for past legal services, and spent over \$60,000 for employee recognition. The university lacked adequate documentation for property lease payments made to the Southeast Missouri University Foundation and for transfers to allocate overhead and shared costs. In addition, the university paid almost \$700,000 in credit card convenience fees instead of requiring credit card users to pay these fees and was unable to determine which employee was responsible for \$1,908 in missing Show-Me Center concession receipts. Overall, the performance of SEMO in the areas audited was rated **Good**.

(Report No. 2012-005)

## **Springfield R-XII School District**

The State Auditor's Office conducted a petition audit of the Springfield R-XII School District and found the district's self-funded medical plan fund was in poor condition. The audit noted significant concerns with the district's efforts to sell certain property and its sales of bonds and certificates. The district did not always enter into written contracts and did not adequately monitor some contracts. The district's policies and procedures regarding disbursements, accounting, stipends, fuel use and purchases, related employees, and school safety were inadequate. The district did not always comply with the Sunshine Law (Chapter 610, RSMo) and had not filled its internal auditor vacancy. Overall, in the areas audited, the district received a rating of **Fair**.

(Report No. 2012-016)

## **Mexico 59 School District**

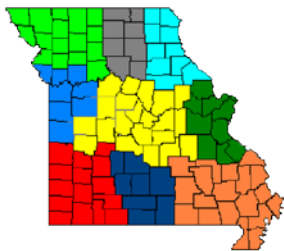
The State Auditor released an audit of the Mexico 59 School District and found the district needed to better segregate accounting duties and improve its monitoring of fuel purchases and vehicle use. In the areas audited, the district was rated **Good**.

(Report No. 2012-128)

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## COUNTIES

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The State Auditor is statutorily obligated to audit counties which do not have a county auditor. The State Auditor issued audit reports related to 39 different counties in 2012. Below are summaries of four such reports.

### Henry County

The State Auditor released an audit of Henry County containing numerous findings. The audit identified serious issues with the offices of the County Collector-Treasurer, Sheriff, Prosecuting Attorney, and Public Administrator. In addition, the county lacked adequate documentation to support various county disbursements and its procurement decisions related to the detention center. In the areas audited, the overall performance of Henry County was rated **Poor**.

(Report No. 2012-049)

### Putnam County

The State Auditor conducted an audit of Putnam County and found the Putnam County Memorial Hospital is in poor financial condition, did not adequately account for capital improvement sales tax monies, and did not always abide by the Sunshine Law. The audit also identified serious shortcomings with the county's disbursements and in the procedures of the Prosecuting Attorney, County Collector-Treasurer, and Sheriff. In the areas audited, the overall performance of Putnam County was rated **Fair**.

(Report No. 2012-058)

### Carter County

The State Auditor issued an audit of Carter County and found that the County Collector could not account for at least \$3,817 in property tax receipts. In addition to the missing money, the audit found the General Revenue Fund is in poor financial condition and uncovered issues with the property tax system, the Sheriff's controls and procedures, and the county's control over disbursements, personnel policies and procedures, and capital assets. In the areas audited, the overall performance of Carter County was rated **Poor**.

(Report No. 2012-124)



## Knox County

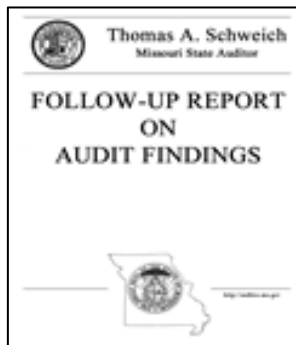
The State Auditor released an audit of Knox County containing numerous findings. The General Revenue Fund and Special Road and Bridge Fund remain in poor financial condition, procedures over property tax additions and abatements are not properly segregated or monitored, the county did not comply with state law with regard to some sales tax issues, and the county incorrectly calculated and reported property tax levy reductions. The county does not adequately document or monitor monies due from material sales and rock purchases, and the Prosecuting Attorney, Sheriff, and county computer systems lack adequate controls. In the areas audited, the overall performance of Knox County was rated **Poor**.

(Report No. 2012-144)

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## FOLLOW-UP

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The State Auditor implemented the Auditor's Follow-up Team to Effect Recommendations (AFTER), which determines whether recommendations for findings requiring immediate management attention have been implemented. The State Auditor issued twenty-two follow-up audit reports in 2012. Below are summaries of four such reports.

### Schuyler County Collector and Property Tax System, Follow-up

The State Auditor issued an audit report of the Schuyler County Collector and Property Tax System in 2011 (Report No. 2011-112) and rated it **Poor**. The audit found at least \$568,974 was missing, and the County Collector ultimately pleaded guilty to theft-related charges. The AFTER assessed the implementation of 7 findings requiring immediate management attention and found all had been implemented or were in progress.

(Report No. 2012-062)

### City of Lanagan, Follow-up

The State Auditor issued an audit report of the City of Lanagan in 2011 (Report No. 2011-105) and rated it **Poor**. Auditors found at least \$13,600 in missing cash receipts and believe at least another \$2,800 in property tax receipts are missing. In addition, the city failed to turn over at least \$36,000 in excess traffic ticket revenues to the Missouri Department of



Revenue, as required by state law, and the Chief of Police has been charged in connection with this failure. AFTER assessed the implementation of 30 findings requiring immediate management attention and found only 5 had been implemented. Seven others were partially implemented or were in progress, but the majority were not implemented.

(Report No. 2012-071)

### **Kansas City 33 School District, Follow-up**

The State Auditor issued an audit report of the Kansas City 33 School District in 2011 (Report No. 2011-082) and rated it **Fair**. AFTER assessed the implementation of 7 findings requiring immediate management attention and found all but one had been implemented or were in progress.

(Report No. 2012-081)

### **Springfield R-XII School District, Follow-up**

The State Auditor issued an audit report of the School District of Springfield, R-XII in 2012 (Report No. 2012-016) and rated it **Fair**. AFTER assessed the implementation of 20 findings requiring immediate management attention and found all but 3 had been implemented or were in progress, and those 3 had been partially implemented.

(Report No. 2012-083)

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## **STATEWIDE SINGLE AUDIT**

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Each year, the State Auditor's office is required to audit the state's financial statements and its use of federal awards, including American Recovery and Reinvestment Act of 2009 (ARRA) funds. The 2011 Statewide Single Audit audited the \$11.24 billion in federal awards spent on major programs by the state. The audit reported that a Low-Income Home Energy Assistance Program (LIHEAP) contractor misused at least \$669,704 in LIHEAP funds before going out of business. Also, as noted in our prior audit, the Department of Health and Senior Services had not conducted the mandatory annual reassessment of eligibility for Medicaid in 78% of the cases we reviewed, and the Department of Social Services-Children's

Division lacked adequate eligibility documentation and had insufficient supporting documentation to ensure payments were proper and benefited only eligible clients.

The Department of Social Services-Family Support Division (DSS-FSD) did not timely update income information and lacked complete eligibility documentation for some Temporary Assistance for Needy Families (TANF) program participants. The DSS-FSD also failed to sanction the benefits of some participants who failed to cooperate with Child Support Enforcement procedures and claimed over \$44 million in unallowable costs under the TANF program.

The Department of Labor and Industrial Relations lacked adequate controls and procedures to manage unemployment benefits, and the Department of Public Safety lacked adequate controls and procedures to ensure costs and activities were allowable. Several agencies failed to monitor their subrecipients adequately, and the Department of Social Services MO HealthNet Division lacked adequate controls over Medicaid-related reports. No findings were made with respect to the Missouri Department of Transportation, Department of Mental Health or Department of Natural Resources. Given the compound nature of this audit report, no rating was assigned.

(Report No. 2012-026)

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## MISCELLANEOUS

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In addition to elected officials, school districts and universities, courts, state agencies, contract license offices, federal awards, and third class counties, the State Auditor audits boards, commissions, and transportation development districts. Moreover, upon receipt of a petition bearing a sufficient number of valid signatures, the

State Auditor shall conduct an audit of any political subdivision, for which the political subdivision bears the cost. Below are summaries of some of the above-described audits released in 2012.

### **Transportation Development Districts**

The State Auditor released a review of the Transportation Development Districts as of December 31, 2010 which found vendors in two districts remitted sales tax collections directly to the districts instead of the Department of Revenue, as required by state law. Thirty-five of the 171 districts filed their financial statements/audit reports with the State Auditor's office late or not at all, but, while a fine for late filing of financial statements is provided, state law does not establish the agency responsible for the assessment and collection authority of the fines. Because of the compound nature of this audit report, no overall rating was assigned.

(Report No. 2012-013)

### **Monarch Fire Protection District**

The State Auditor audited the Monarch Fire Protection District at the request of Governor Nixon. The audit found the district paid some retirement incentives which were not allowed by state law and needed to improve its expenditure review and approval procedures. The district did not always comply with the Sunshine Law and needs to improve its procedures related to salary surveys, bank reconciliations, capital assets, and fuel and vehicle use. In the areas audited, the district's overall performance was rated **Fair**.

(Report No. 2012-008)

### **Missouri Employers Mutual Insurance Company**

The State Auditor conducted the first state audit of Missouri Employers Mutual Insurance Company (MEM), a "public corporation" created by Missouri statute. MEM has saved approximately \$50 million due to its tax-exempt status and has accumulated a surplus of approximately \$163 million but has not declared a dividend. Despite its tax-exempt status, MEM denies it is a quasi-public governmental body and, therefore, does not comply with the Sunshine Law. MEM paid over \$15 million in compensation and \$2 million in employee incentive bonuses for approximately 200 employees and made other expenditures, including more than \$300,000 for a Hawaiian retreat; \$280,000 to sponsor, donate or contribute to various events and entities; and nearly \$100,000 for sporting event tickets, which would be considered excessive if MEM is determined to be a public entity. In addition, MEM's former Chief Executive Officer pleaded guilty to misusing MEM's funds in connection with certain political contributions. Because of the nature of this audit, no overall rating was assigned.

(Report No. 2012-011)

### **Summary of State and Local Audit Findings-Sunshine Law**

This audit report summarizes recent audit issues and recommendations related to the Sunshine Law. Some entities did not maintain formal minutes for open and/or closed meetings, did not ensure minutes contained all information required by law, discussed unallowable topics during closed meetings, lacked adequate policies and procedures regarding public access to records, and did not prepare, post and/or retain tentative agendas. Because of the limited objective of this report, no overall rating was assigned.

(Report No. 2012-019)

### **Statewide Year End Spending Practices**

This audit was conducted to determine if the state follows sound financial and management practices with respect to year end spending. The audit found the Department of Corrections made several purchases at year end for items which substantially increased inventory levels or which were still not in use months later. The Office of Administration issued a vendor check at year end but held the check for nearly 3 months until the project was complete. The Office of Administration also used General Revenue Fund monies to make an advance payment on the State Data Center lease and transferred payments of approximately \$1.6 million from a dedicated fund for a unified communications systems to the General Revenue Fund. The audit report also contained findings in the Office of State Courts Administrator, Department of Mental Health, and Department of Revenue. Because of the compound nature of this audit, no overall rating was assigned.

(Report No. 2012-044)

### **Department of Economic Development, Missouri Quality Jobs Tax Incentive Program**

The State Auditor conducted an audit of the Missouri Quality Jobs Tax Incentive Program, which provides tax incentives to qualified companies for facilitating the creation of new, or retention of existing, jobs in Missouri. The audit found the economic impact of the program was significantly overstated, and the Department of Economic Development did not adequately oversee companies receiving these tax credits. The program is difficult to administer and monitor, and there is no limit on the amount of tax withholdings allowed to be retained. In the areas audited, the overall performance of this entity was rated **Poor**.

(Report No. 2012-065)

### **Kansas City Board of Police Commissioners**

The State Auditor released an audit of the Kansas City Board of Police Commissioners and recommended that the board reconsider the number of vehicles it assigns to personnel on standby or call back status and the structure of its tuition reimbursement program. Some expenditures did not appear necessary or prudent, and the board did not always comply with the Sunshine Law. The board charges less than the calculated fee for report reproduction and criminal record checks, and needs to improve its procedures for tracking capital assets and disposing of evidence with no evidentiary value. In the areas audited, the overall performance of the Kansas City Board of Police Commissioners was rated **Good**.

(Report No. 2012-082)

### **Lake Lotawana Community Improvement District**

The State Auditor conducted a petition audit of the Lake Lotawana Community Improvement District (CID), which is in poor financial condition and filed for Chapter 9 bankruptcy. The CID did not always comply with state law regarding meeting minutes, budgets, and financial reporting. Two former Board members voted to approve a loan to the company they represent and continue to serve on the Board after they were no longer eligible. In the areas audited, the overall performance of the Lake Lotawana Community Improvement District was rated **Poor**.

(Report No. 2012-133)

## Audit Reports Released by the Missouri State Auditor's Office in 2012

Audit	Date Issued	Audit Number
Statewide Comparative Audit - Overspending	12-2012	2012-146
McDonald County	12-2012	2012-145
Knox County	12-2012	2012-144
St. Louis Convention Center Hotel Transportation Development District	11-2012	2012-143
Sixteenth Judicial Circuit - City of Lone Jack Municipal Division	11-2012	2012-142
Revenue - Missouri State Lottery Commission	11-2012	2012-141
Follow-Up Report On Audit Findings- Pemiscot County	11-2012	2012-140
Pike County - Financial Statements	11-2012	2012-139
Revenue - St. Joseph Contract License Office	11-2012	2012-138
Revenue - Platte City Contract License Office	11-2012	2012-137
Revenue - Montgomery City Contract License Office	11-2012	2012-136
Revenue - Chesterfield Contract License Office	11-2012	2012-135
Revenue - Cape Girardeau Contract License Office	11-2012	2012-134
Lake Lotawana Community Improvement District	10-2012	2012-133
Fourteenth Judicial Circuit City of Clark Municipal Division	10-2012	2012-132
Twenty-First Judicial Circuit City of Moline Acres Municipal Division	10-2012	2012-131
Village of Altamont	10-2012	2012-130
Missouri State Public Defender	10-2012	2012-129
Mexico 59 School District	10-2012	2012-128
Vernon County	10-2012	2012-127
Polk County	10-2012	2012-126
Montgomery County	10-2012	2012-125
Carter County	10-2012	2012-124

Revenue - Sedalia Contract License Office	10-2012	2012-123
Revenue - Potosi Contract License Office	10-2012	2012-122
Revenue - Lebanon Contract License Office	10-2012	2012-121
Revenue - Jefferson City Contract License Office	10-2012	2012-120
Revenue - Bridgeton Contract License Office	10-2012	2012-119
Benton County	10-2012	2012-118
Economic Development - Division of Business and Community Services	09-2012	2012-117
Toad Cove Complex Transportation Development District and Toad Cove Resort Transportation Development District	09-2012	2012-116
Stardust-Munger-Diamond Transportation Development District	09-2012	2012-115
Knox County - Financial Statements	09-2012	2012-114
Vernon County - Financial Statements	09-2012	2012-113
Montgomery County - Financial Statements	09-2012	2012-112
Follow-Up Report On Audit Findings - Nineteenth Judicial Circuit - Cole County Civil and Criminal Divisions	09-2012	2012-111
Linn County	09-2012	2012-110
Lawrence County	09-2012	2012-109
Highway 61/State Highway U Transportation Development District	09-2012	2012-108
Carter County - Financial Statements	09-2012	2012-107
Mississippi County - Financial Statements	09-2012	2012-106
Caldwell County - Financial Statements	09-2012	2012-105
Harrisonville Towne-Center Transportation Development District	09-2012	2012-104
Oregon County - Financial Statements	09-2012	2012-103
Livingston County - Financial Statements	09-2012	2012-102
Linn County - Financial Statements	09-2012	2012-101
Chariton County - Financial Statements	09-2012	2012-100
Bollinger County - Financial Statements	09-2012	2012-99
Cripple Creek Transportation Development District	09-2012	2012-98



Department of Insurance, Financial Institutions and Professional Registration - Division of Finance	09-2012	2012-97
Public Safety-Missouri State Highway Patrol's Use of Highway Funds	09-2012	2012-96
Office of Governor	09-2012	2012-95
Revenue / Procurement of Maplewood (Formerly Deer Creek) Contract License Office	08-2012	2012-94
Wright County - Financial Statements	08-2012	2012-93
Wayne County - Financial Statements	08-2012	2012-92
Shelby County - Financial Statements	08-2012	2012-91
Polk County - Financial Statements	08-2012	2012-90
Cedar County - Financial Statements	08-2012	2012-89
Benton County - Financial Statements	08-2012	2012-88
Bates County - Financial Statements	08-2012	2012-87
Manchester Highlands Transportation Development District	08-2012	2012-86
Ballwin Town Center Transportation Development District	08-2012	2012-85
Seventeenth Judicial Circuit City of Lake Winnebago Municipal Division	08-2012	2012-84
Follow-Up Report on Audit Findings - The School District Of Springfield, R-XII	08-2012	2012-83
Kansas City Board of Police Commissioners	08-2012	2012-82
Follow-Up Report On Audit Findings - Kansas City 33 School District	08-2012	2012-81
City of Clarksdale	08-2012	2012-80
Truman Road Transportation Development District	08-2012	2012-79
Fortieth Judicial Circuit - City of Diamond Municipal Division	08-2012	2012-78
Follow-Up Report On Audit Findings - Village of Riverview	07-2012	2012-77
Glenwood-Watson Transportation Development District	07-2012	2012-76
Douglas Square Transportation Development District	07-2012	2012-75
Sixteenth Judicial Circuit - City of Buckner Municipal Division	07-2012	2012-74
Administration - Information Technology Services Division	07-2012	2012-73



Follow-Up Report On Audit Findings - Fortieth Judicial Circuit City of Lanagan Municipal Division	07-2012	2012-72
Follow-Up Report On Audit Findings - City of Lanagan	07-2012	2012-71
Follow-Up Report On Audit Findings - City of Mountain Grove	07-2012	2012-70
Chariton County	07-2012	2012-69
Clark County	07-2012	2012-68
Follow-Up Report On Audit Findings - Ray County	07-2012	2012-67
Sullivan County	07-2012	2012-66
Economic Development - Missouri Quality Jobs Tax Incentive Program	07-2012	2012-65
Gentry County Financial Statements	06-2012	2012-64
Follow-Up Report On Audit Findings Schuyler County	06-2012	2012-63
Follow-Up Report On Audit Findings Schuyler County Collector And Property Tax System	06-2012	2012-62
Wright County	06-2012	2012-61
Butler County	06-2012	2012-60
Follow-Up Report On Audit Findings Dunklin County	06-2012	2012-59
Putnam County	06-2012	2012-58
Barton County - Financial Statements	06-2012	2012-57
McDonald County - Financial Statements	06-2012	2012-56
Office of Attorney General	06-2012	2012-55
Follow-Up Report On Audit Findings Monarch Fire Protection District	06-2012	2012-54
Ripley County	06-2012	2012-53
Ralls County	06-2012	2012-52
City of Peculiar	06-2012	2012-51
City of Forsyth	06-2012	2012-50
Henry County	06-2012	2012-49
Follow-Up Report On Audit Findings Monroe County	06-2012	2012-48
City of Hume	06-2012	2012-47

North Main/Malone Transportation Development District	06-2012	2012-46
Follow-Up Report On Audit Findings Pulaski County	06-2012	2012-45
Statewide Year End Spending Practices	06-2012	2012-44
Sullivan County - Financial Statements	06-2012	2012-43
Forsythe Road Transportation Development District	06-2012	2012-42
Carroll County	05-2012	2012-41
Stone County	05-2012	2012-40
Branson Landing Transportation Development District	05-2012	2012-39
Follow-Up Report On Audit Findings - Village of Rayville	05-2012	2012-38
Follow-Up Report On Audit Findings - Thirty-Eighth Judicial Circuit - City of Sparta Municipal Division	05-2012	2012-37
Follow-Up Report On Audit Findings - Thirty-Fourth Judicial Circuit - City of Howardville Municipal Division	05-2012	2012-36
Follow-Up Report On Audit Findings - City of Howardville	05-2012	2012-35
Review of 2010 Audits of Law Enforcement Agencies Participating in the Federal Forfeiture System	05-2012	2012-34
Summary of 2011 Follow-Up Reports	04-2012	2012-33
Holt County	04-2012	2012-32
Follow-Up Report On Audit Findings - City of Pacific	04-2012	2012-31
Nineteenth Judicial Circuit, Cole County Civil and Criminal Divisions	04-2012	2012-30
Revenue Contract License Offices Monitoring	04-2012	2012-29
Revenue and Administration Contract License Offices Bidding and Procurement	04-2012	2012-28
Follow-Up Report On Audit Findings Douglas County	04-2012	2012-27
State of Missouri Single Audit	03-2012	2012-26
Administration Review of Article X, Sections 16 Through 24, Constitution of Missouri	03-2012	2012-25
Natural Resources Division of State Parks	03-2012	2012-24
Putnam County - Financial Statements	03-2012	2012-23
Howard County Follow Up Audit	03-2012	2012-22

Independence Avenue and Colbern Road Transportation Development District	03-2012	2012-21
JUDICIARY Missouri Court of Appeals Eastern District	03-2012	2012-20
Summary of State and Local Audit Findings - Sunshine Law	03-2012	2012-19
Audrain County Collector and Property Tax System	03-2012	2012-18
DeKalb County	03-2012	2012-17
The School District of Springfield, R-XII	03-2012	2012-16
Thirty-Eighth Judicial Circuit City of Forsyth Municipal Division	02-2012	2012-15
Seventeenth Judicial Circuit City of Peculiar Municipal Division	02-2012	2012-14
Transportation Development Districts	02-2012	2012-13
Compilation of 2011 Criminal Activity Forfeiture Act Seizures	02-2012	2012-12
Missouri Employers Mutual Insurance Company	02-2012	2012-11
Office of State Treasurer	02-2012	2012-10
Schuyler County	02-2012	2012-09
Monarch Fire Protection District	02-2012	2012-08
Natural Resources / Soil and Water Conservation Program	02-2012	2012-07
Ray County - Financial Statements	02-2012	2012-06
Higher Education / Southeast Missouri State University	02-2012	2012-05
Nodaway County	02-2012	2012-04
Twenty-First Judicial Circuit / City of Brentwood Municipal Division	01-2012	2012-03
Comprehensive Annual Financial Report / Year Ended June 30, 2011	01-2012	2012-02
Madison County	01-2012	2012-01

## **Bonds Registered with the Missouri State Auditor's Office in 2012**

Date of Registration	Bonds Issued By	Amount of Issue
12-27-2012	<b>City of Raymore</b>	\$9,335,000.00
12-27-2012	<b>Greene County Reorganized School District No. 3 (Republic)</b>	\$1,780,000.00
12-27-2012	<b>Sni-Valley Fire Protection District</b>	\$940,000.00
12-27-2012	<b>Jefferson City School District</b>	\$9,335,000.00
12-27-2012	<b>School District of Webster Groves</b>	\$9,595,000.00
12-27-2012	<b>City of Wildwood, Neighborhood Improvement District</b>	\$1,910,000.00
12-27-2012	<b>Pattonville Fire Protection District</b>	\$1,500,000.00
12-19-2012	<b>Fulton School District No. 58</b>	\$8,350,000.00
12-19-2012	<b>West Nodaway County R-I School District</b>	\$880,000.00
12-19-2012	<b>Boonville R-I School District</b>	\$2,855,000.00
12-14-2012	<b>Halfway R-III School District</b>	\$1,335,000.00
12-14-2012	<b>New Haven School District</b>	\$1,475,000.00
12-11-2012	<b>Strafford R-VI School District</b>	\$2,300,000.00
12-11-2012	<b>Dexter R-XI School District</b>	\$2,600,000.00
12-03-2012	<b>City of Webb City</b>	\$4,815,000.00
11-29-2012	<b>City of Silex</b>	\$250,000.00
11-28-2012	<b>Billings R-IV School District</b>	\$3,080,000.00
11-27-2012	<b>City of St. Peters</b>	\$4,000,000.00
11-27-2012	<b>City of Olivette, Neighborhood Improvement District</b>	\$730,000.00
11-19-2012	<b>School District of the City of St. Charles</b>	\$9,890,000.00
11-15-2012	<b>Midway R-I School District</b>	\$1,755,000.00
11-13-2012	<b>West County EMS &amp; Fire Protection District</b>	\$2,500,000.00
11-07-2012	<b>Marionville R-IX School District</b>	\$1,300,000.00

11-06-2012	<b>Consolidated School District No. 6</b>	\$9,750,000.00
11-06-2012	<b>Laquey R-V School District</b>	\$625,000.00
11-01-2012	<b>City of Velda City</b>	\$500,000.00
10-31-2012	<b>Putnam County, Missouri</b>	\$7,630,000.00
10-31-2012	<b>City of Peculiar</b>	\$1,039,998.80
10-24-2012	<b>Green Ridge R-VIII School District</b>	\$650,000.00
10-24-2012	<b>Brookfield R-III School District</b>	\$1,675,000.00
10-23-2012	<b>City of Butterfield</b>	\$200,000.00
10-17-2012	<b>Hughes Township, Nodaway County</b>	\$130,000.00
10-17-2012	<b>Green Township, Nodaway County</b>	\$190,000.00
10-17-2012	<b>Weaubleau R-III School District</b>	\$1,270,000.00
10-17-2012	<b>City of Dardenne Prairie</b>	\$1,240,000.00
10-11-2012	<b>Spanish Lake Fire Protection District</b>	\$1,525,000.00
10-10-2012	<b>St. Charles County Ambulance District</b>	\$1,300,000.00
10-09-2012	<b>Lake Ozark Fire Protection District</b>	\$5,355,000.00
10-09-2012	<b>Marion C. Early R-V School District</b>	\$1,300,000.00
10-03-2012	<b>Eldon R-I School District</b>	\$9,105,000.00
10-03-2012	<b>Northwest R-I School District</b>	\$8,740,000.00
10-03-2012	<b>Eldon R-I School District</b>	\$600,000.00
10-03-2012	<b>Kennett School District No. 39</b>	\$6,800,000.00
10-03-2012	<b>State of Missouri, Fourth State Building</b>	\$100,395,000.00
10-03-2012	<b>State of Missouri, Water Pollution Control</b>	\$62,460,000.00
09-25-2012	<b>City of St. Charles, Neighborhood Improvement District</b>	\$18,385,000.00
09-24-2012	<b>Hillsboro R-III School District</b>	\$4,500,000.00
09-21-2012	<b>Platte County R-III School District</b>	\$9,700,000.00
09-19-2012	<b>Grain Valley R-V School District</b>	\$4,845,000.00
09-18-2012	<b>West Peculiar Fire Protection District</b>	\$1,020,000.00

09-18-2012	<b>Smithville R-II School District</b>	\$3,550,000.00
09-13-2012	<b>El Dorado Springs R-II School District</b>	\$1,950,000.00
09-12-2012	<b>The School District of St. Joseph</b>	\$1,130,000.00
09-12-2012	<b>The School District of St. Joseph</b>	\$9,980,000.00
09-12-2012	<b>Mirabile C-1 School District</b>	\$175,000.00
09-11-2012	<b>Jefferson County Neighborhood Improvement District</b>	\$1,009,993.60
09-11-2012	<b>Kingsville R-I School District</b>	\$1,200,000.00
09-06-2012	<b>Parkway C-2 School District</b>	\$6,250,000.00
09-05-2012	<b>City of Rolla</b>	\$3,445,000.00
08-29-2012	<b>Odessa R-VII School District</b>	\$9,815,000.00
08-28-2012	<b>Hancock Place School District</b>	\$5,000,000.00
08-23-2012	<b>Thayer R-II School District</b>	\$1,620,000.00
08-14-2012	<b>Webster County, Neighborhood Improvement District</b>	\$60,000.00
08-09-2012	<b>Hannibal 60 School District</b>	\$3,310,000.00
08-09-2012	<b>City of Liberty</b>	\$10,230,000.00
08-09-2012	<b>Joplin Schools</b>	\$35,000,000.00
08-08-2012	<b>Miller County Nursing Home District</b>	\$1,700,000.00
08-08-2012	<b>Pike County R-III School District</b>	\$1,050,000.00
08-02-2012	<b>Holden R-III School District</b>	\$1,980,000.00
07-30-2012	<b>Higbee R-VIII School District</b>	\$1,200,000.00
07-30-2012	<b>Marquand-Zion R-VI School District</b>	\$518,000.00
07-26-2012	<b>Greene County, Neighborhood Improvement District</b>	\$3,305,000.00
07-26-2012	<b>Greene County, Neighborhood Improvement District</b>	\$5,405,000.00
07-26-2012	<b>Greene County, Neighborhood Improvement District</b>	\$8,560,000.00
07-24-2012	<b>Boles Fire Protection District</b>	\$2,960,000.00
07-19-2012	<b>Central Jackson County Fire Protection District</b>	\$7,325,000.00
07-13-2012	<b>Ballard R-II School District</b>	\$660,000.00

07-13-2012	<b>Greenfield R-IV School District</b>	\$1,535,000.00
07-10-2012	<b>Knox County R-I School District</b>	\$2,760,000.00
07-10-2012	<b>Greene County Reorganized School District No. 3 (Republic)</b>	\$8,000,000.00
07-10-2012	<b>Southern Boone County Fire Protection District</b>	\$2,000,000.00
07-09-2012	<b>Pattonville R-III School District</b>	\$20,205,000.00
07-06-2012	<b>City of New Bloomfield</b>	\$365,000.00
07-06-2012	<b>Johnson County R-VII School District</b>	\$2,300,000.00
07-06-2012	<b>Clearwater R-I School District</b>	\$384,053.00
07-06-2012	<b>Clearwater R-I School District</b>	\$2,615,947.00
07-02-2012	<b>Adair County R-I School District</b>	\$1,100,000.00
06-29-2012	<b>Belton School District #124</b>	\$21,420,000.00
06-27-2012	<b>East Prairie R-II School District</b>	\$385,118.00
06-27-2012	<b>East Prairie R-II School District</b>	\$1,114,882.00
06-27-2012	<b>City of Blue Springs</b>	\$7,690,000.00
06-26-2012	<b>North St. Francois County R-I School District</b>	\$4,140,000.00
06-25-2012	<b>City of Pasadena Hills</b>	\$1,250,000.00
06-25-2012	<b>Reorganized School District R-II</b>	\$9,000,000.00
06-25-2012	<b>Sullivan School District</b>	\$1,755,000.00
06-25-2012	<b>City of Hazelwood</b>	\$5,289,046.70
06-21-2012	<b>Rolla School District No. 31</b>	\$6,785,000.00
06-12-2012	<b>Neosho R-V School District</b>	\$9,300,000.00
06-12-2012	<b>City of Lake Winnebago</b>	\$250,000.00
06-12-2012	<b>La Plata R-II School District</b>	\$1,200,000.00
06-06-2012	<b>Paris R-II School District</b>	\$1,200,000.00
06-05-2012	<b>Delta R-V School District</b>	\$2,600,000.00
06-05-2012	<b>Grandview R-II School District</b>	\$1,700,000.00
06-04-2012	<b>Tarkio R-I School District</b>	\$352,151.00

06-04-2012	<b>Miller R-II School District</b>	\$5,130,000.00
05-31-2012	<b>Excelsior Springs 40 School District</b>	\$2,350,000.00
05-31-2012	<b>Excelsior Springs 40 School District</b>	\$2,870,000.00
05-31-2012	<b>Fair Grove R-X School District</b>	\$2,000,000.00
05-30-2012	<b>South Nodaway County R-IV School District</b>	\$1,100,000.00
05-30-2012	<b>Kingston K-14 School District</b>	\$3,300,000.00
05-30-2012	<b>Van-Far R-I School District</b>	\$1,400,000.00
05-29-2012	<b>Central R-III School District</b>	\$2,650,000.00
05-29-2012	<b>Hickman Mills C-1 School District</b>	\$6,260,000.00
05-29-2012	<b>City of Black Jack</b>	\$2,739,989.50
05-22-2012	<b>Marion County R-II School District</b>	\$575,000.00
05-18-2012	<b>Strasburg C-3 School District</b>	\$500,000.00
05-18-2012	<b>Oak Ridge R-VI School District</b>	\$1,500,000.00
05-18-2012	<b>Nevada R-V School District</b>	\$5,975,000.00
05-18-2012	<b>New Franklin R-I School District</b>	\$1,390,000.00
05-10-2012	<b>Festus R-VI School District</b>	\$5,000,000.00
05-10-2012	<b>Grain Valley R-V School District</b>	\$3,000,000.00
05-07-2012	<b>Concordia R-II School District</b>	\$3,150,000.00
05-07-2012	<b>Reorganized School District R-1</b>	\$6,730,000.00
05-07-2012	<b>Branson Reorganized School District No. 4</b>	\$33,750,000.00
05-07-2012	<b>Lincoln County R-III School District</b>	\$3,000,000.00
05-07-2012	<b>Crystal City School District No. 47</b>	\$500,000.00
05-01-2012	<b>Reorganized School District No. 7</b>	\$17,385,000.00
05-01-2012	<b>Buchanan County R-IV School District</b>	\$1,395,000.00
05-01-2012	<b>School District of Jennings</b>	\$5,900,000.00
05-01-2012	<b>Park Hill School District</b>	\$38,500,000.00
05-01-2012	<b>City of Carl Junction</b>	\$4,485,000.00



05-01-2012	<b>Consolidated School District No. 4</b>	\$1,500,000.00
05-01-2012	<b>Consolidated School District No. 4</b>	\$5,500,000.00
04-24-2012	<b>Fayette R-III School District</b>	\$2,085,000.00
04-24-2012	<b>North Kansas City School District 74</b>	\$31,645,000.00
04-17-2012	<b>City of Richmond Heights</b>	\$2,570,000.00
04-16-2012	<b>Greenville R-II School District</b>	\$3,610,000.00
04-12-2012	<b>City of Senath</b>	\$500,000.00
04-10-2012	<b>Consolidated School District No. 4</b>	\$9,650,000.00
04-09-2012	<b>Center School District No. 58</b>	\$6,314,973.00
04-03-2012	<b>Stone County</b>	\$1,115,000.00
04-03-2012	<b>The School District of Columbia</b>	\$59,710,000.00
04-03-2012	<b>Nixa Reorganized School District R-2</b>	\$9,000,000.00
03-26-2012	<b>Reorganized School District No. 7</b>	\$5,080,000.00
03-23-2012	<b>The School District of Springfield R-12</b>	\$28,265.00
03-23-2012	<b>Parkway C-2 School District</b>	\$1,855,000.00
03-23-2012	<b>Parkway C-2 School District</b>	\$23,365,000.00
03-23-2012	<b>Ferguson Reorganized School District R-2</b>	\$15,000,000.00
03-19-2012	<b>Hazelwood School District</b>	\$61,450,000.00
03-14-2012	<b>Malden R-I School District</b>	\$3,200,000.00
03-13-2012	<b>North Callaway County R-I School District</b>	\$2,915,000.00
03-13-2012	<b>Moniteau County R-I School District</b>	\$4,400,000.00
03-12-2012	<b>Crocker R-II School District</b>	\$865,000.00
03-12-2012	<b>Oak Grove R-VI School District</b>	\$2,500,000.00
03-12-2012	<b>King City R-I School District</b>	\$720,000.00
03-12-2012	<b>Platte County</b>	\$8,600,000.00
03-12-2012	<b>City of Platte City</b>	\$2,790,000.00
03-12-2012	<b>City of Platte City</b>	\$1,255,000.00

03-12-2012	<b>Lone Jack C-6 School District</b>	\$3,310,000.00
03-12-2012	<b>Pleasant Hope R-VI School District</b>	\$1,245,000.00
03-12-2012	<b>Windsor C-1 School District</b>	\$2,750,000.00
03-08-2012	<b>Fort Zumwalt School District</b>	\$5,715,000.00
03-08-2012	<b>Braymer C-4 School District</b>	\$365,000.00
03-08-2012	<b>Union R-XI School District</b>	\$6,250,000.00
03-07-2012	<b>Hancock Place School District</b>	\$5,000,000.00
03-05-2012	<b>Francis Howell R-III School District</b>	\$4,765,000.00
03-05-2012	<b>Francis Howell R-III School District</b>	\$1,680,000.00
03-05-2012	<b>Orchard Farm R-V School District</b>	\$3,475,000.00
03-02-2012	<b>Valley Park School District</b>	\$2,250,000.00
03-01-2012	<b>Gascanade County R-II School District</b>	\$3,865,000.00
03-01-2012	<b>Chillicothe R-II School District</b>	\$6,795,000.00
03-01-2012	<b>Hickory County R-I School District</b>	\$1,440,000.00
03-01-2012	<b>Marion C. Early R-V School District</b>	\$920,000.00
03-01-2012	<b>Liberty Public School District No. 53</b>	\$14,785,000.00
03-01-2012	<b>Nixa Reorganized School District No. R-2</b>	\$2,205,000.00
02-28-2012	<b>Lindbergh Schools</b>	\$9,070,000.00
02-28-2012	<b>Lawson Reorganized School District No. R-XIV</b>	\$3,835,000.00
02-28-2012	<b>Webb City R-VII School District</b>	\$5,200,000.00
02-28-2012	<b>Aurora Reorganized School District No. R-VIII</b>	\$6,975,000.00
02-27-2012	<b>St. James R-I School District</b>	\$1,640,000.00
02-16-2012	<b>Normandy School District</b>	\$10,000,000.00
02-15-2012	<b>The Junior College of East Central Missouri</b>	\$2,345,000.00
02-08-2012	<b>Cameron R-I School District</b>	\$3,110,000.00
02-08-2012	<b>New Bloomfield R-III School District</b>	\$1,130,000.00
01-31-2012	<b>School District of University City</b>	\$3,100,000.00

01-31-2012	<b>Fort Zumwalt School District</b>	\$2,175,000.00
01-31-2012	<b>Fort Zumwalt School District</b>	\$2,695,000.00
01-30-2012	<b>City of Manchester</b>	\$3,185,000.00
01-25-2012	<b>St. Clair R-XIII School District</b>	\$8,415,000.00
01-24-2012	<b>Wheaton R-III School District</b>	\$880,000.00
01-24-2012	<b>Winfield R-IV School District</b>	\$1,380,000.00
01-23-2012	<b>Ritenour School District</b>	\$13,939,892.70
01-23-2012	<b>Pattonville R-III School District</b>	\$10,070,000.00
01-18-2012	<b>Mexico School District No. 59</b>	\$4,250,000.00
01-13-2012	<b>Carl Junction R-I School District</b>	\$2,000,000.00
01-10-2012	<b>Strafford R-VI School District</b>	\$2,570,000.00
01-10-2012	<b>Monroe City R-I School District</b>	\$1,005,000.00
01-09-2012	<b>Hallsville R-IV School District</b>	\$1,845,000.00
01-09-2012	<b>Holden R-III School District</b>	\$5,055,000.00
01-09-2012	<b>DeSoto School District #73</b>	\$8,030,000.00
01-03-2012	<b>Mansfield R-IV School District</b>	\$1,765,000.00

## Initiative Petitions Received by the Missouri State Auditor's Office in 2012<sup>3</sup>

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
12-01	01/04/2012	<b>Proposed Constitutional Amendment - Article III, (Patek) - Modification to Maximum or Minimum Loan Rate</b>	02/03/2012
12-02	01/10/2012	<b>Proposal Related to Chapters 149 and 196, RSMo, version d (Hess) - Tobacco Tax</b>	02/08/2012
12-03	01/10/2012	<b>Proposal Related to Chapters 149 and 196, RSMo, version e (Hess) - Tobacco Tax</b>	02/08/2012
12-04	01/10/2012	<b>Proposal Related to Chapters 149 and 196, RSMo, version f (Hess) - Tobacco Tax</b>	02/08/2012
12-05	01/10/2012	<b>Proposal Related to Chapters 149 and 196, RSMo, version g (Hess) - Tobacco Tax</b>	02/08/2012
12-06	01/10/2012	<b>Proposal Related to Chapters 149 and 196, RSMo, version h (Hess) - Tobacco Tax</b>	02/08/2012
12-07	01/10/2012	<b>Proposal Related to Chapters 149 and 196, RSMo, version i (Hess) - Tobacco Tax</b>	02/08/2012
12-08	01/17/2012	<b>Proposed Constitutional Amendment - Article III, version 2, (Patek) - Modification to Loan Rate</b>	02/14/2012
12-09	01/18/2012	<b>Proposed Constitutional Amendment - Article IX (Ellinger) - Teacher Tenure</b>	02/16/2012
12-10	01/20/2012	<b>Proposed Constitutional Amendment - Article III (Jones) - Missouri Stem Cell Research and Cures Initiative</b>	02/21/2012
12-11	02/01/2012	Proposed Constitutional Amendment - Article X, version 1, (Patek) - Alcoholic Beverage Taxes	Rejected by Sec of State

<sup>3</sup> This list contains only those initiative petitions received in 2012 that had been certified, withdrawn, or rejected as of the date of this report.

12-12	02/01/2012	Proposed Constitutional Amendment - Article X, version 2, (Patek) - Beverage Taxes	Rejected by Sec of State
12-13	02/17/2012	<b>Proposed Constitutional Amendment - Article X, version 3 (Patek) - Beverage Taxes</b>	03/19/2012
12-14	02/17/2012	<b>Proposed Constitutional Amendment - Article X, version 4 (Patek) - Alcoholic Beverage Taxes</b>	03/19/2012
12-15	05/30/2012	<b>Senate Joint Resolution No. 51 - Changes to the court plan</b>	07/03/2012
12-16	05/30/2012	<b>Senate Bill No. 464 - Establishing state-based health benefit exchange</b>	07/03/2012
14-001	11/08/2012	Proposal Related to Chapter 213, RSMo (Malin) - Nondiscrimination Protection, Missouri Fairness In Housing and Employment Initiative	Withdrawn by Petitioner
14-002	11/09/2012	<b>Proposed Constitutional Amendment - Article I, version 1 (Calzone) - Eminent Domain</b>	12/11/2012
14-003	11/09/2012	<b>Proposed Constitutional Amendment - Article I, version 2 (Calzone) - Eminent Domain</b>	12/11/2012
14-004	11/09/2012	<b>Proposed Constitutional Amendment - Article VI, version 1 (Calzone) - Public Nuisances</b>	12/11/2012
14-005	11/09/2012	<b>Proposed Constitutional Amendment - Article VI, version 2 (Calzone) - Public Nuisances</b>	12/11/2012
14-006	11/19/2012	<b>Proposal Related to Chapter 213, RSMo, version 2 (Malin) - Discrimination Based on Sexual Orientation and Gender Identity</b>	12/18/2012
14-007	11/26/2012	Proposal Related to Chapters 367 and 408, RSMo (Dickmann) - Consumer Credit Loans	Withdrawn by Petitioner
14-008	11/26/2012	Proposal Related to Chapter 320, RSMo, (Brown) - Fire Marshal Reporting	Rejected by Sec of State
14-009	11/26/2012	Proposal Related to Chapter 115, RSMo, (Brown) - Conduct of Elections	Rejected by Sec of State
14-010	12/06/2012	Proposal Related to Chapter 290, RSMo, version 1 (Granich) - Minimum Wage	Withdrawn by Petitioner

14-011	12/06/2012	Proposal Related to Chapter 290, RSMo, version 2 (Granich) - Minimum Wage	Withdrawn by Petitioner
14-012	12/06/2012	Proposal Related to Chapter 290, RSMo, version 3 (Granich) - Minimum Wage	Withdrawn by Petitioner
14-013	12/06/2012	Proposal Related to Chapter 290, RSMo, version 4 (Granich) - Minimum Wage	Withdrawn by Petitioner
14-014	12/10/2012	<b>Proposal Related to Chapter 290, RSMo, version 5 (Granich) - Minimum Wage</b>	01/10/2013
14-015	12/10/2012	<b>Proposal Related to Chapter 290, RSMo, version 6 (Granich) - Minimum Wage</b>	01/10/2013
14-016	12/10/2012	<b>Proposal Related to Chapter 290, RSMo, version 7 (Granich) - Minimum Wage</b>	01/10/2013
14-017	12/10/2012	<b>Proposal Related to Chapter 290, RSMo, version 8 (Granich) - Minimum Wage</b>	01/10/2013
14-018	12/10/2012	<b>Proposal Related to Chapters 367 and 408, RSMo, version 2 (Dickmann) - Consumer Credit Loans</b>	01/10/2013
14-019	12/11/2012	Proposed Constitutional Amendment - Article I, version 1 (Reading) - Voters' Right to Approve Local Tobacco Taxes Initiative	Withdrawn by Petitioner

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## CONTACTING THE STATE AUDITOR'S OFFICE

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There are several ways to contact the office:

Hotline number:	1-800-347-8597
Webpage:	<a href="http://auditor.mo.gov">http://auditor.mo.gov</a>
E-mail address:	<a href="mailto:moaudit@auditor.mo.gov">moaudit@auditor.mo.gov</a>
Phone:	(573) 751-4213
Fax:	(573) 751-7984

### **In Jefferson City:**

Missouri State Capitol                      *or*  
Room 121  
Jefferson City, Missouri 65101  
(573) 751-4824  
Fax: (573) 751-6539

Truman State Office Building  
301 W. High Street, Suite 880  
P.O. Box 869  
Jefferson City, Missouri 65102

### **In Kansas City:**

Fletcher Daniels State Office Building  
615 East 13th Street, Suite 511  
Kansas City, Missouri 64106

### **In St. Louis:**

Wainwright State Office Bldg.  
111 North 7th Street, Suite 334  
St. Louis, Missouri 63101

### **In Springfield:**

Landers State Office Building  
149 Park Central Square, Suite 814  
P.O. Box 467  
Springfield, Missouri 65806

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**<http://auditor.mo.gov>**

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**Thomas A. Schweich**  
Missouri State Auditor

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# Rockwood R-VI School District



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**February 2013**  
**Report No. 2013-018**

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<http://auditor.mo.gov>





**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

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## Findings in the audit of the Rockwood R-VI School District

Program Management Services, Change Orders, and Conflict of Interest	The district has used the same program management company since the late 1990s. Although proposals are solicited for these services, the district said bidder qualifications and experience are the deciding factors and fees are not negotiated until after the vendor is selected. It appears the district overpaid this program management company by paying a percentage fee of estimated costs rather than actual costs and by paying \$1,203,178 in additional fees for change orders for work not contemplated in the original contract. The district often used change orders for substantial project changes or for new projects without soliciting bids and without documenting the reasons for using change orders rather than bidding. While still employed by the program management company, a School Board member voted in favor of projects which increased the fees paid to the program management company. Such conflicts of interest violate district policy and state law. In addition, the district does not retain all bid proposals and related documents as required.
Bond Financing	The district used the same provider to serve as both financial advisor and bond underwriter for several general obligation refunding bond issues, which causes an inherent conflict of interest. The district sold these bonds using negotiated sales, which is allowed by state law, but competitive sales would likely result in lower interest costs for the district.
Procurement Cards	The district has not adequately analyzed which staff need procurement cards or the number of cards needed, and the master credit card list is not accurate. The district requires users to obtain approval before exceeding transaction or monthly credit limits, but does not maintain documentation of such approvals.
Procurement Procedures	The district frequently obtains professional services without benefit of a competitive selection process. The district has used the same law firm and auditing firm without soliciting proposals for either since 2005. The district hired two former colleagues of the superintendent as consultants without soliciting proposals, and the district has not solicited bids for vendor fuel card services since September 2007.
Receipting Procedures	Most departments and/or programs do not issue receipt slips for monies received or issue receipt slips only for cash receipts, and receipt records do not always support the amounts deposited. Most departments make copies of checks and record cash amounts on receipt or deposit logs. Audit staff reviewed several deposits and found several missing copies of checks, making it difficult to account for all monies received. Various departments transmit monies to the Finance Department and the Community Education Department for further processing and deposit, but employees do not document their acknowledgement of the transmitted monies. Audit staff found one deposit exceeded the transmitted amount by \$650 with no explanation.

Capital Assets and Fuel Usage	The district does not conduct an annual physical inventory of district property, and the district's capital assets procedures and records are not adequate. There were gaps in the numerical sequence of assigned identification numbers, a network server was mislabeled on the asset listing, and some vehicles were not properly reported on the capital asset listing. The district does not document a reconciliation of diesel fuel pumped to fuel invoices, the district receives a monthly report of fuel card purchases but no review or approval is documented, and mileage/usage logs are not maintained for most vehicles.
Superintendent's Contract	The Superintendent's contract for the 2012-2013 school year provides for \$150,000 of life insurance, but a \$500,000 life insurance policy has been provided since July 1, 2010.
Attendance Reporting Controls	The district's attendance system allows changes to be made to student attendance records anytime during the current school year, and there is no review by district officials to ensure changes made to current year attendance records are appropriate.
Computer Controls	The district does not require that computer passwords be periodically changed, and no security controls are in place to shut down computers after a certain period of inactivity or detect or prevent incorrect login attempts.

In the areas audited, the overall performance of this entity was **Fair**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	During the audit period, the district received and expended \$680,857 in Federal Stimulus monies. Details are contained in the audit report.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Rockwood R-VI School District

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the Board of Education  
Rockwood R-VI School District

The State Auditor conducted an audit of the Rockwood R-VI School District under authority granted in Section 29.205, RSMo. We have audited certain operations of the district in fulfillment of our duties. The district engaged Kerber, Eck, and Braeckel, LLP, Certified Public Accountants, to audit the district's financial statements for the year ended June 30, 2012. To minimize duplication of effort, we reviewed the report of the CPA firm. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2012. The objectives of our audit were to:

1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Rockwood R-VI School District.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Chris Vetter, CPA
In-Charge Auditors:	Carl Zilch, Jr., CIA
	Steven Re', CPA
Audit Staff:	Janielle Robinett
	Peter Studer
	Tessa Oates

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# Rockwood R-VI School District

## Management Advisory Report

### State Auditor's Findings

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#### **1. Program Management Services, Change Orders, and Conflict of Interest**

Significant fees in excess of those provided for by contract were paid to the program management company overseeing construction and renovation projects funded by bond issues. A change order process is frequently used rather than seeking bids to accomplish substantial project changes or new projects and reasons are not sufficiently documented. A conflict of interest existed between the program management company and a School Board member. Problems were also noted with the process for selecting program management services and retention of the related documentation.

In fiscal years 2003, 2006, 2008, and 2010, the district issued voter-approved bonds totaling \$50.5 million, \$45.5 million, \$74.5 million, and \$55 million, respectively. The bond issues are typically allocated to three areas: construction and renovation, technology upgrades, and maintenance projects performed by district employees. For example, for the \$55 million 2010 bond issue the district allocated \$32.5 million to construction and renovation, \$10.7 million to technology upgrades, and \$9.5 million to in-house maintenance projects. The remaining \$2.3 million was used to pay the 7 percent management fee to the program management company, Glenn Construction Company. The district has used this same company as its bond construction and renovation program manager since the late 1990s. The district solicits proposals for project management each time a bond issue is on the ballot and Glenn Construction Company has been selected each time. Steve Smith has been a Board member for various periods of time since 1989 (April 1989 to April 1995; September 2003 to April 2004; May 2010 to current). In 2004, Smith began employment with Glenn Construction, but was not a Board member when Glenn Construction Company was hired to act as program manager for the 2006, 2008, and 2010 bond issues. Smith was president of the Board from April 2011 until December 2011. Smith resigned from Glenn Construction Company in June 2012.

##### **1.1 Program management fees**

The program management company has been paid management fees totaling \$11,159,932 as of September 30, 2012, related to four bond issuances in 2010, 2008, 2006, and 2003. Concerns were noted regarding additional fees paid to this company based on added projects and changes orders.

The program management company was paid additional fees of \$1,203,178 for managing projects not itemized in the original scope of the contract, without making modifications to the existing contract or entering into a new contract. Management fees are calculated using the "Cost of the Program" amount (portion of the bond proceeds allocated for construction and renovation projects or total bond proceeds excluding costs of projects managed by the district itself, program management fee, and bond issuance costs) and the approved fee percentage. For example, 2010 bond issue proceeds designated for construction and renovations totaled approximately \$32.5 million with a management fee percentage of 7 percent, resulting in the program management fee totaling over \$2.27 million. The fee is



Rockwood R-VI School District  
Management Advisory Report - State Auditor's Findings

disbursed in 30 equal monthly payments. Fee percentages approved for other bond issues were 7 percent for 2008, 6 percent for 2006, and 5 percent for 2003. The 2009 contract with the program management company contains language allowing changes to the program and the program management fee, with the "Cost of the Program" and terms being adjusted upon mutual agreement of the parties, and authorizes such modifications be made by change order. However, the use of change orders to support substantial project changes or additions and additional fees may not be appropriate (see section 1.2). Due to the vagueness of the contract, these additional fees appear to represent overpayments. It appears improper to extend the existing arrangement to change orders without formally amending the contract or entering into a new contract, or to pay such significant additional fees without documented support.

When projects itemized in the contract are completed under budget, therefore not utilizing the full amount of the bond proceeds designated for those projects and on which the management fees are based, additional construction projects are performed with the remaining bond issuance monies ("Cost of the Program" less actual costs). Glenn Construction Company is paid an additional fee for these new projects from the remaining bond monies; however, these monies are already included in the calculation of the original fee which is paid over a 30 month period. At this point separate payments may be made to Glenn Construction Company, one for the original fee and others for any added fees, or amounts may be combined into a single payment. There is no written basis for the fees paid to manage the additional projects, and these appear to represent overpayments. Also, fees for 17 additional projects were paid at a different percentage than stated in the contract and the fee percentage for 12 additional projects could not be determined. The following table documents the original and additional management fees paid for the district's last four bond issuances.

		Bond Proceeds Designated for Construction and			
Bond Issue Date		Total Bond Issuance	Renovation Projects	Original * Management Fee	Additional * Management Fees
2010	\$	55,000,000	32,476,635	2,273,365	324,351
2008		74,500,000	51,112,976	3,577,886	460,211
2006		45,500,000	33,525,000	2,011,500	117,320
2003		50,500,000	36,698,190	1,834,910	301,296
Total	\$	225,500,000	153,812,801	9,697,661	1,203,178

\* - The total fees of \$11,159,932 paid for project management fees include the sum of (1) original management fee, (2) additional management fees, and (3) other management fees of \$259,093 paid from other funding sources in 2003. The other funding sources were comprised of interest earned on bond proceeds prior to disbursing monies, bond monies reallocated from technology or facilities to construction, and a transfer from a building fund.



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Rockwood R-VI School District  
Management Advisory Report - State Auditor's Findings

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Contracts should be appropriately amended or new contracts negotiated to establish requirements regarding significant additional work beyond the original scope of the approved projects and any related fees. Fees for managing additional projects should be monitored to ensure overpayment does not occur.

Given the significant costs associated with these services and the length of time the district has been using this project management company, it is essential cost analyses be periodically performed to ensure district funds are spent in the best interest of the district.

## 1.2 Change orders

The district did not bid out significant work resulting from change orders, treated some new projects as change orders, and issued new contracts which were not bid. The district does not have documentation justifying the reasons for using change orders instead of bidding for significant project additions and changes.

### Marquette High School

During the 2 year Marquette High School renovation, which started in 2010, 36 change orders totaling \$1,822,069 were processed and not bid, representing approximately 32 percent of the 5 original contract amounts, which totaled \$5,750,000. A description of some of the change orders follows.

- The district entered into a contract with a vendor for \$3,380,000 to construct additional classrooms and for library renovations. The Board subsequently approved 13 change orders totaling \$437,384 for additional construction work.
- The district entered into a contract with a vendor for \$1,137,000 to construct a new field house and an addition to a weight room. The Board subsequently approved eight change orders totaling \$113,084 for a new wall, asphalt, and additional construction.
- The district entered into a contract with a vendor for \$731,895 to complete upgrades at Marquette to be compliant with clean water and storm water runoff regulations. The same day the contract was approved, a change order to that same contract for work at Chesterfield Elementary was also approved for \$36,507. In addition, the Board subsequently approved 11 change orders for work at Marquette High School totaling \$959,590 for a new fire lane, asphalt, and additional work, more than doubling the original contract amount.

The work at Chesterfield Elementary was a new project and because the cost was more than \$15,000, it should have been bid as required by law.





## Rockwood R-VI School District Management Advisory Report - State Auditor's Findings

- The district entered into a contract with a vendor for \$326,000 for improvements and construction of interior stairs to connect the upper and lower levels of the "G" wing. The Board approved three change orders totaling \$287,287 for a canopy and additional construction work.
- The district entered into a contract with a vendor for \$101,958 to install exterior insulation and for repairs. The Board approved one change order for \$24,720 for a new ladder and additional work.

### Change order contracts

Two of the contracts issued for the Marquette High School renovations paid with proceeds from the 2010 bond issuance were not bid. The new work was considered continuing work related to the 2008 bond issue and change orders were used instead of using a competitive bid process. The additional improvements were necessary to comply with new regulations for clean water and storm water runoff at Marquette and three other schools. Further, a memo to the Board justified awarding the new contracts to the same vendors since they were already on-site performing work associated with the 2008 bond issue. In addition, over \$2 million in additional change orders were approved for one of these vendors beyond the new change order contract. As a result of processing these new contracts as change orders, it appears the bidding process was circumvented.

The table below documents the contracts:

	New Contracts Classified as Change Orders	Additional Change Orders after Contract	Total Contract
Construction Services			
Asphalting	\$ 768,402	2,072,896	2,841,298
Waterproofing	326,000	287,288	613,288
Total	\$ 1,094,402	2,360,184	3,454,586

### Conclusion

The need for such significant change orders casts doubt on the overall planning process and value of original plans and estimates. While change orders often occur on construction projects, they are normally used to make adjustments for minor problems which are unknown when construction projects are originally bid. Change orders should be kept to a minimum to ensure the maximum amount of construction costs are competitively bid. Change orders should not be used to make significant changes to existing contracts. If the scope of a project changes substantially, consideration should be given to bidding those parts of the project instead of using change orders. When determining whether to solicit bids and enter into new contracts or use a change order process for project changes or additions, documented justification outlining reasons for the decision should be maintained. Handling new projects or significant changes or additions to existing projects as change orders circumvents the bidding process. Section 177.086, RSMo, requires school districts to advertise bids for construction of facilities which may exceed a disbursement of \$15,000.



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### 1.3 Conflict of interest

Board member Steve Smith had a conflict of interest on matters voted on by the Board.

Steve Smith was appointed by the Board to fill a board vacancy (May 2010). At the time of this Board appointment, Smith was an active employee of Glenn Construction Company. Smith disclosed this employee relationship to the Board on his application to fill the vacant Board position. Smith's position as an appointed board member was later followed by his election to the Board in April 2011. Despite his employment with Glenn Construction Company, Smith voted to approve change orders/additional projects which resulted in additional fees paid to Glenn Construction Company. As a result of Smith's failing to recuse himself from actions by the Board relating to business conducted with Glenn Construction Company, a conflict of interest existed between Smith, as an employee of Glenn Construction Company, and Smith's duty as a Board member.

Our review of several Board approved projects determined that Board member Smith did not always abstain from voting on issues related to Glenn Construction Company; rather, he voted on several additional projects that resulted in additional compensation to his employer. Smith voted for 12 additional projects approved from January 2011 to June 2012, totaling \$2,703,782 and resulting in \$189,265 in additional management fees paid to his employer. For 3 of these 12 additional projects, change orders were used instead of soliciting bids and entering into new contracts. These three change orders totaled \$551,238 and resulted in \$38,587 in additional management fees. Smith terminated his employment with Glenn Construction Company in June 2012.

By voting on the change orders which resulted in additional fees to Glenn Construction Company, Smith violated Section 105.454(4), RSMo, which prohibits an elected official of a political subdivision from performing any services for any person, firm or corporation for compensation, other than the compensation provided for the performance of their official duties, in which their service influences a decision of the political subdivision.

Board members of a school district serve in a fiduciary capacity. Personal interests in business matters of the school district create actual or the appearance of conflicts of interest, and a lack of independence could harm public confidence in the Board and reduce its effectiveness. Further, Board Policy 0311 addresses conflict of interest and states "Members shall avoid being placed in a position of conflict of interest, and shall not use the Board position for personal or partisan gain. Members shall conduct themselves in accordance with the conflict of interest policy and disclosure requirements prescribed by statute and Board policy."



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#### 1.4 Selection process and record retention

As previously stated, the district has used the Glenn Construction Company for program management services to oversee construction and renovation projects since the late 1990s. Proposals are solicited for these services each time bond issues are proposed to voters. District personnel indicated bidder qualifications and experience are the determining factors when awarding the contract. Fees, which are substantial (totaling more than \$2.27 million for the 2009 contract) are negotiated after the award is made. We reviewed proposals for the most recent program management contract dated October 15, 2009, pertaining to construction and renovation projects financed with 2010 bond issue monies. The district only maintained documentation for proposals submitted by two of the three bidders and did not retain bid evaluation committee scorecards to support the committee's recommendation. Also, district personnel indicated proposal documentation related to previous contracts entered into with Glenn Construction Company was not retained.

Good business practices require sound practical approaches to negotiating fees to be paid for services rendered. Documentation of the various proposals received, and the district's selection process and criteria, should be retained to demonstrate compliance with state law and district policy, and support decisions made. In addition, the Missouri Local Records Board General Records Retention Schedule (Local Governments), Section GS 023 Capital Improvement Projects Files, requires bid related records to be maintained for the life of the structure plus 10 years.

### Recommendations

The Rockwood School Board:

- 1.1 Ensure all services to be provided and fees to be paid are clearly documented in a contract to avoid confusion and misunderstanding. In addition, the district should attempt to collect any overpayment of fees.
- 1.2 Ensure improved planning and monitoring of projects is performed to avoid significant change orders and give consideration to soliciting bids when substantial changes or additions are necessary. All decisions and justification for the decisions should be properly documented.
- 1.3 Ensure each Board member avoids participation in decisions or other situations that could result in the appearance of or actual conflict of interest.
- 1.4 Consider proposed fees as part of the program management services proposal evaluation process and retain all bid documentation for the required period of time.



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## Auditee's Response

*The School Board provided the following written responses:*

- 1.1 *The district has spent significant time and effort in the past 12 months reviewing its policies, procedures, and contracts related to construction management and construction generally. At the February 7, 2013 meeting, the Board considered a first reading of recommended changes to the Board's construction management Policy and Regulation 7130. These will be acted on by the Board at its March 7, 2013 meeting. These policy changes have been reviewed by legal counsel to ensure full compliance with Missouri statutes. All future construction will strictly comply with the updated policies. Future contracts will clearly define the services to be provided and clearly state the amount of fees to be paid to the construction manager for all work performed. Legal counsel will be consulted in drafting, negotiating and/or reviewing all future construction and construction management contracts of the district.*

*The district acknowledges that the language of the contract with Glenn Construction could have been clearer. However, the terms of the contract did authorize the payment of additional fees to Glenn Construction for additional work not identified in the original scope. See Section 7.1 of the Contract. The district will review the documentation surrounding each specific additional payment to Glenn Construction and determine whether in fact any "overpayments" did exist.*

*It is unlikely that future bond issues of the district will be of the magnitude of those projects referred to in the Audit Report, and future bond issue projects may not even require program management or construction management services. The district is reviewing and considering all options with respect to the upcoming bond issue, to determine what type of services may be needed.*

- 1.2 *For future construction projects, the scope of the project will be clearly defined in the architectural drawings before bids are solicited. The district will clearly describe the conditions and process for change orders in all contracts. If there is a change based on an unforeseen circumstance or a permit requirement that is limited to the existing scope of the project, a change order may be issued. If the change is substantial and can be performed by another contractor without disrupting the original scope of work, the district will give consideration to soliciting bids. The district will properly document the justification for all decisions and take steps to improve the planning and monitoring of projects.*



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- 1.3 *With regard to the situation involving Mr. Smith, the district notes that in June of 2010, after Mr. Smith was appointed to the Board, the Board Secretary specifically asked for guidance from the Missouri School Board Association (MSBA) whether a new Board member who is employed by the bond issue general contractor “should abstain from all agenda items pertaining to contracts with companies working with Glenn Construction” and “Should the board member abstain from all agenda items pertaining to Bond Issue monies?” Two MSBA attorneys responded in writing that there was no legal conflict of interest in such votes and it was not necessary to abstain. Mr. Smith abstained, and in fact left the room, on votes for additional payments to Glenn Construction.*

*Whether or not Mr. Smith “influenced the decision of the Board” is a factual determination which cannot be made without a complete investigation. Any such investigations are under the jurisdiction of the Missouri Ethics Commission. The district notes that the Auditor did not speak with Mr. Smith or the individual Board members regarding this issue, and strongly objects to the conclusionary statement in the report that a violation of the Missouri Statutes did occur.*

*The district will take additional steps to avoid even the appearance of a conflict of interest. As noted in the district responses to 1.1 and 1.2, any future contracts will more clearly define the obligations of the parties, and more clearly provide procedures for change orders, all of which will assist the district in being able to identify circumstances where an appearance or actual conflict of interest may exist for a Board member. Further, the district will review its policies and procedures to determine if additional steps can be taken to avoid the appearance of or actual conflicts of interest by Board members.*

- 1.4 *The district agrees with the Auditor’s recommendation. The district will evaluate proposed fees as part of any program management or construction management services and the district will retain all bid documentation as required by Board policy and state law. The district has taken immediate steps to improve these procedures.*

## Auditor's Comment

- 1.3 While Board member Smith did abstain on votes approving payments to Glenn Construction Company, he had already voted to approve change orders/additional projects with various construction companies performing work on projects funded with bond issue monies. These approvals resulted in additional fees paid to Glenn Construction Company.



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## 2. Bond Financing

The district used the same provider to serve as both financial advisor and bond underwriter for several general obligation refunding bond issues, and sold these bonds using a negotiated sale rather than a competitive bid process.

During fiscal years 2008 through 2012 the district sold four general refunding bond issues totaling \$84.5 million through a negotiated sale in which the financial advisor also acted as the bond underwriter. Using the same provider to act in the dual capacity of financial advisor and underwriter for a bond issue creates an inherent conflict of interest. The lack of independent financial advice could result in the district not being adequately informed of bond issuance options or being unable to adequately evaluate bond proposals. Also, the district relied on the advice of the bond underwriter instead of seeking open bids to assure the most competitive rate of return for taxpayers. Underwriter fees for the four bond issues totaled \$337,920 and were paid to the district's financial advisor, who also acted as the bond underwriter.

The Government Financial Officers Association (GFOA)<sup>1</sup> recommends against using the bond underwriter as a financial advisor because the duties of the underwriter and financial advisor are separate and can be adverse, so using the same provider for both roles causes an inherent conflict of interest. The underwriter does not have a fiduciary responsibility to the district.

While Missouri law does not require competitive sales of these types of financing instruments or competition in selecting bond underwriters and financial advisors, competitive sales would likely result in lower interest costs for the district, and competition in selecting bond underwriters and financial advisors is important to ensure services are obtained from the best qualified providers at a fair price.

### Recommendation

The Rockwood School Board discontinue using an underwriter who also acts in a dual capacity as financial advisor.

### Auditee's Response

*The School Board provided the following written response:*

*In prior years, districts were allowed to use a financial advisor on bond issues and act as an underwriter of the bond for a negotiated sale. When interest rates fluctuate, a negotiated sales gives the issuer more flexibility to time the sale of the bonds to minimize interest cost. Absent an unusual interest rate environment, the district intends to issue bonds on a*

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<sup>1</sup> "Best Practice Selecting Underwriters for Negotiated Bond Sales," Government Financial Officers Association, October 17, 2008, <[http://www.gfoa.org/index.php?option=com\\_content&task=view&id=1585](http://www.gfoa.org/index.php?option=com_content&task=view&id=1585)>, accessed February 1, 2013.



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*competitive sale. In either case, the district agrees with the recommendation and in the future will not contract with one firm to provide financial advisory and underwriting services for the same bond issue.*

### 3. Procurement Cards

District policies and procedures to review the assignment and use of procurement cards are not adequate.

Approximately 19 percent of full-time and part-time faculty and staff had district-issued procurement cards as of June 2012. Each procurement card is an official VISA credit card which is designed to provide a more convenient procurement method than the purchase order system. Most procurement cards have individual transaction limits under \$1,000 and a monthly spending limit ranging from \$2,000 to \$6,000; however, there are cards with monthly credit limits ranging from \$10,000 to \$1.5 million. During the year ended June 30, 2012, procurement card purchases totaled approximately \$4.5 million.

#### Number of cards

The district has not adequately analyzed which staff need procurement cards or the number of cards needed, and at the time of our review 152 of the 659 procurement cards issued to full-time and part-time faculty and staff had less than \$1,000 in total purchases during the fiscal year ended June 30, 2012. Also, at least 34 district employees have been issued more than one procurement card.

In addition, the district's master credit card list is not accurate. The master credit card list as of October 2012 included 26 employees with invalid credit cards (not on the bank record of active cards). In addition, bank records included 12 employees with active cards that were not on the district's list.

Given the potential liability related to credit cards, the district should review credit card assignments and evaluate each employee's continued need for a card and the need for multiple cards issued to the same user. The district should update the master credit card listing periodically to ensure completeness and accuracy.

#### Credit and transaction limits

The procurement card policy provides for users that intend or need to exceed limits to request transaction and monthly credit limit increases from the purchasing department prior to making the related transactions. Such approvals are needed so that charges exceeding limits are not rejected; however, documentation of these requests and approvals were not retained. District policy does not require supporting documentation be retained by the purchasing department for authorized increases in monthly or individual transaction limits. As a result, the district had no documentation of approvals when monthly credit or transaction limits were exceeded. Our review of month-end credit card balances for the year ending June 30, 2012, showed 33 instances where the month-end credit card balance exceeded the approved monthly credit limit. A review of activity for some cards with



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excess balances showed some transactions that exceeded established limits. For example, a single charge totaling \$2,800 for a field trip was made on a card with a single transaction limit of \$1,000 and another transaction for \$904 was made on a card with a monthly transaction limit of \$400. Also, eight \$609 transactions were charged to the same vendor on February 21, 2012, on one card with a \$1,000 monthly limit, which would have resulted in a single transaction of \$4,872. Further, staff in the Information Technology Department responsible for purchasing computer hardware and software have a credit card with a \$1,500,000 credit limit and another card with a \$400,000 credit limit, and only charged a total of approximately \$145,000 during fiscal year 2012.

Excessive or improperly monitored credit card limits can result in misuse of district funds. Limits should be based on typical use and need; and re-evaluated periodically for reasonableness. Procurement card policies are established to provide adequate controls and monitoring of transactions processed through procurement cards; however, the assigned cardholder is ultimately responsible to ensure all transactions comply with adopted policies. Retention of approvals for exceeding established limits is needed to show compliance with policy and provide support should questions arise regarding related credit card charges.

## Recommendation

The Rockwood School Board evaluate the need for each procurement card issued and update the master credit card listing periodically. In addition, the Board should periodically evaluate credit card limits and ensure approved purchases exceeding those limits are properly documented. Retention of such approval should be required by policy.

## Auditee's Response

*The School Board provided the following written response:*

*Procurement cards were issued pursuant to standards developed by the purchasing department. There is some inconsistency in use of the cards between employees who perform the same job duties. Some choose to use the cards more than others. The initial limits were not intended to replace all purchase order activity. In some cases, the purchasing department would temporarily increase the limit for a specific purchase after consulting with the user. Once the purchase was completed, the limit was returned to the initial value. In the case of IT staff, the limit was set at the \$1.5 million and \$400,000 level to purchase technology equipment over the internet under a state procurement contract. Large purchases were made pursuant to bond initiatives. By making the purchases with a procurement card, the district received a rebate on the purchase.*

*The district agrees with the Auditor that the master list and credit authority should be reviewed periodically. The district will submit a request to the Board each year regarding the issuance of cards to various employees and the corresponding credit limits. It will include information about past usage.*





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*The district will develop and enact a Board policy to document this process, reinforce proper usage of the cards and outline the process for temporary increases in the credit limit.*

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## 4. Procurement Procedures

Professional services are frequently obtained without benefit of a competitive selection process and fuel purchases have not been bid for several years.

District purchasing Policy 3170 requires written bids to be obtained for all goods and services costing between \$1,000 and \$7,500, and requires sealed bids from qualified bidders and board approval prior to awarding the purchase for goods or services costing over \$7,500. Some purchases, including legal services, are specifically exempted from the purchasing policy.

We noted the district has not solicited proposals for some professional services and did not always bid for goods as required. Without such procedures, the district cannot ensure it receives quality goods or services at the best price.

- The district has used the same law firm and auditing firm without soliciting proposals for either of these services since 2005. The initial contracts for both services were for 3 years; however, the district has extended the contract for legal services annually and executed two 3 year contract extensions for auditing services. The district paid \$134,000 and \$34,000 for legal and auditing services, respectively, during the year ended June 30, 2012.
- The district did not solicit proposals for consulting services prior to hiring two former colleagues of the superintendent as independent contractors in October 2010 to review district employee positions and create a restructuring program to maximize district operations. The district paid consulting fees totaling \$61,200 (\$30,600 each) to the independent contractors during the year ended June 30, 2011.
- According to the Director of Purchasing, the district has not solicited bids for fuel purchases made using vendor fuel cards since September 2007. The district entered into a contract in September 2007 to purchase fuel for vehicles using a vendor charge card assigned to each vehicle. In addition, the executed contract automatically renews for additional periods of 12 months unless the contract is terminated. The district charged approximately \$227,000 on district fuel cards during the year ending June 30, 2012.

In addition to being required by district purchasing policy for most purchases, soliciting proposals and/or bids for goods and services is a good business practice. These procedures also help provide a range of possible



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choices, and allow the district to make better-informed decisions to ensure necessary goods or services are obtained from the best qualified provider after taking expertise, experience, and cost into consideration.

## Recommendation

The Rockwood School Board ensure compliance with the district purchasing policy and modify the policy to require a periodic and competitive selection process when obtaining professional services.

## Auditee's Response

*The School Board provided the following written response:*

*Soliciting proposals for all consulting services prior to hiring is not legally required, nor was it mandated by Board policy. On February 7, 2013, the Board reviewed and revised several of its policies relating to purchasing and the employment of consultants. See, e.g., Board Policies 3170 and 4120. These changes were intended, in part, to prevent the issues raised by the Auditor in connection with consulting services, so they will not occur in the future. The Board has reviewed and revised all policies relating to the purchase of services and the use of consultants. The district will ensure compliance with the Board purchasing policies.*

*With respect specifically to legal services, although the district has utilized the same law firm since 2005, there has been no increase in the rate paid to the law firm since that date. The total legal fees to the firm referred to in the audit for 2011-2012 of \$134,000 is less than many previous years, and less than the annual fees paid for many school districts of a similar or smaller size. The district will execute a written contract reflecting the current arrangement. A periodic and competitive solicitation of these services is not required by law, however, the district will review the matter to determine if and when a competitive selection process for legal services is desirable for the district. The district will amend its policies to reflect its determination, if needed.*

*The district's current contract with its auditing firm expires after completing the audit for the year end June 30, 2013. The district will consider a competitive procurement for auditing services upon completion of the contract term.*

*For fuel, the district does solicit bids for bulk fuel used by the bus company. The district does not maintain a bulk fuel site for fleet cars. Since the maintenance and technology staff travels throughout the district, it is important to have fueling stations situated throughout the district. In 2007, the district entered into a contract with a vendor called Fuel Man. The contract allows district staff to fuel at stations across the district at a rate below the price provided to the general public. Each vehicle has a card that the staff member uses when fueling the vehicle. The card has restrictions, including the time of day the vehicle is fueled, the number of gallons per*



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*week and the type of fuel (diesel vs. unleaded). The staff member must enter a pin to start the transaction and then indicate the current odometer reading of the district vehicle. The program will flag any instance where the odometer reading is not in synch. These controls are important to ensure that charges are only made for legitimate business reasons. The district agrees with the Auditor that new proposals should be solicited for these services. The district currently has a request for information (RFI) outstanding to determine what features are currently available for these programs.*

## 5. Receipting Procedures

Initial receipting and recording of monies is not sufficient and transmittal procedures do not provide proper accountability.

### 5.1 Receipting procedures

Most departments and/or programs do not issue receipt slips for monies received or issue receipts slips only for cash receipts. Also, receipt records are not always sufficient to support amounts deposited. The Finance Department, and several departmental programs including the Full Day Kindergarten, Out of District Tuition, Recreation, Enrichment, Visual and Performing Arts, Aquatics Programs, and the Babler Outdoor Education Center do not issue pre-numbered receipt slips for any monies received and the Adventure Club only issues receipt slips for cash. Most departments only make copies of checks and record cash amounts on receipt or deposit logs as supporting documentation for the deposit. The Finance Department and Community Education Department received monies totaling approximately \$12.5 million during the year ended June 30, 2012.

We reviewed five or more deposits from each program listed above and noted some problems. Copies of checks were missing for \$518 of a May 24, 2012, deposit totaling \$3,058 in fees for the Recreation Department's adult volleyball program. In addition, checks could not be located for five deposits totaling \$9,037 for the Visual Performing Arts Program and two deposits totaling \$599 for the Enrichment Program. As a result, there is less assurance all monies received have been accounted for properly.

To properly account for monies received and provide support for amounts deposited, official prenumbered receipt slips should be issued for all monies received and reconciled to deposits.

### 5.2 Transmitting procedures

Various district departments transmit monies to the Finance Department and the Community Education Department for further processing and deposit. Although some departments submit a report of receipts, employees do not document their acknowledgment of the report or of the monies that have been transmitted from one person to the next. For example, the Babler Outdoor Education Center transmittal report indicated checks totaling \$4,437 were transmitted to the Finance Department on March 26, 2012. No receipt acknowledging the transmittal was provided to Babler Outdoor



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Education Center from the Finance Department. The subsequent deposit, which should have agreed to the amount transmitted, exceeded the transmittal amount by \$650. No explanation could be provided.

To establish proper accountability over transmittals, employees should issue receipt slips for monies received from other departments and programs or develop a process to better document the transmittal of monies.

## Recommendations

The Rockwood School Board:

- 5.1 Ensure pre-numbered receipt slips are issued for all monies received and the composition of receipts is reconciled to deposits.
- 5.2 Ensure receipt slips are issued or transmittal records are signed to better document the transmittal of monies between departments.

## Auditee's Response

*The School Board provided the following written responses:*

- 5.1 *The most significant portion of the district receipts are made through bank wires from the county or state. The district does collect checks and cash as part of the student activity funds and for various self-funded programs. The district agrees with the Auditor that the issuance of receipts creates a contemporaneous record of money received and should be implemented wherever possible. The district will implement procedures to address these issues in the programs mentioned in the Audit Report. On a long-range basis, the district will also review and consider approaches that will address funds received in the classrooms.*
- 5.2 *As part of the receipting process, the district will incorporate controls to address the transmittal of funds from the person originally receipting the money through the bank deposit.*

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## 6. Capital Assets and Fuel Usage

Controls and procedures over district property and fuel usage need improvement.

### 6.1 Capital assets

Procedures and records to account for district property are not adequate. As a result, assets are more susceptible to theft or misuse. The Director of Finance and the Director of Transportation/Purchasing indicated an annual physical inventory of district property is not performed by the school district. In addition, capital asset listings are not always updated accurately. Equipment, furniture, and vehicles were valued at approximately \$31.3 million at June 30, 2012. We identified several issues with the capital asset listings:



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- There were many instances of gaps in the numerical sequence of identification numbers assigned by the capital asset computer program for capital asset additions for the fiscal year ended June 30, 2012. District personnel could not explain how the numbers are assigned or why there are gaps in the sequence.
- A network server was mislabeled as a computer on the asset listing. Although this network server had been disposed of, it had not been removed from the asset listing and district personnel could not provide information regarding method or date of disposal. In addition, a laser printer and a video projector reflected on the asset listing could not be located at one of the elementary schools. School personnel indicated these items had been disposed of approximately 10 years ago.
- Four vehicles and the related detailed information were on the vehicle listing two times each resulting in the vehicle listing cost being overstated by \$109,000. In addition, two vehicles on the vehicle listing had the same license number included in the description although the vehicles were different makes and models. The Director of Purchasing indicated the one vehicle had been sold in August 2012.
- Four vehicles on the district fuel card list were not included on the capital asset listing.

Conducting annual physical inventories and properly updating capital asset are necessary to ensure the accuracy of capital asset records and to detect the loss, theft, or misuse of assets. Any discrepancies identified should be promptly investigated.

## 6.2 Vehicles and fuel use

Controls and procedures over fuel use and purchases need improvement. The district used 165 buses, and owned 94 non-pool vehicles, 11 pool vehicles, and 25 pieces of equipment as of June 30, 2012. District fuel purchases for diesel tanks and on credit cards totaled approximately \$1.3 million during the year ended June 30, 2012.

- The district maintains two diesel tanks for fueling school buses and some non-pool vehicles and equipment. In addition, some buses are housed at off-site locations and records of fuel pumped are provided to the district but no reconciliation to fuel invoices is performed. The maintenance supervisor for one diesel tank indicated he reconciles the fuel invoices to the daily fuel usage log, however, he does not document his review. There are no records of fuel usage maintained at the second diesel tank. As an alternative the school bus service could provide mileage reports for buses; however, the district does not request these reports.



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- District pool vehicles (available for use at the administration buildings and schools) and several other non-pool vehicles are issued fuel cards to purchase unleaded gasoline which is tracked using the vendor's system report. At the end of each month, the district receives a report documenting the date, employee name, current odometer reading, number of gallons, and purchase amount. Although the Director of Transportation indicated he scans the reports for accuracy, he does not document his review and approval.
- Mileage/usage logs are not maintained for pool vehicles (except for one), non-pool vehicles, or buses to adequately monitor the usage of district vehicles. As a result, theft and misuse of fuel could go undetected. Although the company which provides school busses for the district tracks the beginning, ending odometer readings and calculates the miles driven for each bus, the district does not request this report to reconcile fuel usage to fuel purchased each month.

Procedures for reviewing fuel used and reconciling use to fuel purchased and on hand are necessary to ensure the reasonableness and propriety of fuel use and disbursements. In addition, mileage logs are necessary to document the appropriate use of vehicles, and to support fuel charges. Failure to account for fuel use could result in theft and misuse going undetected.

## Recommendations

The Rockwood School Board:

- 6.1 Ensure complete, accurate, and detailed capital asset records are maintained and annual physical inventories conducted and compared to detailed records.
- 6.2 Ensure a documented periodic reconciliation of fuel purchased to fuel used is performed, and investigate any significant discrepancies. In addition, the Board should ensure mileage logs are maintained for all district vehicles.

## Auditee's Response

*The School Board provided the following written responses:*

- 6.1 *The district maintains a perpetual inventory system. As items are purchased or gifted to the district, assets are added to the system. When items are surplus and sold, assets are removed from the system. The district does not currently perform a physical inventory to verify the accuracy of the perpetual inventory. The district understands the benefits of performing a physical inventory, as well as the costs. It takes a significant number of hours to locate each item on the physical inventory. With a district the size of Rockwood, furniture and equipment does not always stay in its original location. Therefore, once a physical inventory is completed for each room of each building, the results must be compared with the*



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*perpetual inventory and any discrepancy must be resolved. This process could involve teachers and administrators conducting a physical inventory within their own rooms or the district could hire additional staff or a contractor to perform the inventory. To increase efficiency, the assets should be individually marked with a bar code. This allows staff to use a bar code reader to enroll each asset as it is found. There is a significant additional cost to prepare the assets for this process. At a time of shrinking budgets, these additional expenditures would need to be made by reducing other expenditures. A decision would have to be made based on the financial benefits of conducting a physical inventory versus the cost. The district will investigate alternatives, including improvements to the existing perpetual inventory system, and then make recommendations to the Board.*

*In regards to the duplicate recording of vehicles, the district has adjusted the inventory record and is now performing monthly reconciliations of the capital purchases to the inventory records.*

- 6.2 *The district agrees with the recommendation and will prepare a monthly report. Based on the current fueling program, the district can use odometer readings and gallons used based on information provided at the pump. Miles per gallon information can be computed from this information and checked for propriety. On an annual basis, the latest odometer reading can be verified with each vehicle.*

## 7. Superintendent's Contract

The Superintendent's contract for the 2012-2013 school year provides for \$150,000 of life insurance. However, district records show a \$500,000 life insurance policy has actually been provided since July 1, 2010, when the current Superintendent was initially employed.

Accurate written contracts that clearly indicate district responsibilities and the compensation package provided to the district's Superintendent are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings.

## Recommendation

The Rockwood School Board ensure the contract with the Superintendent is accurate.

## Auditee's Response

*The School Board provided the following written response:*

*The district agrees with this recommendation and will update the current written contract to ensure it accurately reflects the approved agreement between the Superintendent and the Board.*



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## 8. Attendance Reporting Controls

The district's attendance system does not adequately limit the time frame during which changes can be made to student attendance records. In addition, there is no review by district officials to ensure changes made to current school year attendance records are appropriate. Without limiting the time frame allowing when changes can be made or reviewing changes made, the data is subject to erroneous changes which may significantly affect attendance reports to the Department of Elementary and Secondary Education (DESE).

District procedures require daily student attendance is to be recorded in the attendance system by each teacher. A preliminary attendance report is generated each day and reviewed by the school attendance secretary for accuracy before finalizing the daily attendance. If any changes need to be made before finalizing the daily attendance, or at a later date when a correction needs to be made, the change can be made by each school's attendance secretary. Changes to the daily attendance records can be made by attendance secretaries anytime for the current school year. In addition, no report is currently generated and reviewed by district administrative personnel to ensure all changes made to attendance records are accurate and appropriate. Also, there is no documentation indicating all necessary changes have been completed prior to uploading the attendance to the DESE.

Making legitimate changes to attendance data is necessary to ensure accuracy in the reporting process and changes must be made before attendance can be certified to the DESE. However, all changes should be reviewed and approved to ensure reliability of the attendance data.

## Recommendation

The Rockwood School Board implement additional controls and procedures to ensure student attendance data is accurately recorded and reported, including restricting the time frame in which changes to data can be made. In addition, all changes to attendance data should be reviewed to ensure accuracy.

## Auditee's Response

*The School Board provided the following written response:*

*The district agrees with this recommendation and will implement changes. The software program used by the district does not allow a "lock-out" procedure for subsequent changes, however, the district will implement procedures to allow adequate time for changes at the end of each month and then backup the data to a separate file. State reports will be based on the backup to avoid any changes after the cut-off date. Changes to attendance data will be reviewed to ensure accuracy.*





Rockwood R-VI School District  
Management Advisory Report - State Auditor's Findings

## 9. Computer Controls

Controls over district computer systems are not sufficient to prevent unauthorized access. As a result, district records are unprotected and susceptible to damage or theft.

### 9.1 Access restrictions

Access to computer systems and data is not adequately restricted to only authorized users. Although the use of passwords to access computer systems is required, passwords are not periodically changed to help ensure they remain known only to the assigned user and to reduce the risk of compromised passwords. An ineffective password system increases the risk of unauthorized access and changes to the computer systems and district data.

Passwords are an effective, simple control to provide protection against improper access to computer systems and data. Passwords should be unique and confidential, changed periodically to reduce the risk of unauthorized use, and used to restrict individuals' access to only those computer systems and data files they need to accomplish their jobs.

### 9.2 Computer inactivity

A security control is not in place in any of the district offices to shut down computers after a certain period of inactivity and detect or prevent incorrect login attempts. As a result, unauthorized individuals could access an unattended computer and have unrestricted access to programs and data files. To help protect computer files, security controls should be implemented to shut down the system after a certain period of inactivity and to detect and prevent incorrect login attempts.

## Recommendations

The Rockwood School Board:

- 9.1 Require unique passwords for each employee that are confidential and periodically changed to prevent unauthorized access to district computer systems and data.
- 9.2 Require a security control requiring computers to shut down after a certain period of inactivity and lock computers after a specified number of incorrect logon attempts.

## Auditee's Response

*The School Board provided the following written response:*

- 9.1
- &9.2 *The district agrees with these recommendations and is in the process of implementing these changes.*

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# Rockwood R-VI School District

## Organization and Statistical Information

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The Rockwood R-VI School District is located in St. Louis County and Jefferson County. The district covers approximately 150 square miles in the cities of Ballwin, Chesterfield, Clarkson Valley, Ellisville, Eureka, Fenton, Manchester, Wildwood and Winchester.

The district operates 4 high schools (grades 9-12), 6 middle schools (grades 6-8), and 19 elementary school (grades K-5.). Enrollment was 22,568 for the 2011-2012 school year. The district employed 2,408 full- and 1,070 part-time employees at June 30, 2012.

The Rockwood R-VI School District has been classified under the Missouri School Improvement Program as "Accredited" by the Missouri Department of Elementary and Secondary Education.

### School Board

An elected board acts as the policy-making body for the district's operations. The board's seven members serve 3-year terms without compensation. Members of the board at June 30, 2012, were

Janet Strate, President  
Matt Doell, Vice-President  
Stephen Banton, Member  
William (Bill) Brown, Member  
Dr. Keith Kinder, Member  
Sherri L. Rogers, Member  
Steve Smith Member

### Superintendent

The district's superintendent at June 30, 2012, was Dr. Bruce Borchers. His annual compensation in fiscal year 2012 was \$256,934 which included a base salary of \$230,000; the value of health, dental and vision insurance including family coverage which totaled \$17,362; and a car allowance of \$8,000. Annual compensation also includes \$1,420 in district-paid premiums each year for a \$500,000 life insurance policy and \$152 in district-paid premiums for supplemental disability insurance. The superintendent's compensation is established by the school board.

### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

According to district personnel, the district was awarded the following American Recovery and Reinvestment Act of 2009 funding during the year ended June 30, 2012:

During the year ended June 30, 2012, the district received and expended \$589,654 from a State Fiscal Stabilization Fund-Education State Grant from the U.S. Department of Education for salaries and program costs, which resulted in the retention of an estimated six jobs.

During the year ended June 30, 2012, the district received and expended \$24,684 from an Education Jobs Fund Grant by the U.S. Department of



Rockwood R-VI School District  
Organization and Statistical Information

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Education for salaries and benefits, which resulted in the retention of an estimated one job.

During the year ended June 30, 2012, the district received and expended \$33,776 from Title I Grants to Local Educational Agencies by the U.S. Department of Education for salaries and transportation costs, which resulted in retention of one job.

During the year ended June 30, 2012, the district received and expended \$32,743 from a State Fiscal Stabilization Fund - Government Services Grant from the U.S. Department of Education for salaries and program cost, which resulted in the retention of an estimated one job.



Thomas A. Schweich

Missouri State Auditor

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# Compilation of 2012 Criminal Activity Forfeiture Act Seizures



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February 2013

Report No. 2013-19

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[auditor.mo.gov](http://auditor.mo.gov)



# CITIZENS SUMMARY

## Compilation of 2012 Criminal Activity Forfeiture Act Seizures

Compliance with Submitting Required Reports	For property seized during calendar year 2012, the State Auditor received 115 Criminal Activity Forfeiture Act (CAFA) reports (of the total possible 116 reports) from prosecuting attorneys and the Attorney General. The Gentry County Prosecuting Attorney did not submit a report to indicate if the county received any seizures or not. A report is required if the county received seizures, and Section 513.607.10, RSMo, states intentional or knowing failure to comply with any reporting requirements shall be a class A misdemeanor. Three counties, Bollinger, Maries, and Montgomery, submitted a CAFA seizure report to the State Auditor, but did not submit a report to the Department of Public Safety as is also required.
Disposition of Seizures Reported	Of the \$6,111,578 reported seized in 2012, the disposition was reported as follows: \$1,959,511 pending, \$311,430 returned, \$3,734,293 transferred to a federal agency, \$83,868 transferred to the state, \$20,186 disposition not reported, and \$2,290 "Other".
Compliance with Reporting Required Information	The 115 reports received reported 557 total cases. Some of the reports did not include all of the required information, such as date, time, and place of seizure, estimated value of property seized, criminal charges filed, and disposition of criminal actions.

Because of the nature of this compilation, no overall rating is provided.

American Recovery and Reinvestment Act (Federal Stimulus)	Not applicable.
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# Compilation of 2012 Criminal Activity Forfeiture Act Seizures

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### Appendixes

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# THOMAS A. SCHWEICH

## Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Members of the General Assembly  
Jefferson City, Missouri

As required by Section 513.607, RSMo, we have compiled the 2012 Criminal Activity Forfeiture Act (CAFA) seizure reports submitted to the State Auditor by prosecuting attorneys and the Attorney General. The compilation is limited to presenting information that is submitted. We have not audited the reports submitted and, accordingly, do not express an opinion or any other form of assurance on them. The primary objectives of this compilation were to:

1. Compile the 2012 CAFA seizure information reported.
2. Identify those officials who submitted 2012 CAFA seizure reports to the State Auditor.

Section 513.607, RSMo, requires prosecuting attorneys and the Attorney General to report CAFA seizures for the previous calendar year by January 31, to both the Director of the Department of Public Safety and the State Auditor. Of the 116 potential reporting entities, we received 115 CAFA seizure reports; 114 of these reports were submitted by the required due date of January 31, 2013.

Compliance with Section 513.653, RSMo, which requires law enforcement agencies involved in using the federal forfeiture system to submit reports regarding federal seizures and the proceeds therefrom to both the Department of Public Safety and the State Auditor's office, will be separately reported.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor: Harry J. Otto, CPA  
Director of Audits: Regina Pruitt, CPA  
In-Charge Auditor: Becky Webb, CPA, CFE  
Audit Staff: Dana Wansing, MPA

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# Compilation of 2012 Criminal Activity Forfeiture Act Seizures

## Executive Summary

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### Compliance with Submitting CAFA Seizure Reports

The State Auditor received 115 of the total possible 116 CAFA seizure reports from prosecuting attorneys and the Attorney General for property seized during calendar year 2012. All but one of the 115 reports were received by the January 31, 2013, deadline. The following table lists the total number of CAFA seizure reports submitted to the State Auditor for 2012, 2011, and 2010.

Reporting Status	2012		2011 <sup>1</sup>		2010 <sup>1</sup>	
By January 31	114	98.2 %	95	81.9 %	104	89.6 %
After January 31	1	0.9	19	16.4	9	7.8
Total Reported	115	99.1	114	98.3	113	97.4
Did Not Report	1	0.9	2	1.7	3	2.6
Total Possible Reports	116	100.0 %	116	100.0 %	116	100.0 %

<sup>1</sup> Includes CAFA seizure reports submitted by prosecuting attorneys to the State Auditor after the annual reports were issued.

### Prosecutors that Did Not Submit 2012 CAFA Seizure Reports

The Gentry County Prosecuting Attorney did not submit a 2012 CAFA seizure report to indicate if the county received any seizures or not. If the county received seizures a report is required. Section 513.607.10, RSMo, states intentional or knowing failure to comply with any reporting requirement shall be a class A misdemeanor punishable by a fine of up to \$1,000. Although a 2012 seizure report was not received from this county, it is unknown if a report was required.

In addition, we contacted the Missouri Department of Public Safety (DPS) to determine CAFA Seizure reports received by the DPS. We determined three counties (Bollinger, Maries, and Montgomery) submitted the required copy of the CAFA Seizure Report to the State Auditor, but did not submit a report to the DPS.





## Compilation of 2012 Criminal Activity Forfeiture Act Seizures Executive Summary

### Disposition of the Seizures Reported

The following table lists the dollar value of the disposition of seizures reported.

Reported Disposition <sup>1</sup>	2012		2011		2010	
Pending	\$	1,959,511 32 %	\$	1,410,410 21 %	\$	985,482 17 %
Returned		311,430 5		391,258 6		291,638 5
Transferred to Federal Agency		3,734,293 62		4,707,994 71		4,255,770 74
Transferred to State		83,868 1		158,589 2		25,974 1
Disposition Not Reported		20,186 0		0 0		5,430 0
Other		2,290 0		14,808 0		152,129 3
Total	\$	6,111,578 100 %	\$	6,683,059 100 %	\$	5,716,423 100 %

<sup>1</sup> The disposition of the CAFA seizures reported was compiled from the reports submitted by the prosecuting attorneys and the Attorney General.

See Appendix I for a list of the 2012 CAFA seizures disposition reported by each prosecuting attorney and the Attorney General.

### Compliance with Reporting the Required Information

Section 513.607.8, RSMo, requires prosecuting attorneys and the Attorney General to report the date, time, and place of the seizure; property seized; estimated value of the property seized; person(s) from whom the property was seized; criminal charges filed; and disposition of the seizure, forfeiture, and criminal actions. For the 557 cases reported in the CAFA seizure reports received, the following table lists the required information and the number of cases that reported each required item. Some reports did not include all of the required information; therefore, our compilation includes only the information reported.

Required Information	2012		2011		2010	
Date	555	99.6 %	510	100.0 %	465	99.6 %
Time	432	77.6	395	77.5	316	67.7
Place of Seizure	554	99.5	508	99.6	461	98.7
Property Seized	557	100.0	506	99.2	467	100.0
Estimated Value of Property Seized	535	96.1	493	96.7	440	94.2
Person(s) Property Seized From	557	100.0	510	100.0	467	100.0
Criminal Charges Filed	329	59.1	266	52.2	233	49.9
Disposition of Seizure	557	100.0	510	100.0	467	100.0
Disposition of Criminal Actions	424	76.1	412	80.8	371	79.4
Total Cases Reported	557	100.0 %	510	100.0 %	467	100.0 %

See Appendix II for a list of the number of 2012 CAFA seizure cases that contained the required information reported for each prosecuting attorney and the Attorney General.

Appendix I  
2012 CAFA Seizures Disposition Reported

Reporting Entity	Estimated <sup>1</sup> Value of all Cases Reported	Status Reported as of December 31, 2012					
		Pending	Returned	Transferred to Federal Agency	Transferred to State	Not Reported	Other
Adair	\$ 0						
Andrew	0						
Atchison	0						
Attorney General	0						
Audrain	33,178	32,830			348		
Barry	18,241	8,517	6,636		3,088		
Barton	0						
Bates	0						
Benton	0						
Bollinger	5,000			5,000			
Boone	96,091	21,400	845	71,829		2,017	
Buchanan	14,557	11,492			3,065		
Butler	13,900			13,900			
Caldwell	0						
Callaway	14,694	13,424	1,270				
Camden	97,689	96,289			1,400		
Cape Girardeau	28,566	12,304	5,382	10,880			
Carroll	0						
Carter	37,510	37,510					
Cass	8,525	8,525					
Cedar	0						
Chariton	0						
Christian	40,047	32,818		5,933	1,296		
Clark	13,846	13,846					
Clay	12,136	12,136					
Clinton	4,111	4,111					
Cole	46,200	29,153	10,171	5,054	1,822		
Cooper	7,141	7,141					
Crawford	84,893	84,893					
Dade	0						
Dallas	0						
Daviess	0						
DeKalb	0						
Dent	5,040	5,040					
Douglas	0						
Dunklin	1,776	1,776					
Franklin	31,496	12,070	1	19,425			
Gasconade	15,064	15,064					
Gentry	DNF						
Greene	17,457	7,657		9,800			
Grundy	0						
Harrison	1,670	1,670					
Henry	0						
Hickory	0						
Holt	0						
Howard	0						
Howell	41,071			20,749	20,322		

Appendix I  
2012 CAFA Seizures Disposition Reported

Reporting Entity	Estimated <sup>1</sup> Value of all Cases Reported	Status Reported as of December 31, 2012					
		Pending	Returned	Transferred to Federal Agency	Transferred to State	Not Reported	Other
Iron	0						
Jackson	549,701	509,687	25,536		14,478		
Jasper	29,568	27,307	2,261				
Jefferson	36,851	18,650	7,316		10,885		
Johnson	1,047	1,047					
Knox	0						
Laclede	333,593	3,813		329,780			
Lafayette	17,627	17,627					
Lawrence	0						
Lewis	0						
Lincoln	5,911	5,911					
Linn	1,120	1,120					
Livingston	0						
Macon	0						
Madison	0						
Maries	2,850	2,850					
Marion	0						
McDonald	2,864	640	2,224				
Mercer	0						
Miller	6,000	6,000					
Mississippi	3,520	3,520					
Moniteau	58,812	58,500			312		
Monroe	0						
Montgomery	900		900				
Morgan	111,748	111,748					
New Madrid	49,631		6,517	33,114	10,000		
Newton	52,023	48,913	3,110				
Nodaway	0						
Oregon	3,650	3,650					
Osage	0						
Ozark	0						
Pemiscot	0						
Perry	0						
Pettis	3,747	3,063			684		
Phelps	2,081,001	11,478	35,480	2,034,043			
Pike	5,646	5,646					
Platte	23,298	13,660	2,045		7,593		
Polk	0						
Pulaski	250,734	150,734		100,000			
Putnam	0						
Ralls	0						
Randolph	16,412					16,412	
Ray	1,612	1,612					
Reynolds	0						
Ripley	40,287		35,335	4,952			
Saline	1,131	1,131					
Schuyler	0						

## Appendix I

### 2012 CAFA Seizures Disposition Reported

Reporting Entity	Estimated <sup>1</sup> Value of all Cases Reported	Status Reported as of December 31, 2012					
		Pending	Returned	Transferred to Federal Agency	Transferred to State	Not Reported	Other
Scotland	0						
Scott	7,168	7,168					
Shannon	0						
Shelby	0						
St. Charles	1,038,523	105,463	53,647	879,413			
St. Clair	34,000	34,000					
St. Francois	2,960	2,960					
St. Louis County	217,149	211,810	1,292			1,757	2,290
St. Louis City	227,611	99,770	111,462	7,804	8,575		
Ste. Genevieve	0						
Stoddard	0						
Stone	834	834					
Sullivan	0						
Taney	7,658	7,658					
Texas	0						
Vernon	187	187					
Warren	4,744	4,744					
Washington	0						
Wayne	0						
Webster	6,944	6,944					
Worth	0						
Wright	182,617			182,617			
	\$ 6,111,578	1,959,511	311,430	3,734,293	83,868	20,186	2,290

<sup>1</sup> DNF - Did not file a 2012 CAFA seizure report with the State Auditor's Office.

This appendix compiles only the information reported to the State Auditor by prosecuting attorneys and the Attorney General. We did not verify this data. In analyzing this appendix, some disparity may result due to different methods used by the various prosecuting attorneys and the Attorney General in presenting essentially the same information. In addition, not all seizure reports included an estimated value of the property seized.

## Appendix II

### 2012 CAFA Seizures Required Information Reported

Reporting Entity	Number of Cases Reported	Estimated <sup>1</sup> Value of Cases Reported	Number of Cases that Reported Required Information								
			Date	Time	Place Seized	Property Seized	Property Seized	Person(s) Seized From	Criminal Charges Filed	Disposition	
										Seizure	Criminal Actions
Adair	0	\$ 0									
Andrew	0	0									
Atchison	0	0									
Attorney General	0	0									
Audrain	6	33,178	6	6	6	6	5	6	6	6	1
Barry	5	18,241	5		5	5	5	5	5	5	5
Barton	0	0									
Bates	0	0									
Benton	0	0									
Bollinger	1	5,000	1		1	1	1	1		1	1
Boone	16	96,091	16		16	16	13	16	13	16	16
Buchanan	8	14,557	8	8	8	8	8	8	8	8	3
Butler	1	13,900	1	1	1	1	1	1		1	1
Caldwell	0	0									
Callaway	5	14,694	5	4	5	5	5	5	5	5	5
Camden	8	97,689	8	7	8	8	8	8	6	8	1
Cape Girardeau	4	28,566	4		4	4	4	4	4	4	4
Carroll	0	0									
Carter	1	37,510	1	1	1	1	1	1	1	1	1
Cass	3	8,525	3	3	3	3	3	3	1	3	3
Cedar	0	0									
Chariton	0	0									
Christian	13	40,047	13	5	13	13	13	13	12	13	3
Clark	1	13,846	1	1	1	1	1	1	1	1	1
Clay	4	12,136	4	3	4	4	4	4	1	4	
Clinton	1	4,111	1	1	1	1	1	1	1	1	1
Cole	22	46,200	22	22	22	22	21	22	21	22	21
Cooper	3	7,141	3	3	3	3	3	3	3	3	3
Crawford	2	84,893	2		2	2	2	2	2	2	2
Dade	1	0	1	1	1	1		1	1	1	1
Dallas	0	0									
Daviess	0	0									
DeKalb	0	0									
Dent	3	5,040	3	3	3	3	3	3	3	3	3
Douglas	0	0									
Dunklin	1	1,776	1	1	1	1	1	1	1	1	1
Franklin	15	31,496	15	7	15	15	15	15	15	15	4
Gasconade	1	15,064	1		1	1	1	1		1	1
Gentry	DNF	DNF									
Greene	5	17,457	5		5	5	2	5		5	
Grundy	0	0									
Harrison	1	1,670	1		1	1	1	1	1	1	1
Henry	1	0	1	1	1	1		1	1	1	1
Hickory	0	0									
Holt	0	0									

## Appendix II

### 2012 CAFA Seizures Required Information Reported

Reporting Entity	Number of Cases Reported	Estimated <sup>1</sup> Value of Cases Reported	Number of Cases that Reported Required Information								
			Date	Time	Place Seized	Property Seized	Estimated Value of Property Seized	Person(s) Seized From	Criminal Charges Filed	Disposition	
										Seizure	Criminal Actions
Howard	0	0									
Howell	5	41,071	5	5	5	5	5	5	4	5	5
Iron	0	0									
Jackson	59	549,701	59	56	59	59	59	59	21	59	58
Jasper	10	29,568	10		10	10	8	10	10	10	10
Jefferson	18	36,851	18	15	18	18	18	18	13	18	2
Johnson	1	1,047	1	1	1	1	1	1	1	1	1
Knox	0	0									
Laclede	5	333,593	5	5	5	5	5	5	4	5	4
Lafayette	6	17,627	6	6	6	6	6	6	6	6	6
Lawrence	0	0									
Lewis	0	0									
Lincoln	2	5,911	2	2	2	2	2	2	2	2	2
Linn	1	1,120	1	1	1	1	1	1	1	1	1
Livingston	0	0									
Macon	0	0									
Madison	0	0									
Maries	2	2,850	2	2	2	2	2	2	2	2	2
Marion	0	0									
McDonald	5	2,864	5	5	5	5	5	5	4	5	4
Mercer	0	0									
Miller	1	6,000	1	1	1	1	1	1	1	1	1
Mississippi	2	3,520	2		2	2	1	2	2	2	2
Moniteau	5	58,812	5	5	5	5	5	5	5	5	5
Monroe	0	0									
Montgomery	1	900	1	1	1	1	1	1	1	1	1
Morgan	3	111,748	3	2	3	3	3	3	3	3	3
New Madrid	5	49,631	5		5	5	5	5	5	5	5
Newton	9	52,023	9	1	9	9	9	9	8	9	8
Nodaway	0	0									
Oregon	2	3,650	2	2	2	2	2	2	2	2	2
Osage	0	0									
Ozark	1	0	1		1	1		1	1	1	1
Pemiscot	0	0									
Perry	0	0									
Pettis	4	3,747	4		4	4	4	4	4	4	4
Phelps	10	2,081,001	10	10	10	10	9	10	8	10	10
Pike	2	5,646	2	1	2	2	2	2	2	2	2
Platte	6	23,298	6	6	6	6	6	6	5	6	6
Polk	0	0									
Pulaski	4	250,734	4	4	4	4	4	4	3	4	4
Putnam	0	0									
Ralls	0	0									
Randolph	18	16,412	17	1	15	18	18	18	14	18	15
Ray	2	1,612	2	2	2	2	2	2	2	2	2

## Appendix II

### 2012 CAFA Seizures Required Information Reported

Reporting Entity	Number of Cases Reported	Estimated <sup>1</sup> Value of Cases Reported	Number of Cases that Reported Required Information								
			Date	Time	Place Seized	Property Seized	Estimated Value of Property Seized	Person(s) Seized From	Criminal Charges Filed	Disposition	
										Seizure	Criminal Actions
Reynolds	0	0									
Ripley	4	40,287	4	3	4	4	4	4	3	4	4
Saline	1	1,131	1	1	1	1	1	1	1	1	1
Schuyler	0	0									
Scotland	0	0									
Scott	4	7,168	4	4	4	4	4	4	4	4	4
Shannon	0	0									
Shelby	0	0									
St. Charles	49	1,038,523	49	48	49	49	49	49	13	49	22
St. Clair	2	34,000	2		2	2	1	2	2	2	2
St. Francois	2	2,960	2		2	2	2	2	1	2	2
St. Louis City	69	227,611	69	69	69	69	69	69	37	69	37
St. Louis County	88	217,149	88	88	88	88	84	88	7	88	86
Ste. Genevieve	1	0			1	1		1	1	1	1
Stoddard	0	0									
Stone	1	834	1	1	1	1	1	1	1	1	1
Sullivan	0	0									
Taney	8	7,658	8		8	8	7	8	8	8	8
Texas	0	0									
Vernon	1	187	1		1	1	1	1	1	1	1
Warren	3	4,744	3	3	3	3	3	3	2	3	2
Washington	0	0									
Wayne	0	0									
Webster	2	6,944	2	2	2	2	2	2	1	2	2
Worth	0	0									
Wright	1	182,617	1	1	1	1	1	1	1	1	1
	557	\$ 6,111,578	555	432	554	557	535	557	329	557	424

<sup>1</sup> DNF - Did not file a 2012 CAFA seizure report with the State Auditor's Office.

This appendix compiles the total number of 2012 CAFA seizure cases, the total estimated value of cases reported, and the number of cases that reported the required information by each prosecuting attorney and the Attorney General. We did not verify this data. In analyzing this appendix, some disparity may result due to different methods used by the various prosecuting attorneys and the Attorney General in presenting essentially the same information. In addition, not all seizure reports included an estimated value of property seized.



Thomas A. Schweich  
Missouri State Auditor

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## SOCIAL SERVICES

# Medicaid Management Information System Data Security



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March 2013  
Report No. 2013-020

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<http://auditor.mo.gov>





**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Department of Social Services, Medicaid Management Information System Data Security

### Background

The Medicaid Program provides health care access to low-income persons age 65 or over, blind, disabled, members of families with dependent children, children and pregnant women in poverty, refugees, and children in state care. The Medicaid Management Information System (MMIS) is the Medicaid benefit claims processing and information retrieval system used by the state to meet requirements of the United States Department of Health and Human Services. The MMIS is owned by the state but is operated and maintained by a contracted vendor. During processing, claims are subject to numerous "edit checks" (also known as data validity checks), which is program code that tests input for correct and reasonable conditions. Medicaid claims paid in calendar year 2011 totaled over \$6.6 billion. The scope of our audit included security controls and other relevant internal controls established and managed by the Department of Social Services (DSS), MO HealthNet Division (MHD).

### Claims Processing

The MHD paid claims of over \$62,400 during calendar year 2011 for services that should not have been allowed because three edit checks were not functioning properly. The MHD does not routinely review edits to ensure the testing criteria remain accurate, so management does not have the necessary assurance that edits are working properly and only claims meeting program guidance are paid. An authorized user may override a denied claim, but the MHD cannot always track the identity of users who performed an override, which reduces accountability. The MHD did not always ensure edit documentation was complete and accurate. Audit staff found four active edits for organizations that no longer had a managed care contract with MHD, one edit that was disabled, and several instances where the criteria in the edit documentation lacked some relevant data fields.

### User Account Controls

DSS management and the MMIS contractor have not established or documented adequate user account management policies and procedures. DSS management could not identify the user of an account with privileged access to the MMIS. Failing to identify all users with privileged access to the MMIS could leave the system at risk of improper modification. DSS management has not implemented sufficient procedures for periodically reviewing user access rights to the MMIS to ensure access rights remain appropriate. Audit staff found 66 active user accounts for individuals who had terminated employment from the DSS or one of the contractors. In addition, multiple users were assigned to the same internal MMIS identifier accounts, making it difficult to identify users responsible for making changes to the MMIS. The DSS has not established procedures to prevent a single user from accessing the MMIS from more than one location at any given time. Such concurrent session controls help protect the confidentiality, integrity, and availability of the data and the system.

MMIS Contract	The DSS has not performed a comprehensive security control risk assessment for the MMIS, which is a responsibility inherent to the owners of a system. Neither the DSS nor the contractor has documented the minimum levels of output, such as the number of claims processed in a period of time, or system availability expected from the MMIS, so neither party can ensure the system is operating at acceptable levels. Moreover, the DSS has not ensured the MMIS contractor is in full compliance with contractual requirements. For example, the MMIS contractor has not provided documentation to the DSS of key disaster recovery procedures, as required by the contract.
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In the areas audited, the overall performance of this entity was **Fair**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	Not applicable.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Department of Social Services

## Medicaid Management Information System Data Security

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Alan O. Freeman, Director  
Department of Social Services  
and  
Dr. Ian McCaslin, Director  
MO HealthNet Division  
Jefferson City, Missouri

We have audited the Department of Social Services, MO HealthNet Division controls related to the Medicaid Management Information System (MMIS) in fulfillment of our duties under Chapter 29, RSMo. This audit was conducted to evaluate the effectiveness of security controls and other related internal controls designed to secure confidential citizen information and health-related data, and because the MMIS processes over \$6 billion of state and federal expenditures each fiscal year. The objectives of our audit were to:

1. Evaluate the security controls and other related internal controls designed to ensure the confidentiality, integrity, and availability of data and information processed and maintained by the MMIS.
2. Evaluate the economy and efficiency of certain management practices and information system control activities.
3. Evaluate compliance with certain legal provisions including certain provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Privacy and Security Rules.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in security and related internal controls, (2) the need for improvement in management practices and procedures, and (3) no significant noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Social Services, MO HealthNet Division, Medicaid Management Information System.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
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# Department of Social Services

## Medicaid Management Information System Data Security

### Introduction

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#### **Background**

Data security is a critical consideration for any organization dependent on information systems and networks to meet its mission or business objectives. Data security is especially important for state agencies, where public trust is essential for the efficient delivery of services. Security can be a significant investment, which adds to an already long list of administrative duties. Managing secure networks, developing and implementing new system functionality, maintaining system users, and other day-to-day security tasks can strain limited administrative resources. However, agency management must understand proper protection of citizen information is a requirement and not a luxury in the current interconnected cyber environment. Without proper safeguards and controls, computer systems and confidential data are vulnerable to individuals with malicious intentions who can use access to obtain sensitive data or disrupt operations.

The Medicaid Program, authorized by federal legislation in 1965, provides health care access to low-income persons age 65 or over, blind, disabled, or members of families with dependent children. Legislative changes have expanded the categories of eligibility to include Medicaid coverage for children and pregnant women in poverty, refugees, and children in state care. The Missouri Medicaid program is administered by the state and is jointly financed by the federal and state governments. The Department of Social Services (DSS), MO HealthNet Division (MHD), is responsible for administration of the Medicaid program.

The Medicaid Management Information System (MMIS) is the Medicaid benefit claims processing and information retrieval system used by the state to meet the requirements of the United States Department of Health and Human Services. The system was established in the 1980s and replaced by an enhanced system in 2009. The MMIS has also been subject to continuous updates to account for changes in program rules and regulations. The MMIS is owned by the state<sup>1</sup> but is operated and maintained by a contracted vendor. The contractor, who has physical possession of the system, is responsible for certain operational aspects, including processing claims and system maintenance. The MHD MMIS unit is responsible for monitoring contractor performance, as well as other administrative and operational aspects of the system.

According to accepted standards, security controls are the management, operational, and technical safeguards or countermeasures prescribed for an information system to protect the confidentiality, integrity, and availability of the system and its information. Confidentiality refers to preserving

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<sup>1</sup> A system owner's responsibilities include providing for appropriate security and establishing controls to ensure the confidentiality, integrity, and availability of the system and data.



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authorized restrictions on information access and disclosure, including the means for protecting personal privacy and proprietary information. Integrity relates to guarding against improper information modification or destruction, and availability ensures timely and reliable access to and use of information.

## Claims Processing

Medicaid providers submit claims to bill the state for medical services provided to Medicaid participants. Most claims are submitted electronically, however, some claims are submitted on paper. All submitted claims are entered in and processed by the MMIS to determine the allowable amount paid for each claim.

During processing, claims are subjected to numerous edit<sup>2</sup> checks. These edits perform tests to ensure claims are reasonable and appropriate, and meet program guidance before allowing claims to be paid. For example, edits are used to ensure:

- Claims are submitted with the name and identification number of an authorized Medicaid participant.
- Claims are submitted within a year of the date of service.
- Claims are not paid more than once.

Certain edits do not prevent claims from being processed and paid, but instead flag claims for further review. Other edits require claims to be corrected or reviewed by program staff to determine if an edit override action should be applied to force a claim to process.

Many edits are controlled by criteria coded in specific reference tables in the MMIS. These tables allow program staff to more easily modify the specific criteria an edit is testing against.

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## Scope and Methodology

The scope of our audit included security controls and other related internal controls established and managed by the MHD; policies and procedures; and other management functions and compliance issues in place during the 2 years ended June 30, 2012.

Our methodology included conducting interviews with appropriate officials and staff; obtaining and reviewing available policies and procedures, federal laws, and other applicable information; and performing testing.

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<sup>2</sup> An edit, also known as a data validity check, is program code that tests the input for correct and reasonable conditions; such as account numbers falling within a range; numeric data being all digits; dates having a valid day, month, and year; etc.



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We obtained user account data from the MHD and the system contractor as of March 2012. To ensure completeness of the data, we reviewed user accounts for reasonableness and scanned the names of employees. Although we used computer-processed data from MHD systems to identify user accounts and related information, we did not rely on the results of any processes performed by these systems in arriving at our conclusions. Our conclusions were based on our review of the controls over user accounts.

We obtained the employment records of all DSS employees for fiscal years 2001 to 2012 from the statewide accounting system for human resources. We matched these records to user accounts with access to the MMIS system to determine if any terminated employees had active user accounts. We provided DSS officials a list of all terminated employees we found who had active access to the MMIS system. Although we used computer-processed data from the human resources system for our audit work, we did not rely on the results of any processes performed by this system in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objectives.

We obtained data from the MMIS system for all claims paid or denied during calendar year 2011. The claims paid in calendar year 2011 totaled over \$6.6 billion. To ensure completeness of the data, we performed basic reasonableness tests, reviewed claim types, and reconciled the paid amounts from the data file to control totals from the system. Although we used computer-processed data from the MMIS for our audit work, we did not rely on the results of any processes performed by this system in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objectives.

To determine whether controls to validate and edit MMIS claim records were in operation and working effectively, we reviewed MMIS and provider manuals, reviewed system documentation, and interviewed MHD staff. We analyzed claim records for compliance with certain system edits to ensure existing edits were functioning properly. We provided MHD officials with a list of overpayments and potential overpayments identified in the audit.

We based our evaluation on accepted state, federal, and international standards and best practices related to information technology security controls from the following sources:

- National Institute of Standards and Technology (NIST)
- Government Accountability Office (GAO)
- ISACA (formerly known as the Information Systems Audit and Control Association)



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# Department of Social Services

## Medicaid Management Information System Data Security

### Management Advisory Report - State Auditor's Findings

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#### **1. Claims Processing**

Department of Social Services (DSS), MO Healthnet Division (MHD) management did not ensure all claims were processed accurately. Errors in edit testing criteria used by the Medicaid Management Information System (MMIS) to process claims resulted in payments of over \$62,400 for claims that should have been denied and not paid during calendar year 2011. In addition, deficiencies in recording user information in claim records for certain edit overrides and incomplete edit documentation reduced the effectiveness of security and related internal controls.

##### **1.1 Improper Payments**

The MHD paid claims of over \$62,400 during calendar year 2011 for services that should not have been allowed. These claims were processed and paid because three edit checks were not properly functioning.

We tested two edits designed to detect instances of monthly services being billed more than once in a month or daily services being billed after claims had already been billed on a monthly services basis. In 2011, the MMIS processed \$2.2 million in paid claims that should have been subject to these two edits. We found the edits failed to detect multiple monthly billings in a single month, which allowed over \$61,100 of improper payments. We also found the edits did not detect instances of daily claims after a monthly claim had already been submitted, which allowed over \$900 of improper payments. These improper payments occurred because certain edit criteria used by the MMIS to process claims was inaccurately specified from 2009 through August 2012, when we brought the issue to the attention of MHD management.

We also tested an edit designed to prevent payments to providers for performing both a consultation and specific services to the same participant on the same date, a practice that is not allowed by federal regulations. The MMIS processed \$45.2 million in paid claims during 2011 that met the criteria to be tested by this edit. While the edit appeared to function properly on the vast majority of claims, we identified approximately \$400 of improper payments made to providers that billed for both services and consultation on the same date. MHD staff could not identify why the edit did not detect these claims.

Additionally, we found a fourth edit check failed to function properly, resulting in two claims being processed with the same claim number. In this instance, neither claim resulted in an actual payment since the two duplicated claims were adjustment claims to reverse previously approved claims.

MHD management does not routinely review edits to ensure the testing criteria remains accurate. Reviews are only performed when problems are identified or other changes are necessary, according to MHD management. As a result, the MHD does not have necessary assurance that edits are



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working properly and only claims meeting program guidance are paid. Implementing procedures to periodically review edits for accuracy and completeness would help prevent payment of improper claims and would lead to detection of errors in a more timely manner.

## 1.2 Override Audit Records

The MHD cannot always track the identity of users who performed an override of a claim denied by an established edit. A denied claim may be overridden by authorized users and subsequently paid for a variety of reasons. Information to identify the user account that applied the override is posted on the claim to provide an audit record of the override. However, we found that for two edits, in certain circumstances, default user account information is posted to the claim record rather than the actual account information of the user applying the override. As a result, if an unauthorized override was applied, the MHD would not be able to readily determine which user applied the override to the claim.

Accepted standards require information systems to produce audit records that contain sufficient information to, at a minimum, establish what type of event occurred and the identity of any user/subject associated with the event. Without recording the identity of the user account that performed the override, accountability for the override is lacking.

## 1.3 Edit Documentation

The MHD did not always ensure edit documentation was complete and accurate. We found several instances where edit documentation did not match the actual criteria or edit coding and instances where edits had been disabled but the documentation not updated to indicate the control was no longer functioning. As a result, it becomes increasingly difficult for the MHD to administer edit controls and ensure edits are functioning properly to prevent payments that are not appropriate and do not meet program guidance.

### Expired Contracts

Managed care organizations, not the Medicaid program, are responsible for medical costs for participants enrolled in managed care. As a result, separate edits for each organization have been established to deny claims for participants enrolled with a managed care program. We found four active edits for organizations that no longer had a managed care contract with the MHD. Edits for two of the four managed care organizations were still in place over 13 years after the contracts had been terminated while the remaining two edits were still active over 5 years after the contracts had been terminated. Without a current contract, Medicaid participants are not enrolled with these organizations and the edits are no longer necessary.

### Edits turned off

Claims submitted to adjust a previous claim should reference the same participant as the original claim, according to system documentation. We found approximately 1,300 adjustments, processed in calendar year 2011, that referenced a different participant on the adjustment claim than the



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original claim. After research, MHD program staff said this edit was no longer used. However, the edit documentation had not been updated to indicate the status and did not contain authorization for disabling the control.

#### Insufficient details

We found instances where the criteria described in the edit documentation did not include some relevant data fields. Several edits were designed to limit access to certain services within a period of time. However, most of these edits did not describe actual testing criteria or document that limits are specific to a single provider.

For example, claims submitted to the MMIS include two categories of providers. The "Provider" on the claim is generally used to indicate where the participant received services, such as a hospital, clinic, or practice. The "Performing Provider" is used to record the specific staff member who performed the services being billed, such as a doctor or nurse. We reviewed several edits where the documentation did not specify the category of provider to be tested. MHD staff agreed the documentation did not specifically describe the actual testing performed by the edit. Instead, the MHD relied on documentation in the programming code because the edit testing was difficult to describe.

A key element of information security is to test and evaluate policies, procedures, and controls to determine whether they are current, effective, and operating as intended. Without accurate and complete edit descriptions, management cannot ensure the controls are interpreted correctly by staff to identify and mitigate areas of control risk and noncompliance with program guidelines.

#### Recommendations

The DSS:

- 1.1 Ensure all edit criteria specified in claim processing reference tables are complete and accurate. In addition, the DSS should identify and recoup any overpayments made to providers due to inaccurate edits.
- 1.2 Ensure the user account that applied an exception override is recorded in all cases.
- 1.3 Ensure edit documentation is complete, accurate, and properly reflects actual testing procedures performed during claims processing.

#### Auditee's Response

- 1.1 *DSS will review the identified claims and recoup any claims paid in error. Edit documentation is reviewed and updated as needed when exceptions are researched or modified. Staff researching or monitoring claims processing edits have access to the rules engine*



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*that houses the detailed edit criteria used in claims processing. Future enhancements will eventually move the remaining edits into the rules engine providing staff with access to exception post criteria details. The exception control file houses a description of the edit; however, the detailed criteria used to process claims is housed in the rules engine, hard coding, and/or system parameters. The purpose of the exception control file is to provide a high level description of the edit and the edit status that will post to the claim (suspend, deny, report).*

1.2 *DSS has initiated a system request to ensure user account information is recorded on Exception overrides.*

1.3 *Edit documentation is reviewed and updated as needed when exceptions are researched or modified. Staff researching or monitoring claims processing edits have access to the rules engine that houses the detailed edit criteria used in claims processing. Future enhancements will eventually move the remaining edits into the rules engine providing staff with access to exception post criteria details. The exception control file houses a description of the edit; however, the detailed criteria used to process claims is housed in the rules engine, hard coding, and/or system parameters. The purpose of the exception control file is to provide a high level description of the edit and the edit status that will post to the claim (suspend, deny, report).*

## **2. User Account Controls**

DSS management and the MMIS contractor have not established or documented adequate user account management policies and procedures. User account management includes requesting, establishing, issuing, suspending, modifying, closing, and periodically reviewing user accounts and related user privileges, according to accepted standards. User account management policies and procedures should be established for all user accounts, including system administrators and other privileged users.

### **2.1 Unidentified Privileged Account**

DSS management could not identify the user of an account with privileged access to the MMIS.

Privileged users are individuals who have access to system control, monitoring, or administration functions (such as a system administrator). According to accepted standards, privileged access should be limited to only those individuals who need the functions to perform their job duties due to their significant access rights, and should be monitored to ensure actions performed are in accordance with the user's business requirements.

We reviewed user records for all staff with access to the MMIS to determine which users had privileged account access. For the users with privileged



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access, we matched the user account to employee records from the state human resources system or to a listing of contractor employees. We found one user account, identified as a "Test Clerk" in the user account list, that could not be matched to either the state or contractor employee listings. DSS staff could not identify the specific individual to whom this account was assigned, and believe the account may have been shared by system programming staff. This account had been used to change system security settings, according to system audit logs. Documentation approving this change was available; however, the change should not have been performed by an unidentified user.

Failing to positively identify all users with privileged access to the MMIS could leave the system at risk of improper modification. Further, by allowing shared accounts to be used, any improper modifications cannot be associated with the individual(s) responsible. In addition, the Health Insurance Portability and Accountability Act requires employees to have only appropriate access to Protected Health Information (PHI), including preventing employees without a need to access PHI from obtaining such access.<sup>3</sup>

## 2.2 Management review of user accounts

DSS management has not implemented sufficient procedures for periodically reviewing user access rights to the MMIS to ensure access rights remain appropriate. Both DSS and contractor security policies require reviews of user access to information systems periodically or when user access requirements change. Accepted standards also support regular review of all accounts and related privileges.

### Terminated employees

The MHD did not always ensure MMIS access was removed timely when the user was no longer employed in a position needing access. Of the 878 active user accounts as of March 2012, we found 66 accounts for individuals who had terminated employment from the DSS or one of the contractors. In 58 of these instances, account access was not removed because MMIS system administrators were not informed these employees had terminated employment. In eight of these instances, the MHD did remove access but not until at least 30 days after the user was no longer employed.

By allowing accounts belonging to terminated users to exist in the MMIS, management may increase the risk of unauthorized access and compromise the confidentiality and integrity of data maintained by the DSS.

### System access

Management has not regularly reviewed user accounts to ensure access rights are appropriate and remain aligned with current job duties.

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<sup>3</sup> HIPAA Security Rule, 45 CFR 164.308



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Periodically reviewing user accounts could have identified the following problems we found:

- One user was issued two accounts (one under a misspelled name). The error was not detected because the user marked both access request forms as if the account was for a new user.
- Four users with read access to system security tables. These users previously required access, but a reassignment of responsibilities meant access to security tables was no longer necessary to perform job duties. Access to the security tables was removed when we brought the issue to management's attention.
- Thirteen users with inappropriate access to the provider master files. Eight users were MMIS contractor staff, two users were employed by subcontractors, and the remaining three users were MHD employees. Based on our request to review these user accounts, MHD management determined these users did not need the level of access to provider master files they had been granted.
- Six user accounts created for individuals who transferred to different divisions without deleting the previous account, allowing these users to have two accounts simultaneously.

Without periodically reviewing user access rights, management faces an increased risk that unauthorized alterations of the rights will go undetected or access rights may not be aligned with current job duties.

#### Shared accounts

Multiple users were assigned to the same internal MMIS identifier accounts. However, MHD management did not regularly review these accounts to ensure access granted was appropriate.

Access rights are assigned to user accounts. However, the MMIS uses internal identifiers, which are separate from user accounts, to log actions performed by users. Because the MMIS has a limited number of these identifiers available, multiple user accounts are often assigned to the same identifier. The practice of sharing identifiers has the potential to limit accountability of changes made in the system. To alleviate this concern, the DSS has attempted to ensure, at any point in time, only one user is assigned an identifier with authority to update information. However, without reviewing the accounts periodically, management cannot ensure only one of the users sharing the account has access to update information.

Accepted standards, including DSS policy, require all users to have uniquely identifiable user accounts. Allowing multiple users to share the same account makes it difficult, if not impossible, to identify the user responsible for making changes to the MMIS.



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## 2.3 Concurrent Sessions

The DSS has not established procedures for the MMIS to limit the maximum number of concurrent sessions for each user. Concurrent session controls prevent a single user from accessing an information system from more than a specified number of locations at any given time. This control helps prevent unauthorized users from accessing the system by masquerading as an authorized user.

DSS management said multiple sessions are necessary because users often need to view multiple screens at once on a single desktop. MMIS contractor staff said a system control locks an account after 2 hours of inactivity to limit unauthorized access. However, the inactivity control does not prevent users from accessing the MMIS at another location, such as a second computer. While both controls help prevent unauthorized access, inactivity controls work when an access point is left unattended, whereas concurrent session controls prevent an unauthorized user from accessing the system at the same time an authorized user is logged in from a different location.

According to accepted standards, the number of concurrent sessions for a user should be limited. Without limiting access from multiple locations at the same time, management may not be able to ensure the confidentiality, integrity, and availability of data and the system.

## Recommendations

The DSS:

- 2.1 Ensure all MMIS access can be associated with specific users and access rights granted to each user are appropriate for their job duties.
- 2.2 Ensure all user access to the MMIS is periodically reviewed by management and inappropriate access, including that of terminated users, is removed in a timely manner.
- 2.3 Establish security settings limiting the number of concurrent sessions for a single user.

## Auditee's Response

- 2.1 *DSS established a dedicated Privacy and Security Officer position in April 2012 to address the security management needs specific to the MO HealthNet Division. Reviews of MMIS access will continue to be performed at the time the request is received; periodic reviews will occur to verify user access rights are appropriate and still required.*
- 2.2 *DSS established a dedicated Privacy and Security Officer position in April 2012 to address the security management needs specific to the MO HealthNet Division. Periodic reviews will occur to verify*



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*user access rights are appropriate and to ensure timely removal of access from the MMIS.*

2.3 *It is important for the workflow of the DSS to maintain multiple sessions. The DSS is working with the fiscal agent to identify options for limiting sessions while maintaining workflow.*

### 3. MMIS Contract

DSS management has not ensured the MMIS contract is fully complied with and includes some necessary provisions to ensure the confidentiality, integrity, and availability of the system and related data. This has occurred because the DSS has not performed a comprehensive risk assessment, defined acceptable levels of output of the system, or ensured the contractor is in compliance with the contract.

#### 3.1 Security Risk Control Assessment

The DSS has not performed a comprehensive security control risk assessment for the MMIS.

The MMIS contract requires the contractor to perform a periodic comprehensive security risk analysis for the MMIS, which DSS management said is performed biannually. In addition, the DSS performs limited security risk analysis when reviewing planned changes to the MMIS. However, these DSS reviews are limited in scope to only the planned changes and do not review how changes could have unintended consequences in other functions of the system.

A security risk assessment is a responsibility inherent to the owners of a system. Accepted standards require owners to make decisions about classifying information and systems and protecting them in line with this classification. Standards also emphasize the risk management process should not be treated primarily as a technical function carried out by the technology experts who operate and manage the system, but as an essential management function of the organization. By outsourcing risk assessment to the contractor, the DSS has abdicated a key ownership responsibility and cannot ensure the controls in place are adequate to protect the confidentiality, integrity, and availability of the data within the MMIS.

#### 3.2 Minimum Levels of Output

Neither the DSS nor the contractor has documented the minimum levels of output, such as the number of claims processed in a period of time, or system availability expected from the MMIS. As a result, neither party can ensure the system is operating at acceptable levels, or begin remediation efforts should the operation drop below acceptable levels.

The MMIS contract requires the contractor to create a Business Continuity Plan for the MMIS. According to the contract, the Business Continuity Plan "must identify potential system failures" and "contain a risk analysis for each core business process." The contract also requires the contractor to





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define the minimum acceptable level of output for each core business process. The contractor has created a Business Continuity Plan, which includes a list of core business processes, but the minimum level of output for each core business process has not been documented.

By not documenting the level of output expected from the system, DSS management cannot ensure the system is operating effectively.

### 3.3 Contract Monitoring

The DSS has not ensured the MMIS contractor is in full compliance with contractual requirements. For example, the MMIS contract includes extensive requirements related to the provision of disaster recovery services for the MMIS. The contractor has not provided documentation to the DSS to support compliance with these disaster recovery requirements.<sup>4</sup>

Failure to document key disaster recovery procedures subjects the MMIS to risks that the system may not be readily restored in the event of a disaster, causing the MMIS to be non-operational for an extended period of time. Without ensuring compliance with all contractual requirements, the DSS cannot ensure the contractor has taken steps to minimize the risk to the MMIS in the event of a disaster.

## Recommendations

The DSS:

- 3.1 Ensure risk assessments, including security control analyses, are completed for the MMIS and reviewed in a timely manner.
- 3.2 Work with the MMIS contractor to ensure minimum acceptable levels of system output are determined and documented to provide measured baseline levels of service expected from the MMIS.
- 3.3 Require the MMIS contractor to document and demonstrate compliance with contract requirements, including the provisions for disaster recovery services.

## Auditee's Response

- 3.1 *DSS agrees with this recommendation.*
- 3.2 *DSS has established system expectations to return to normal operations within 72 (seventy-two) hours, which are covered in the fiscal agent Business Continuity, Contingency and Disaster Recovery plan.*

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<sup>4</sup> We provided DSS management a list of the critical services included in the contract for which documentation of compliance could not be provided.



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- 3.3 *DSS will continue to work with the fiscal agent to monitor and improve the Disaster Recovery and Backup Plan as required in Section 9.1.28 of the contract. The State has requested, through the Budget process, additional dedicated staff to monitor MMIS contract compliance.*



**Thomas A. Schweich**  
Missouri State Auditor

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# Office of the State Treasurer

**Year Ended  
June 30, 2012**



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**March 2013**  
**Report No. 2013-021**

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**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Audit of the Office of State Treasurer

Background	On January 14, 2013, Clint Zweifel was inaugurated for his second term as the forty-fifth Missouri State Treasurer.
	The Office of State Treasurer is an elective office as provided in the Missouri Constitution. The duties of the State Treasurer are to be the custodian of all state funds, and determine the amount of state monies not needed for current operating expenses and invest such monies as allowed by state law. The Office of State Treasurer operates in four major functional areas: 1) accounting and banking services, 2) disbursements and records, 3) investments and deposit programs, and 4) unclaimed property.
Audit Findings	The State Auditor is required to conduct an annual audit of the Office of State Treasurer. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2012. The audit report includes an unqualified opinion on the financial statements of the Office of State Treasurer. No findings resulted from our audit.

In the areas audited, the overall performance of this entity was **Excellent**.\*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The Office of State Treasurer did not receive any federal stimulus monies during the audited time period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

<b>Excellent:</b>	The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
<b>Good:</b>	The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
<b>Fair:</b>	The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
<b>Poor:</b>	The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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OFFICE OF STATE TREASURER

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OFFICE OF STATE TREASURER

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## FINANCIAL SECTION

## State Auditor's Reports





# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

### **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS**

Honorable Clint Zweifel, State Treasurer  
Jefferson City, Missouri

We have audited the accompanying financial statements of the Treasurer's General Operations Fund, Treasurer's Information Fund, Central Check Mailing Service Revolving Fund, and Abandoned Fund Account Fund of the Office of State Treasurer as of and for the year ended June 30, 2012. These financial statements are the responsibility of the office's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1.A., the financial statements of the Office of State Treasurer are intended to present the financial position, and the changes in financial position and, where applicable, cash flows of only that portion of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the State of Missouri that is attributable to the transactions of the Office of State Treasurer. They do not purport to, and do not, present fairly the financial position of the State of Missouri as of June 30, 2012, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. However, the State of Missouri issued its Comprehensive Annual Financial Report for the year ended June 30, 2012, and that report was prepared in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the Treasurer's General Operations Fund, Treasurer's Information Fund, Central Check Mailing Service Revolving Fund, and Abandoned Fund Account Fund of the Office of State Treasurer, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2013, on our consideration of the office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements, collectively, that are referred to in the first paragraph. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements, collectively, that are referred to in the first paragraph. The accompanying Organization and

Statistical Information is presented for informational purposes and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



Thomas A. Schweich  
State Auditor

February 1, 2013

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Robert McArthur II
Audit Staff:	Emily Bias, MSL
	Gina Henley, MBA
	April Campbell
	Tessa Oates



# THOMAS A. SCHWEICH

## Missouri State Auditor

### INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Clint Zweifel, State Treasurer  
Jefferson City, Missouri

We have audited the financial statements of the Office of State Treasurer as of and for the year ended June 30, 2012, and have issued our report thereon dated February 1, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

Management of the Office of State Treasurer is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the office's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the office's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the office's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the office's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Office of State Treasurer are free of material misstatement, we performed tests of the office's compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the management of the Office of State Treasurer and other applicable government officials. However, pursuant to Section 29.270, RSMo, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

February 1, 2013

## Management's Discussion and Analysis

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of the Office of the Missouri State Treasurer's (the Treasurer's Office) financial activities for the fiscal year ended June 30, 2012.

### HIGHLIGHTS

- The assets of the Treasurer's Office exceeded its liabilities by \$1,368,799. The entire amount may be used to meet the office's ongoing obligations.
- The office's total net assets increased by \$269,523. The increase in net assets was caused primarily by the timing of cash flows during fiscal year 2012 as compared to fiscal year 2011. However, in total, revenues and expenditures both decreased for the fiscal year.
- As of the close of the current fiscal year, the Treasurer's Office governmental funds reported combined ending fund balances of \$1,339,703, an increase of \$286,133 in comparison with the prior year. The total amount is available for spending as of July 1, 2012, at the discretion of the Treasurer's Office within the purposes and limits of the office's appropriation authority.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The Treasurer's Office basic financial statements comprise two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **Fund Financial Statements:**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Treasurer's Office, like the State of Missouri, uses fund accounting to ensure and demonstrate compliance with statutory requirements. All of the funds of the Treasurer's Office can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds.* Governmental funds are used to account for most of the basic services provided by the Treasurer's Office. Unlike the government-wide financial statements prepared by the State of Missouri, governmental fund financial statements focus on short-term inflows and outflows of current financial resources and utilize the modified accrual basis of accounting. This presentation focuses on when cash will be received and disbursed making the statements useful in evaluating a government's financing requirements in the near future.

The Treasurer's Office maintains two individual governmental funds, a general fund and a special revenue fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the State Treasurer's General Operations Fund and the State Treasurer's Information Fund.

*Proprietary funds.* Proprietary funds are used to account for activities similar to private businesses in which goods and services are sold for specified fees and utilize the full accrual

basis of accounting. The Treasurer's Office maintains one proprietary fund, the Central Check Mailing Service Revolving Fund. This fund is an internal service fund, used as an accounting device to accumulate and allocate costs for centralized check mailing services provided by the Treasurer's Office to other state agencies.

*Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the state government and also utilize the full accrual basis of accounting. The Treasurer's Office maintains one fiduciary fund, the Abandoned Fund Account Fund, to account for unclaimed property turned over to the state in accordance with state statute.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information (RSI) including a budgetary comparison schedule for the Treasurer's General Operations Fund and the Treasurer's Information Fund.

## **FUND STATEMENT ANALYSIS**

### **Governmental Funds:**

At the end of fiscal year 2012, the Treasurer's Office governmental funds reported combined ending fund balances of \$1,339,703, an increase of \$286,133 from fiscal year 2011. This entire amount is available for spending at the discretion of the Treasurer's Office within the purposes and limits of the office's appropriation authority.

Fund balances for the governmental funds are as follows:

	Treasurer's General Operations Fund	Treasurer's Information Fund	Total
Fund Balance	\$1,336,779	\$2,924	\$1,339,703

The Treasurer's General Operations Fund was the primary operating fund for the Treasurer's Office in fiscal year 2012. At the end of fiscal year 2012, the Treasurer's General Operations Fund reported a total fund balance of \$1,336,779. The net increase in fund balance during fiscal year 2012 was \$286,803. Revenues of the Treasurer's General Operations Fund totaled \$2,766,957, and expenditures of the Treasurer's General Operations Fund totaled \$2,480,154. Contributing factors follow:

- The Treasurer's Office has increased the balance in the Treasurer's General Operations Fund over the last three fiscal years to allow for more control over the fund's cash flow. To accomplish this, in fiscal year 2010, the Treasurer's Office revised the calculations used when depositing a portion of the state's interest earnings into the Treasurer's General Operations Fund pursuant to Section 30.605, RSMo. The ongoing results of this change allow the office to manage the fund cash balance more effectively and to more closely match the expenditure authority from the fund.



The Treasurer's Information Fund was a supplemental operating fund for the Treasurer's Office in fiscal year 2012. At the end of fiscal year 2012, the Treasurer's Information Fund reported a total fund balance of \$2,924. The net decrease in fund balance during fiscal year 2012 was \$670. Revenues of the Treasurer's Information Fund totaled \$1,153, and expenditures of the Treasurer's Information Fund totaled \$1,823. Contributing factors follow:

- In fiscal year 2012, the Treasurer's Information Fund expenditures exceeded amounts collected by the fund for the preparation, reproduction, or dissemination of information or publications of the State Treasurer's Office. This resulted primarily from 1) declines in public information related cost recoveries; and 2) increases in expenses related to exhibiting the linked deposit program at relevant functions and speaking engagements related to the Unclaimed Property program.

### **Proprietary Funds:**

The Treasurer's Office has one proprietary fund, the Central Check Mailing Service Revolving Fund. This fund is an internal service fund, used as an accounting device to accumulate and allocate costs for centralized check mailing services provided by the Treasurer's Office to other state agencies.

The Central Check Mailing Service Revolving Fund's net assets decreased by \$16,610. This is primarily due to decrease in the fund cash balances caused by decreased revenues and increased expenditures for the fund.

### **NEXT YEAR'S BUDGET**

The Treasurer's Office budget for fiscal year 2013 had no changes from the appropriation levels in the fiscal year 2012 budget with the exception of the statewide pay plan, which provided an increase of 2% for individuals with salaries under \$70,000.

On June 29, 2009, Governor Nixon signed the Invest in Missouri legislation that reinvests \$1 billion in Missouri communities. Beginning January 1, 2010, the legislation began phasing out the statutory interest rate cap that tied state time deposits to the return of short-term U.S. Treasury securities. January 1, 2013 begins the fourth and final year of the phase-out period and financial institutions with time deposits totaling over \$1 million of state funds shall pay the state a market rate of interest on the amount on deposit exceeding \$1 million.

## Fund Financial Statements

**OFFICE OF STATE TREASURER  
BALANCE SHEET  
TREASURER'S GENERAL OPERATIONS  
FUND 0164  
June 30, 2012**

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**Assets**

Cash and Cash Equivalents	\$	352,634
Investments		1,075,960
Invested Securities Lending Collateral		<u>32,354</u>
Total Assets	\$	<u><u>1,460,948</u></u>

**Liabilities and Fund Balance**

Liabilities:

Accounts Payable	\$	7,445
Accrued Payroll		40,766
Securities Lending Obligation		32,354
Due to Other Funds		<u>43,604</u>
Total Liabilities		<u>124,169</u>

Fund Balance:

Unassigned		<u>1,336,779</u>
Total Fund Balance		<u>1,336,779</u>
Total Liabilities and Fund Balance	\$	<u><u>1,460,948</u></u>

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

**OFFICE OF STATE TREASURER**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**TREASURER'S GENERAL OPERATIONS**  
**FUND 0164**  
**For the Fiscal Year Ended June 30, 2012**

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**Revenues:**

Investment Earnings:	
Net Increase (Decrease) in the Fair Value of Investments	\$ 2,774
Cost Recovery	2,759,240
Cost Reimbursement/Miscellaneous	<u>4,943</u>
 Total Revenues	 <u>2,766,957</u>

**Expenditures:**

Current:	
General Government	<u>2,480,154</u>
 Total Expenditures	 <u>2,480,154</u>
 Net Change in Fund Balance	 286,803
 Fund Balance - Beginning	 <u>1,049,976</u>
 Fund Balance - Ending	 \$ <u><u>1,336,779</u></u>

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

**OFFICE OF STATE TREASURER  
BALANCE SHEET  
TREASURER'S INFORMATION  
FUND 0255  
June 30, 2012**

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**Assets**

Cash and Cash Equivalents	\$	723
Investments		2,206
Invested Securities Lending Collateral		<u>66</u>
Total Assets	\$	<u><u>2,995</u></u>

**Liabilities and Fund Balance**

Liabilities:

Accounts Payable	\$	5
Securities Lending Obligation		<u>66</u>
Total Liabilities		<u>71</u>

Fund Balance:

Committed for General Government		<u>2,924</u>
Total Fund Balance		<u>2,924</u>
Total Liabilities and Fund Balance	\$	<u><u>2,995</u></u>

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

**OFFICE OF STATE TREASURER**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**TREASURER'S INFORMATION**  
**FUND 0255**  
**For the Fiscal Year Ended June 30, 2012**

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**Revenues:**

Investment Earnings:

Net Increase (Decrease) in the Fair Value of Investments	\$	5
Cost Reimbursement/Miscellaneous		<u>1,148</u>

Total Revenues		<u>1,153</u>
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**Expenditures:**

Current:

General Government		<u>1,823</u>
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Total Expenditures		<u>1,823</u>
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Net Change in Fund Balance		(670)
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Fund Balance - Beginning		<u>3,594</u>
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Fund Balance - Ending	\$	<u><u>2,924</u></u>
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The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

**OFFICE OF STATE TREASURER**  
**STATEMENT OF NET ASSETS**  
**CENTRAL CHECK MAILING SERVICE REVOLVING**  
**FUND 0515**  
**June 30, 2012**

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**Assets**

Current Assets:

Cash and Cash Equivalents	\$ 455
Investments	1,387
Invested Securities Lending Collateral	42
Due from Other Funds	23,252
Total Current Assets	<u>25,136</u>

Non-Current Assets:

Capital Assets:

Equipment	13,046
Less Accumulated Depreciation/Amortization	(6,670)
Total Non-Current Assets	<u>6,376</u>
Total Assets	<u>31,512</u>

**Liabilities**

Current Liabilities:

Accrued Payroll	789
Securities Lending Obligation	42
Due to Other Funds	751
Compensated Absences	834
Total Current Liabilities	<u>2,416</u>
Total Liabilities	<u>2,416</u>

**Net Assets**

Invested in Capital Assets, Net of Related Debt	6,376
Unrestricted	22,720
Total Net Assets	<u>\$ 29,096</u>

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

**OFFICE OF STATE TREASURER**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**CENTRAL CHECK MAILING SERVICE REVOLVING**  
**FUND 0515**  
**For the Fiscal Year Ended June 30, 2012**

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**Operating Revenues:**

Charges for Services	\$ 98,107
Total Operating Revenues	<u>98,107</u>

**Operating Expenses:**

Personal Service	36,851
Operations	76,015
Depreciation/Amortization	<u>1,847</u>
Total Operating Expenses	<u>114,713</u>

Operating Income (Loss)	<u>(16,606)</u>
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**Non-Operating Revenues (Expenses):**

Investment Earnings:	
Net Increase (Decrease) in the Fair Value of Investments	<u>(4)</u>

Total Non-Operating Revenues (Expenses)	<u>(4)</u>
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Change in Net Assets	(16,610)
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Total Net Assets - Beginning	<u>45,706</u>
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Total Net Assets - Ending	<u>\$ 29,096</u>
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The accompanying Notes to the Fund Financial Statements are an integral part of this statement.



**OFFICE OF STATE TREASURER**  
**STATEMENT OF CASH FLOWS**  
**CENTRAL CHECK MAILING SERVICE REVOLVING**  
**FUND 0515**  
**For the Fiscal Year Ended June 30, 2012**

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**Cash Flows from Operating Activities:**

Receipts from Customers and Users	\$ 98,107
Payments to Suppliers	(76,472)
Payments to Employees	(36,935)
Net Cash Provided (Used) by Operating Activities	<u>(15,300)</u>

**Cash Flows from Non-Capital Financing Activities:**

Due to/from Other Funds	<u>6,541</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>6,541</u>

**Cash Flows from Capital and Related Financing Activities:**

Purchase of Capital Assets	<u>(8,223)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(8,223)</u>

**Cash Flows from Investing Activities:**

Proceeds from Sales and Investment Maturities	<u>11,737</u>
Net Cash Provided (Used) by Investing Activities	<u>11,737</u>

Net Increase (Decrease) in Cash	(5,245)
Cash and Cash Equivalents, Beginning of Year	<u>5,700</u>
Cash and Cash Equivalents, End of Year	<u>\$ 455</u>

**Reconciliation of Operating Income (Loss) of  
Net Cash Provided (Used) by Operating Activities:**

Operating Income (Loss)	\$ (16,606)
Depreciation/Amortization Expense	1,847
Changes in Assets and Liabilities:	
Accounts Payable	(457)
Accrued Payroll	12
Compensated Absences	(85)
Due to Other Funds	<u>(11)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (15,300)</u>

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

**OFFICE OF STATE TREASURER**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**ABANDONED FUND ACCOUNT**  
**FUND 0863**  
**June 30, 2012**

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**Assets**

Cash and Cash Equivalents	\$ 6,170,303
Investments at Fair Value	18,826,917
Invested Securities Lending Collateral	566,122
Capital Assets:	
Equipment	49,406
Software	8,546
Less: Accumulated Depreciation/Amortization	(49,421)
Total Capital Assets, Net	<u>8,531</u>
 Total Assets	 <u>25,571,873</u>

**Liabilities**

Accounts Payable	11,279
Accrued Payroll	29,927
Securities Lending Obligation	566,122
Compensated Absences	<u>34,422</u>
 Total Liabilities	 <u>641,750</u>

**Net Assets**

Net Assets Held in Trust for Other Purposes	\$ <u><u>24,930,123</u></u>
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The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

**OFFICE OF STATE TREASURER**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**ABANDONED FUND ACCOUNT**  
**FUND 0863**  
**For the Fiscal Year Ended June 30, 2012**

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**Additions:**

Increase (Decrease) in Appreciation of Assets	\$ 48,581
Unclaimed Property	42,921,494
Disposal of Capital Assets	210
Miscellaneous	<u>1,014</u>
 Total Additions	 <u>42,971,299</u>

**Deductions:**

Administrative Expenses	1,763,367
Program Distributions	36,416,036
Depreciation/Amortization	<u>13,282</u>

Total Deductions	<u>38,192,685</u>
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Change in Net Assets	4,778,614
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Net Assets - Beginning	<u>20,151,509</u>
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Net Assets - Ending	<u><u>\$ 24,930,123</u></u>
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The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

## Notes to the Fund Financial Statements

OFFICE OF STATE TREASURER  
NOTES TO THE FUND FINANCIAL STATEMENTS

1. Significant Accounting Policies

A. Financial Statements and Reporting Entity

The accompanying fund financial statements of the Office of State Treasurer have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The State Treasurer's Office has elected not to follow the Financial Accounting Standards Board's pronouncements issued after November 30, 1989, for proprietary activities.

The financial statements present the financial position, the changes in financial position and, where applicable, cash flows of only the transactions of the Office of State Treasurer. They do not present the financial position of the State of Missouri as of June 30, 2012, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with GAAP. However, the State of Missouri issued a Comprehensive Annual Financial Report for the State of Missouri for the fiscal year ended June 30, 2012, in conformity with GAAP.

B. Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds.

The governmental fund financial statements are presented using the current financial resources measurement focus and modified accrual basis of accounting. With the current financial resources measurement focus, only current assets and current liabilities are included on the balance sheet. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to pay current period liabilities. Operating statements of governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance. Expenditures are recognized when the related fund liability is incurred except for compensated absences (accumulated vacation and compensatory time) and sick pay which are recorded as expenditures when paid.

The proprietary and private-purpose trust fund financial statements are presented using the economic resources measurement focus and accrual basis of accounting. With the economic resources measurement focus, assets and liabilities associated with the operation of these funds are included on the Statement of Net Assets. Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred. Proprietary fund-type

operating statements present revenues and expenses in total net assets. Operating revenues and expenses in proprietary funds are classified as those activities that make up the primary ongoing operations associated with those funds. Non-operating revenues and expenses in proprietary funds are classified as those activities that are deemed incidental or unusual for those funds.

C. Basis of Presentation

The Office of State Treasurer's financial practices are based upon fund accounting concepts. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and fund balances and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The accompanying financial statements are structured into three categories of funds:

- 1) Governmental Funds include the general funds and the special revenue funds. These funds account for the revenues and expenditures, capital outlay, and certain debt service of the state. The Treasurer's General Operations Fund and the Treasurer's Information Fund are governmental funds.
- 2) Proprietary Funds include internal service funds. These funds account for the cost of certain services provided by the state. The Central Check Mailing Service Revolving Fund is a proprietary fund.
- 3) Fiduciary Funds include private-purpose trust funds. These funds account for assets held by the state in a trustee capacity or as an agent for individuals, other governments, and other funds. The Abandoned Fund Account Fund is a fiduciary fund.

D. Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include bank accounts, petty cash, and all investments with an original maturity of 3 months or less, such as repurchase agreements. Cash balances of the Treasurer's General Operations Fund, Treasurer's Information Fund, Central Check Mailing Service Revolving Fund, and Abandoned Fund Account Fund are pooled with other state funds and invested by the State Treasurer.

E. Investments

These are long-term investments with an original maturity greater than 3 months which are expected to be held to maturity and redeemed at face value. All investments are reported at fair value.

F. Interfund Receivables/Payables

The state makes various transactions between funds to distribute interest earnings, finance operations, provide services, service debt, and acquire capital assets. These receivables at June 30 are classified as "due from other funds" on the Balance Sheet and Statement of Net Assets. Payables are classified as "due to other funds" on the Balance Sheet and Statement of Net Assets. These receivables/payables are due within one year.

G. Capital Assets

Capital assets, which include equipment and software, are valued at historical cost or estimated historical cost if actual historical cost is not available. The estimate of historical cost was based on current appraised value indexed to the date of acquisition. Donated capital assets are reported at estimated fair value at the time received. Capital assets acquired through lease agreements are capitalized at the inception of the agreement.

The capitalization threshold for equipment is \$1,000 and for software is \$5,000.

Equipment and software are depreciated/amortized using the straight-line method of depreciation/amortization over a useful life of 5 years for equipment and 3 to 5 years for software.

H. Long-Term Debt

Long-term liabilities that will be financed from governmental funds are not reported on the fund financial statements since they are presented on the modified accrual basis of accounting. These long-term liabilities include the following:

Compensated absences include accumulated unpaid vacation and compensatory time accruals and related employer payroll taxes. These amounts are not accrued in the governmental funds but are recorded as expenditures when paid.

Vacation leave is accumulated at a rate of 10 to 14 hours per month depending on the number of years of employment. Accumulated vacation leave cannot exceed twice the number of vacation hours earned annually. Compensatory time is accumulated as earned by an individual employee.

Sick leave is accumulated at a rate of 10 hours per month with no limit to the amount which can be accumulated. Accumulated sick leave is not paid upon employee termination and does not represent a liability of the state.

2. Deposits, Investments and Securities Lending Program

The Office of State Treasurer maintains a cash and short-term investment pool that is used by substantially all state funds. These funds do not include accrued interest. Described below is the portfolio that represents the "Cash and Cash Equivalents" and "Investments" as reported at June 30, 2012.

A. Deposits

The state minimizes custodial credit risk by restrictions set forth in state law. Custodial credit risk is risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure, the state would not be able to recover its deposits or collateralized securities that are in the possession of the outside parties. State laws restrict the State Treasurer to deposit funds in financial institutions that are physically located in Missouri which are selected based on financial stability and community involvement. The financial institution's loan to deposit ratio must exceed 50 percent at the time of deposit and deposits must be collateralized at least 100 percent with approved securities. Deposits must have a maturity of 5 years or less and earn interest at varying rates based on state law.

B. Investments

Statutes authorize the State Treasurer to invest in U.S. Treasury or Agency securities maturing within 5 years, commercial paper and banker's acceptances maturing within 180 days, or repurchase agreements maturing within 90 days secured by U.S. Treasury or Agency securities of any maturity.

The State Treasurer minimizes credit risk, the risk of loss due to the failure of the security issuer or backer, by establishing a pre-approved list of financial institutions and companies that will be used to purchase commercial paper. The State Treasurer also conducts regular credit monitoring, pre-qualifies the financial institutions and brokers/dealers with which the State Treasurer's Office will do business for broker services and repurchase agreements, and diversifies the portfolio to reduce potential losses on individual securities.

Custodial credit risk is the risk that, in the event of failure of the counterparty to a transaction, the state will not be able to recover the value of their investment or collateral securities that are in the possession of an outside party. The State Treasurer minimizes custodial credit risk by requiring that all securities be held in the state's name at the state's custodial bank.



The state's investments include certain short-term cash equivalents, various long-term items, and restricted assets. The State Treasurer minimizes the risk of the market value of securities falling due to changes in interest rates by maintaining an effective duration of less than 2.5 years, and holding at least 25 percent of the portfolio's total market value in securities with a maturity of 12 months or less.

The state minimizes concentration of credit risk, the risk attributed to the magnitude of an investment in a single issuer. State statute prohibits the State Treasurer from investing more than 10 percent of the total time deposits with any single financial institution. State investment policy limits investment in commercial paper to 5 percent of the total portfolio per issuer and no more than 15 percent of the total portfolio may be invested in repurchase agreements with a single counterparty. There are no restrictions in the amount that can be invested in U.S. securities. During fiscal year 2012, the state did not have any instances of noncompliance with these requirements and policies.

The State Treasurer requires investments in commercial paper and bankers' acceptances to have the highest letter and numerical ranking (A1/P1) as rated by Moody's Investor Service, Inc. and Standard & Poor's Corporation. The State Treasurer does not have any additional policies regarding credit ratings of investments.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The State Treasurer's Office does not have any deposits or investments in foreign currency and therefore does not have a policy regarding foreign currency risk.

#### C. Securities Lending Program

The State Treasurer's Office participates in a securities lending program to augment investment income. Authority to participate rests in Section 30.260.5, RSMo. For securities which are received as collateral under a bonds borrowed program, at least 75 percent of the collateral received must match the maturities of the securities lent with a maximum duration gap between loans and investments of 15 days. The maximum life of term loans shall be 90 days.

Collateral may be in the form of cash, securities issued or guaranteed by the U.S. government or its agencies, or bank letters of credit or equivalent obligation if pre-approved by the State Treasurer's Office. Collateral must be provided in the amount of 102 percent of the then market value of the loaned securities and accrued interest, if any. The Custodian provides for full indemnification to the State Treasurer's Office for any losses that might occur in the program due to borrower default, insolvency, or failure to return loaned securities.

### 3. Capital Assets

Capital asset activity for the year ended June 30, 2012, was as follows:

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012
Governmental Activities:				
Capital Assets not being				
Depreciated/Amortized:				
Software in Progress	\$ 38,746	\$ 18,081	\$ (38,746)	\$ 18,081
Total Capital Assets not				
Being Depreciated/				
Amortized	38,746	18,081	(38,746)	18,081
Capital Assets being				
Depreciated/Amortized:				
Equipment, Governmental	139,252	\$ 10,618	\$ (16,010)	\$ 133,860
Funds				
Software, Governmental	10,446	38,746	0	49,192
Funds	4,823	8,223	0	13,046
Equipment, Proprietary Funds				
Total Capital Assets being	154,521	57,587	(16,010)	196,098
Depreciated/Amortized				
Less Accumulated Depreciation/				
Amortization for:				
Equipment, Governmental	(89,636)	(15,635)	14,002	(91,269)
Funds				
Software, Governmental	(8,012)	(34,069)	0	(42,081)
Funds	(4,823)	(1,847)	0	(6,670)
Equipment, Proprietary Funds				
Total Accumulated	(102,471)	(51,551)	14,002	(140,020)
Depreciation/Amortization				
Total Capital Assets being	52,050	6,036	(2,008)	56,078
Depreciated/Amortized, Net				
Governmental Activities				
Capital Assets, Net	\$ 90,796	\$ 24,117	\$ (40,754)	\$ 74,159

4. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2012:

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012	Due Within One Year
Governmental Activities: Compensated Absences	\$ 109,937	\$ 105,240	\$ 104,197	\$ 110,980	\$ 104,197
Total Governmental Activities	\$ 109,937	\$ 105,240	\$ 104,197	\$ 110,980	\$ 104,197

5. Payables

A summary of accounts payable at June 30, 2012, is shown below:

	Governmental Funds	Proprietary Fund	Balance June 30, 2012
Accounts Payable: Vendors	\$ 7,450	\$ 0	\$ 7,450
Employees	40,766	789	41,555
Total Accounts Payable	\$ 48,216	\$ 789	\$ 49,005

6. Interfund Assets and Liabilities

A summary of interfund assets and liabilities at June 30, 2012, is shown below:

<u>Due To/From Other Funds</u>			
	Treasurer's General Operations Fund	Central Check Mailing Service Revolving Fund	Totals
Due to Other Funds: General Government	\$ 43,604	\$ 751	\$ 44,355
Totals	\$ 43,604	\$ 751	\$ 44,355
Due From Other Funds: General Government	\$ 0	\$ 23,252	\$ 23,252
Totals	\$ 0	\$ 23,252	\$ 23,252

Interfund assets do not equal interfund liabilities because only funds related to the State Treasurer's Office are being presented, not all state funds.

7. Restatements

During fiscal year 2012, net assets of the Central Check Mailing Service Revolving Fund were restated due to a decrease in amounts due from other funds following an adjustment for uncollectible amounts. A summary of this restatement is shown below:

June 30, 2011, Net Assets Previously Reported	\$	45,716
Prior Period Adjustment		<u>(10)</u>
June 30, 2011, Net Assets Restated	\$	<u>45,706</u>

## Required Supplementary Information

**OFFICE OF STATE TREASURER  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2012**

	Treasurer's General Operations Fund				Treasurer's Information Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Beginning Budgetary Fund Balance	\$ 1,161,324	\$ 1,161,324	\$ 1,161,324	\$ 0	\$ 3,593	\$ 3,593	\$ 3,593	\$ 0
Resources (Inflows):								
Interest	2,695,172	2,695,172	2,759,240	64,068	0	0	0	0
Cost Reimbursement/Miscellaneous	4,828	4,828	4,943	115	8,015	8,015	1,148	(6,867)
Total Resources (Inflows)	<u>2,700,000</u>	<u>2,700,000</u>	<u>2,764,183</u>	<u>64,183</u>	<u>8,015</u>	<u>8,015</u>	<u>1,148</u>	<u>(6,867)</u>
Amount Available for Appropriation	<u>3,861,324</u>	<u>3,861,324</u>	<u>3,925,507</u>	<u>64,183</u>	<u>11,608</u>	<u>11,608</u>	<u>4,741</u>	<u>(6,867)</u>
Charges to Appropriations (Outflows):								
General Government	2,035,463	2,035,463	1,852,745	182,718	8,000	8,000	1,806	6,194
Transfers Out	575,676	647,800	647,414	386	15	15	12	3
Total Charges to Appropriations	<u>2,611,139</u>	<u>2,683,263</u>	<u>2,500,159</u>	<u>183,104</u>	<u>8,015</u>	<u>8,015</u>	<u>1,818</u>	<u>6,197</u>
Ending Budgetary Fund Balance	<u>\$ 1,250,185</u>	<u>\$ 1,178,061</u>	<u>\$ 1,425,348</u>	<u>\$ 247,287</u>	<u>\$ 3,593</u>	<u>\$ 3,593</u>	<u>\$ 2,923</u>	<u>\$ (670)</u>
Reconciling Items:								
Reclassifying Cash Equivalents as Investments			(1,072,714)				(2,200)	
Investments at Fair Value			1,075,960				2,206	
Invested Securities Lending Collateral			32,354				66	
Accounts Payable			(7,445)				(5)	
Accrued Payroll			(40,766)				0	
Due to Other Funds			(43,604)				0	
Securities Lending Obligation			<u>(32,354)</u>				<u>(66)</u>	
Fund Balance - GAAP Basis			<u>\$ 1,336,779</u>				<u>\$ 2,924</u>	

The accompanying Notes to the Required Supplementary Information are an integral part of this schedule.

OFFICE OF STATE TREASURER  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

The Budgetary Comparison Schedule in Required Supplementary Information (RSI) presents comparisons of the original and revised legally adopted budgets with actual data on a budgetary basis for the Treasurer's General Operations Fund and the Treasurer's Information Fund.

The Budgetary Comparison Schedule reports revenues and expenditures on a budgetary basis where "actual" revenues are recognized when cash is received, and "actual" expenditures are recognized for cash disbursements. The accounting principles applied for reporting on a budgetary basis differ from those used to present the financial statements in accordance with GAAP. A reconciliation of the two for the fiscal year ended June 30, 2012, has been presented at the bottom of the Budgetary Comparison Schedule.

The "original budget" expenditures and transfers represent the amounts originally appropriated for each fund. The "final budget" expenditures and transfers include increases and decreases to appropriations during the fiscal year.

In accordance with state statute, all state funds must have an appropriation before amounts can be expended or transferred to another state fund, therefore variances between "budgeted" and "actual" expenditures and transfers on the budgetary schedule will always be positive.

## Supplementary Information



## Schedule 1

OFFICE OF STATE TREASURER  
COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30,					
	2012			2011		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND						
Issuing duplicate/outlawed checks	\$ 3,210,000	3,178,861	31,139	1,250,000	1,195,353	54,647
Refunds of excess interest from the linked deposit program	100	30	70	200	134	66
Total General Revenue Fund	3,210,100	3,178,891	31,209	1,250,200	1,195,487	54,713
TREASURER'S GENERAL OPERATIONS FUND						
Personal service	1,554,742	1,457,835	96,907	1,493,217	1,485,434	7,783
Expense and equipment	270,672	196,909	73,763	353,872	346,604	7,268
Unemployment benefits	10,183	907	9,276	8,503	8,501	2
Treasurer state owned building	199,866	197,094	2,772	207,165	207,110	55
Total Treasurer's General Operations Fund	2,035,463	1,852,745	182,718	2,062,757	2,047,649	15,108
TREASURER'S INFORMATION FUND						
Expense and equipment	8,000	1,806	6,194	8,000	1,201	6,799
Total Treasurer's Information Fund	8,000	1,806	6,194	8,000	1,201	6,799
CENTRAL CHECK MAILING SERVICE REVOLVING FUND						
Personal service	22,978	22,968	10	23,078	23,064	14
Expense and equipment	225,000	84,695	140,305	224,900	69,221	155,679
Total Central Check Mailing Service Revolving Fund	247,978	107,663	140,315	247,978	92,285	155,693
ABANDONED FUND ACCOUNT FUND						
Personal service	517,401	502,500	14,901	517,401	491,903	25,498
Expense and equipment	98,600	78,966	19,634	98,600	91,947	6,653
Advertising and auctions	955,000	954,827	173	912,902	899,843	13,059
Payment of claims for abandoned property	38,000,000	36,413,796	1,586,204	35,000,000	34,703,091	296,909
Unemployment benefits	2,241	2,240	1	6,081	6,080	1
Total Abandoned Fund Account Fund	39,573,242	37,952,329	1,620,913	36,534,984	36,192,864	342,120
Total All Funds	\$ 45,074,783	43,093,434	1,981,349	40,103,919	39,529,486	574,433

The accompanying Notes to the Supplementary Information are an integral part of this statement.

Schedule 2

OFFICE OF STATE TREASURER  
COMPARATIVE STATEMENT OF EXPENDITURES (FROM APPROPRIATIONS)

	Year Ended June 30,	
	2012	2011
Personal service	\$ 1,983,303	2,000,401
Travel	21,416	6,651
Expense and equipment	448,599	458,165
Communications expense	83,995	74,545
Professional services	842,589	947,188
Equipment repairs and maintenance	62,011	67,277
Equipment and software purchases	55,687	62,100
Abandoned fund claim payments	36,413,796	34,703,091
Replacement of outlawed checks	3,178,861	1,195,353
Unemployment benefits	3,147	14,581
Refunds of excess interest from the linked deposit program	30	134
Total Expenditures	\$ <u>43,093,434</u>	<u>39,529,486</u>

The accompanying Notes to the Supplementary Information are an integral part of this statement.

Schedule 3

OFFICE OF STATE TREASURER  
STATEMENT OF CHANGES IN GENERAL CAPITAL ASSETS  
YEAR ENDED JUNE 30, 2012

	Furniture and Equipment	Software	Software in Progress	Motor Vehicles	Total General Capital Assets
Balance, June 30, 2011	\$ 427,407	18,993	38,746	15,431	500,577
Additions	21,731	38,746	18,081	0	78,558
Dispositions	(102,852)	0	(38,746)	0	(141,598)
Balance, June 30, 2012	<u>\$ 346,286</u>	<u>57,739</u>	<u>18,081</u>	<u>15,431</u>	<u>437,537</u>

Fund of Acquisition	Balance June 30, 2012
General Revenue Fund	\$ 164,576
Treasurer's General Operations Fund	199,434
Central Check Mailing Service Revolving Fund	13,046
Second Injury Fund	829
Abandoned Fund Account Fund	57,953
Treasurer's Information Fund	1,699
Total All Funds	<u>\$ 437,537</u>

The accompanying Notes to the Supplementary Information are an integral part of this statement.

## Schedule 4

## OFFICE OF STATE TREASURER

## COMPARATIVE STATEMENT OF FUNDS IN CUSTODY OF STATE TREASURER

	June 30,				
	2012	2011	2010	2009	2008
<b>APPROPRIATED FUNDS</b>					
Demand Deposits:					
US Bank	\$ 19,521,037	19,576,124	36,059,240	25,073,436	3,254,861
Central Bank	8,162,215	69,141,278	51,298,737	62,447,766	2,887,077
Premier Bank	0	0	0	0	23,933
Commerce Bank	10,063,041	14,987,119	15,006,383	8,986,650	1,003,059
Bank of New York Midwest	75,045,355	50,045,196	50,190,689	463,418	35,371
UMB Bank	(1,032,510)	(25,491,067)	(132,951,485)	(98,153,059)	(104,051,423)
Collection bank accounts	2,560,911	12,160,071	1,990,604	2,976,740	3,219,655
Total Demand Deposits	114,320,049	140,418,721	21,594,168	1,794,951	(93,627,467)
Pooled Investments:					
Time deposits	569,867,495	652,429,893	589,443,027	619,916,057	794,573,654
U.S. government securities	2,070,031,748	2,224,602,562	2,473,096,949	2,138,596,968	3,060,593,602
Commercial paper and banker acceptances	0	61,693,783	0	183,069,065	255,421,715
Repurchase agreements	887,623,000	1,213,394,000	704,639,000	344,236,000	336,856,001
Total Pooled Investments	3,527,522,243	4,152,120,238	3,767,178,976	3,285,818,090	4,447,444,972
Total Demand Deposits and Pooled Investments	3,641,842,292	4,292,538,959	3,788,773,144	3,287,613,041	4,353,817,505
Special Fund Dedicated Investments:					
U.S. government securities	39,270,832	39,282,060	35,817,480	34,239,743	31,847,311
Donated corporate stock	5,130	5,130	5,130	5,130	5,130
Total Special Fund Dedicated Investments	39,275,962	39,287,190	35,822,610	34,244,873	31,852,441
Total Appropriated Funds	3,681,118,254	4,331,826,149	3,824,595,754	3,321,857,914	4,385,669,946
<b>NONAPPROPRIATED FUNDS</b>					
Demand deposits	10,640,648	10,926,394	12,584,187	13,198,903	13,422,723
Repurchase agreements	1,006,000	0	1,000,000	1,280,000	26,585,259
Commercial paper and banker acceptances	0	999,988	0	0	0
Time deposits	0	0	0	1,000,000	2,500,000
Total Nonappropriated Funds	11,646,648	11,926,382	13,584,187	15,478,903	42,507,982
Total Cash and Investments	\$ 3,692,764,902	4,343,752,531	3,838,179,941	3,337,336,817	4,428,177,928

The accompanying Notes to the Supplementary Information are an integral part of this statement.

Schedule 5

OFFICE OF STATE TREASURER

COMPARATIVE STATEMENT OF INTEREST RECEIVED ON POOLED INVESTMENTS

		Year Ended June 30,				
		2012	2011	2010	2009	2008
INTEREST RECEIPTS						
General and special funds	\$	26,429,849	31,748,010	39,599,319	97,518,011	178,680,683
Debt retirement funds		2,288,094	2,906,855	6,742,590	16,181,881	22,937,142
Total Appropriated Funds		28,717,943	34,654,865	46,341,909	113,699,892	201,617,825
Trust funds		6,539	3,792	3,730	166,375	2,678,192
Total Interest Receipts	\$	28,724,482	34,658,657	46,345,639	113,866,267	204,296,017

The accompanying Notes to the Supplementary Information are an integral part of this statement.

## Notes to the Supplementary Information

OFFICE OF STATE TREASURER  
NOTES TO THE SUPPLEMENTARY INFORMATION

1. General Capital Assets

Capital assets, which include equipment and software, are valued at historical cost or estimated historical cost if actual historical cost is not available. The estimate of historical cost was based on current appraised value indexed to the date of acquisition. Donated capital assets are reported at estimated fair value at the time received. Capital assets acquired through lease agreements are capitalized at the inception of the agreement.

The capitalization threshold for all equipment is \$1,000 and software is \$5,000.

Equipment and software are depreciated/amortized using the straight-line method of depreciation/amortization over a useful life of 5 years for equipment and 3 to 5 years for software. Accumulated depreciation/amortization on general capital assets at June 30, 2012, was \$354,757.

2. Basis of Presentation

The amounts presented in Schedules 4 and 5 represent all funds in the state treasury and all trust funds in the custody of the State Treasurer.

State treasury funds are subject to appropriation; trust funds are not. The schedules do not include any funds or investments that are not in the custody of the State Treasurer.

3. Cash and Investments

Article IV, Section 15 of the Missouri Constitution establishes the State Treasurer as custodian of all state funds and funds received from the U.S. government. This section further authorizes the State Treasurer to place all such monies on time deposit, bearing interest, in Missouri banking institutions selected by the State Treasurer and approved by the Governor and the State Auditor, or in obligations of the U.S. government or any agency or instrumentality thereof maturing or becoming payable not more than 5 years from the date of purchase. In addition, the State Treasurer may enter into repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law. The State Treasurer may also invest in bankers acceptances issued by domestic commercial banks possessing the highest rating issued by at least 2 nationally recognized statistical rating organizations and in commercial paper, issued by domestic corporations, which has received the highest rating issued by at least 2 nationally recognized statistical rating organizations. Investments in bankers acceptances and commercial paper shall mature and become payable not more than 180 days from the date of purchase, maintain the highest rating throughout the duration of the investment and meet any other requirements provided by law. The State Treasurer shall prepare, maintain, and adhere to a written investment policy which shall

include an asset allocation plan limiting the total amount of state money which may be invested in each investment category authorized by law.

### Deposits

The State Treasurer maintains approximately 206 bank accounts throughout the state. These accounts include collection accounts which are demand deposit accounts for various state agencies, and the state's primary operating accounts which are also demand deposit accounts. Cash balances in the state's operating accounts which are not needed for immediate use are invested.

The State Treasurer's deposits at June 30, 2012, were entirely covered by federal depositary insurance or by collateral securities held by the custodial banks in the State Treasurer's name.

To protect the safety of state deposits, Sections 30.270 and 110.020, RSMo, require depositaries to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation.

### Investments

The State Treasurer's investments at June 30, 2012, are listed by type below to give an indication of the level of risk assumed by the state at year end. All investments are insured or registered, or have collateral held by the State Treasurer or a custodial bank in the state's name.

		Reported Amount	Fair Value
Time deposits	\$	569,867,495	569,867,495
U.S. government securities		2,070,060,477	2,077,570,780
Repurchase agreements		888,629,000	888,629,000
Other investments		39,275,962	39,565,093
Total Investments	\$	<u>3,567,832,934</u>	<u>3,575,632,368</u>

Investments are recorded at acquisition cost except "other" investments which are recorded at par. Investments in time deposits and repurchase agreements are acquired at face value and earn a stated interest rate. Investments in U.S. government securities are acquired at fair value and mature at face value.

#### 4. Demand Deposit and Collection Accounts

The demand deposits with US Bank on Schedule 4 consist of one central demand account at June 30, 2012, two at June 30, 2011 and 2010, and one at June 30, 2009 and 2008. The demand deposits with Central Bank consist of 30 central demand accounts at June 30, 2012, 26 at June 30, 2011, 28 at June 30, 2010, 27 at June 30, 2009, and 31 at June 30, 2008. The demand deposits with Premier Bank consist of no central demand accounts at June 30, 2012,



2011, 2010, and 2009, and two at June 30, 2008. The demand deposits with Commerce Bank consist of nine central demand accounts at June 30, 2012, seven at June 30, 2011, 2010, and 2009, and six at June 30, 2008. The demand deposits with Bank of New York consist of two central demand accounts at June 30, 2012, 2011 and 2010, and one at June 30, 2009 and 2008. The demand deposits with UMB Bank consist of four central demand accounts at June 30, 2012, and five at June 30, 2011, 2010, 2009, and 2008. Demand deposit bank balances were \$19,521,037, \$19,576,124, \$36,059,240, \$25,073,472, and \$58,220 at June 30, 2012, 2011, 2010, 2009, and 2008, respectively, for US Bank; and \$116,710,766, \$102,649,356, \$9,661,807, \$101,388,206, and \$2,638,669 at June 30, 2012, 2011, 2010, 2009, and 2008, respectively, for Central Bank; and \$0 at June 30, 2012, 2011, 2010, and 2009, and \$24,705 at June 30, 2008, for Premier Bank; and \$10,423,780, \$15,157,804, \$15,083,622, \$9,081,750, and \$1,136,296 at June 30, 2012, 2011, 2010, 2009, and 2008, respectively, for Commerce Bank; and \$75,076,252, \$50,118,446, \$50,224,767, \$0 and \$253 at June 30, 2012, 2011, 2010, 2009, and 2008, respectively, for Bank of New York; and \$249,250, \$53,005,800, \$55,312,039, \$46,778,874, and \$103,883 at June 30, 2012, 2011, 2010, 2009, and 2008, respectively, for UMB Bank.

The collection bank accounts on Schedule 4 consist of three master concentration accounts and their related collection accounts. The General Concentration, Conservation Concentration, and Lottery Concentration Accounts were at Central Bank at June 30, 2012, 2011, 2010, 2009, and 2008 and have been reported above. The related collection account bank balances were \$2,641,064, \$2,983,788, \$2,533,016, \$3,080,097, and \$4,086,162 at June 30, 2012, 2011, 2010, 2009, and 2008, respectively.

Banking service agreements on the central demand accounts allow the State Treasurer to invest outstanding checks up until the checks clear the bank, thereby investing an amount in excess of book balances. The negative balances at June 30 (Schedule 4) for the appropriated funds demand deposits represent the book balance net of amounts invested.

##### 5. Special Fund Dedicated Investments

The State Treasurer is assigned the authority for recording direct investments of special funds in the accounting system. The amounts presented as special fund dedicated investments in the appropriated funds on Schedule 4 represent specific investments made or held by the State Treasurer on behalf of the Pansey Johnson-Travis Memorial State Gardens Trust Fund and the State Public School Fund. The State Treasurer is responsible for purchasing, custodial, income collection, distribution, and record-keeping duties related to the investments of these funds.

The investments of the Pansey Johnson-Travis Memorial State Gardens Trust Fund are maintained in the instruments which were transferred to the State Treasurer from the previous trustee of the fund. The investment purchases for the State Public School Fund are made in accordance with the instructions of the State Public School Fund investment committee.

## STATISTICAL SECTION

## Organization and Statistical Information

## OFFICE OF STATE TREASURER ORGANIZATION AND STATISTICAL INFORMATION

The State Treasurer is an elective office as provided in the Missouri Constitution. The duties of the State Treasurer as defined by Article IV Section 15 are to be the custodian of all state funds; to determine the amount of state monies not needed for current operating expenses; and to invest such monies in interest-bearing time deposits, in Missouri banking institutions selected by the State Treasurer and approved by the Governor and State Auditor, in short-term U.S. government securities, or in certain allowable commercial paper and banker's acceptances.

The Office of State Treasurer operates in four major functional areas: 1) accounting and banking services, 2) disbursements and records, 3) investments and deposit programs, and 4) unclaimed property.

The accounting and banking services area 1) maintains a fund accounting system to fulfill a statutory responsibility to keep separate accounts of the funds of the state and to allocate investment interest to funds, 2) maintains ledger controls on fund balances and appropriations to assure that no check is issued that exceeds the lawful appropriated balances, 3) controls receipt of state monies collected by state agencies and deposited in local banks throughout the state, 4) reconciles bank activity to receipt and disbursement activity reflected on the state books, 5) determines the amount of state monies not needed for current operating expenses, and 6) confirms daily disbursements with the bank as certified by the Office of Administration.

The disbursements and records area provides processing support to other departments of the State Treasurer's Office, as follows: 1) provides retrieval of state checks, and 2) controls and processes outlawed checks and processes and verifies claims for replacement checks.

The investments area places state monies not needed for current operating expenses in interest-bearing time deposits, U.S. government and agency securities, commercial paper, banker's acceptances, and repurchase agreements. This area also administers the State Treasurer's statutory linked deposit program and monitors and accounts for the collateralization of state funds.

The Unclaimed Property Division administers Missouri's Unclaimed Property Act (Chapter 447 RSMo). The Unclaimed Property Division is responsible for 1) ensuring unclaimed property is reported, 2) receiving and recording reports of unclaimed property, 3) depositing unclaimed funds to the Abandoned Fund Account Fund, 4) maintaining custody and safekeeping of abandoned or unclaimed physical property, and 5) processing owner claims for abandoned funds or physical property.

On January 14, 2013, Clint Zweifel was inaugurated for his second term as the forty-fifth Treasurer of the state of Missouri. His term will expire in January 2017.

As of June 30, 2012, the office had 43 full-time positions and 2 part-time positions to assist in the accomplishment of its mission.



# Thomas A. Schweich

Missouri State Auditor

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## City of Buckner

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March 2013  
Report No. 2013-022



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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the City of Buckner

Background	The Missouri State Auditor's office was petitioned under Section 29.230, RSMo, to audit the City of Buckner. A minimum of 200 signatures was required, and the petition was signed by 234 registered, resident voters.
Accounting Controls and Procedures	Accounting records and financial reports are inaccurate and in need of improvement. Transfers for payroll transactions are not recorded timely, interest earned on investments is not accounted for properly and posted to the appropriate fund, sales tax revenues are not properly recorded, and an \$18,000 vehicle sale in August 2010 was not recorded in the accounting records as of March 2012. The city has not reconciled bank balances to book balances for the operating account since 2008 and for several other accounts in the past several years and did not properly track and record various restricted monies. Accounting duties performed by the City Administrator and her staff are not adequately segregated, and no supervisory review of this work is performed. The city does not maintain its petty cash fund at an established amount and does not maintain a petty cash ledger. Annual budgets do not contain all elements required by state law, and are prepared for each city department, rather than each city fund.
Water and Sewer System	The city increased water rates in October 2010 and October 2011, but it has not conducted a rate study for the past few years to determine the cost of operating the water system, and it has not documented a multi-year capital improvement plan for either the water or sewer system despite budgeting approximately \$500,000 for improvements. Non-monetary transactions are not reviewed by an independent person and can be approved by either the City Administrator or City Clerk, both of whom are also responsible for collecting utility monies and have the ability to alter or delete individual utility account information. The city does not review the list of customer utility deposits for accuracy or compare it to the adjusted bank balance, and, audit staff determined the adjusted balance of the utility deposit account was approximately \$11,000 less than the total of customer deposits. The city does not reconcile payments collected and non-monetary transactions to the monthly billing summary and does not maintain the monthly billing summary. Late charges and shutoffs of service are not charged or conducted in accordance with city ordinances for elected officials and city staff. The city does not obtain annual audits of its water and sewer systems, as required by state law.
Disbursements	The City Administrator does not include all disbursements on the council approval list for Board approval and does not obtain adequate supporting documentation for some disbursements, making it difficult to ensure all disbursements are an appropriate use of public funds. The city lacks formal policies and procedures documenting who should maintain a credit card, appropriate usage for the credit cards, and required documentation to support credit card disbursements. The city has 20 credit cards from seven vendors, issued to seven employees, with credit limits as high as \$10,000.

Capital Assets	The city does not maintain overall property records or affix asset tags to city property and does not document an annual physical inventory.
Fuel and Vehicle Use	The City Clerk, Waste Water Treatment Plan Operator, and Public Works Lead Man are allowed to use city vehicles to commute between home and work, but the amount of personal mileage was not recorded on their W-2 forms, as required by IRS guidelines, and they were not required to maintain a mileage log. Fuel and usage logs were not maintained for equipment and vehicles, and fuel usage was not reconciled to fuel purchases.
Payroll	The city paid bonuses totaling \$21,100 to 17 employees, in violation of the Missouri Constitution, and timesheets were not always signed by employees or their supervisors. The City Administrator, City Clerk, Chief of Police, and Mayor were each paid a \$50 per month cellular phone allowance, but they were not required to submit invoices or other supporting documentation, and the amounts were not reported on their W-2 forms, as required by IRS regulations. The city did not timely and accurately record payroll transfers in the accounting records, and the city paid overdraft charges because some transfers from the operating bank account to the payroll account were not made timely.
Closed Meetings	The city did not document the vote to close meetings or the purpose of closed meetings in the open meeting minutes, and it did not prepare minutes of closed meetings, as required by state law.

In the areas audited, the overall performance of this entity was **Poor**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The City of Buckner did not receive any federal stimulus monies during the audited time period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our website: <http://auditor.mo.gov>**

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# City of Buckner

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# THOMAS A. SCHWEICH

## Missouri State Auditor

To the Honorable Mayor  
and  
Members of the Board of Aldermen  
City of Buckner, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Buckner. We have audited certain operations of the city in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended September 30, 2011. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Buckner.

An additional report, 2012-74, *Sixteenth Judicial Circuit, City of Buckner Municipal Division*, was issued in July 2012.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible, and a middle initial "A" in between.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Rex Murdock, M.S.Acct.
Audit Staff:	Tabitha Wacker, MBA

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# City of Buckner

## Management Advisory Report

### State Auditor's Findings

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## **1. Accounting Controls and Procedures**

Accounting controls and procedures need improvement. Due to inadequate records, a lack of control procedures over accounting functions, and inaccurate financial reports, citizens have not been properly informed, and the process of making proper financial decisions is more difficult.

### **1.1 Accounting records**

Accounting records and financial reports are inaccurate. The main causes of these inaccuracies are the failure to ensure all financial transactions are posted to the accounting system and the lack of bank reconciliations (see section 1.2). Our review of accounting records and transactions revealed that no one is monitoring transactions and financial reports to ensure all activity is properly recorded in the accounting system. The city has developed a fund accounting system, but does not maintain accurate records to allow monthly financial reports to be prepared by fund, showing receipts, disbursements and cash balances. The city has engaged a private accounting firm to compile financial statements at year end, but the compilation report indicates the balances and activity reported for some city funds may be inaccurate and the discrepancies have not been resolved. Some examples of concerns related to financial reporting are as follows:

- Transfers made for payroll transactions are not recorded timely (see MAR finding number 6). During the year ended September 30, 2011, the city transferred \$439,334 from the operating bank account to the payroll bank account to fund payroll for employees. However, the city failed to enter any of the transfers in the accounting records.
- Interest earned on investments is not accounted for properly and posted to the appropriate fund. In April 2008, the city purchased a \$411,725 certificate of deposit. The September 30, 2011, bank statement indicated the value of the certificate of deposit with accrued interest was \$431,017; however, the city has not posted interest earned, totaling \$19,292, to the accounting records. The city has five certificates of deposit, with a total value of \$791,195 as of September 30, 2011, and it is unclear how much interest earned on other certificates of deposit has not been posted to the accounting system.
- Sales tax revenues are not properly recorded. During the year ended September 30, 2011, the city recorded general sales tax revenues of \$223,225 to the General Fund, while actual revenues received were \$202,775. Additionally, the city recorded capital improvement sales tax revenues of \$111,613 to the Capital Improvements Fund, while actual revenues received were \$101,388. These differences were caused by posting sales taxes received in July 2011 twice. We noted other instances of revenues being posted twice in the city accounting records.



## City of Buckner Management Advisory Report - State Auditor's Findings

- An \$18,000 vehicle sale was not recorded in the accounting records as of March 2012, although sale proceeds were receipted and deposited in August 2010.

As a result of these and other errors and failure to properly reconcile bank records to the accounting system, receipts, disbursements, and cash balances reported on the monthly financial statements prepared by the city were not accurate. Complete and accurate accounting records and financial reports are necessary to keep city officials and citizens informed of the financial activity and condition of the city.

### 1.2 Bank reconciliations

Bank balances have not been reconciled to book balances for the operating bank account since 2008 and several other bank accounts had not been reconciled in the past several years. The General Fund, Capital Improvement Fund, Restricted Fund (streets/roads and parks), Water/Sewer Fund, Water/Sewer Capital Fund, Local Law Enforcement Grant Fund, and the Cash Court Bond Fund are accounted for within the operating bank account. The city last attempted to reconcile the operating bank account in October 2010, and at that time a \$247,349 difference existed between bank records and balances in the individual cash ledgers. No efforts were made to resolve the difference and no other attempts to reconcile the operating account have been made. In addition, a reconciliation of the payroll bank account was last performed in March 2011. As of September 30, 2011, the bank balance of the operating bank account was \$1,998,215 and the bank balance of the payroll account was \$2,997.

Bank reconciliations for the other six city bank accounts were not current as of September 30, 2011, but the city hired a local accountant to help reconcile these accounts for the period November 2011 through April 2012 and reconciliations for these accounts were current as of April 2012.

Monthly bank reconciliations are necessary to ensure accounting records balance, transactions are properly recorded, and errors or discrepancies are detected and corrected on a timely basis. Complete documentation is needed to show any discrepancies are resolved and to facilitate independent reviews.

### 1.3 Fund Accounting

The city does not properly track and record various restricted monies and does not properly allocate some payments for services and expenses to various funds.

- For the year ended September 30, 2011, the city received water and sewer fees of approximately \$650,000. The city maintains a separate accounting of water and sewer fees; however, a cash balance for each type of fee is not maintained. As a result, the city cannot determine at a point in time what portion of the Water/Sewer Fund represents restricted



## City of Buckner Management Advisory Report - State Auditor's Findings

water or sewer monies. While these monies are restricted for specific purposes, they were deposited into the general operating bank account.

- Law enforcement training (LET) monies are deposited into the General Fund, and while receipts and disbursements for LET are tracked, the cash balance of LET monies is not tracked. Monies for LET are collected by the City of Buckner Municipal Division and transmitted to the city.

Receipts, disbursements, and the accumulated balance associated with specific activities should be recorded in separate funds or maintained in a manner to account for those activities. Proper recognition of all receipts and disbursements is important to ensure operations can be properly measured and utility rates periodically evaluated for reasonableness and sufficiency. In addition, Section 250.150, RSMo, requires the revenues of a water and sewer system be segregated from all other revenues or funds of the city.

### 1.4 Segregation of duties and monitoring

There is insufficient segregation of duties and no supervisory review of the work performed by the City Administrator or her staff. Detailed financial reports are not prepared monthly for review by the Board of Aldermen. The City Administrator, Administrative Clerk, and City Clerk are responsible for all record keeping and accounting functions of the city and independent reviews of their work are not performed. While some segregation of duties is possible with the number of staff available, each of these employees has the ability to receipt monies and post transactions without any review or oversight by the other employees or elected officials.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, at a minimum, there should be a documented independent review of city transactions.

### 1.5 Petty cash

The petty cash fund is not maintained on an imprest basis. According to the City Administrator, the fund had been maintained at \$300, but she was unsure if this had changed. A petty cash ledger supporting the petty cash fund activities is not maintained. During the year ended September 30, 2011, approximately \$2,000 was disbursed related to petty cash. On March 13, 2012, cash on hand totaled \$46 and receipts totaled \$129, for a petty cash total of \$175, which is \$125 less than the described petty cash fund balance. Good internal controls require petty cash to be set at an established amount and to be reimbursed when it has been expended. An imprest basis petty cash fund would improve accountability over petty cash monies.



City of Buckner  
Management Advisory Report - State Auditor's Findings

## 1.6 Budgets

While annual budgets are prepared and adopted, they do not contain all elements required by state law and are prepared by city department, rather than by fund. The budget for the year ended September 30, 2011, did not include a budget message and general budget summary or actual beginning and ending cash balances.

Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and outlines the various information to be included in the budget. A complete and well planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in setting tax levies and utility rates and informing the public about city operations and current finances.

## Recommendations

The Board of Aldermen:

- 1.1 Ensure accounting records and financial reports accurately reflect the financial activity of the city.
- 1.2 Ensure bank reconciliations are performed each month and any differences are investigated. If adjusting entries are needed, documentation of the adjustments should be retained.
- 1.3 Establish separate funds for the water and sewer activities and maintain those monies in a separate bank account. Records should also be maintained in a manner to account for the receipts, disbursements, and accumulated balance of LET monies.
- 1.4 Segregate accounting duties to the extent possible and implement appropriate and documented reviews and monitoring procedures.
- 1.5 Maintain the petty cash fund on an imprest basis with documentation of all activity.
- 1.6 Ensure budgets are prepared for each city fund and contain all information required by state law.

## Auditee's Response

*The Board of Aldermen provided the following responses:*

- 1.1 *We have been working with our contracted accountant to finish updating our financial records and reconciling the remaining two bank accounts, including the operating account. We are converting to a new financial accounting system in May 2013, and plan to ensure accounting records and financial reports are accurate in the future.*



City of Buckner  
Management Advisory Report - State Auditor's Findings

- 1.2 *We are in the process of getting our bank reconciliations up to date and will ensure all adjustments are documented in the future.*
- 1.3 *We have placed water and sewer monies in a separate bank account already and by October 1, 2013, we plan to establish separate funds for water and sewer. We will also plan to establish a separate fund for LET monies by the beginning of our new fiscal year.*
- 1.4 *We have already designated an Alderman to provide oversight of financial activities.*
- 1.5 *This recommendation has been implemented.*
- 1.6 *When we prepare our budget for fiscal year 2014 we will ensure it complies with state law.*

## 2. Water and Sewer System

Significant weaknesses exist in control procedures over providing water and sewer services. Rate studies have not been conducted and procedures for reviewing transactions and performing various reconciliations are not sufficient. The city has not obtained required annual audits.

### 2.1 Water and sewer rates

A formal cost study of water or sewer rates has not been performed for several years, and a formal capital improvement plan for either portion of the utility system has not been developed. At September 30, 2011, the combined Water/Sewer Fund had a cash balance of approximately \$1.3 million.

In both October 2010 and October 2011, the city increased water rates by 9 percent because the water supplier had increased its rates. A rate study has not been completed for the past few years to determine the cost of operating the water and sewer system. Per the Board minutes and review of the 2012 budget, approximately \$500,000 was budgeted to replace some of the existing sewer system and install an ultra violet disinfection system, but the city has not documented a multi-year capital improvement plan for either the water or sewer system. Without a current cost study to support the rates charged for water and sewer services, it is unclear whether the rates assessed for these services are set at an appropriate level.

Section 67.042, RSMo, provides that fees may be increased if supported by a statement of the costs which shows the increase is necessary to cover the cost of providing the service. Utility rates should be set to cover the cost of providing the related services and maintain reserves adequate to sustain the system. The city should perform and document a detailed cost study of its water and sewer costs, including depreciation, and establish rates to cover the total cost of operations without generating excessive profits. Formal capital improvement plans serve as a useful management tool and provide



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City of Buckner  
Management Advisory Report - State Auditor's Findings

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greater input into the overall budgeting process. Any rate studies performed in the future should incorporate capital improvement plans and available cash balances.

## 2.2 Non-monetary transactions

Non-monetary transactions are not reviewed by an independent person. Non-monetary transactions are any transactions where monies are not received; however, the account balance has been changed in the accounting records, such as waiving customer late charges. The Administrative Clerk, City Administrator, and City Clerk all receipt and post utility payments, and also have the ability to post non-monetary transactions. Additionally, the City Administrator and City Clerk can approve non-monetary transactions. Because these employees are responsible for collecting utility monies and have the ability to alter or delete individual utility account information, there is an increased risk that unsupported or unauthorized changes can be made in the utility system. The city does not produce reports of non-monetary transactions for the Board to review and approve. Approval for non-monetary transactions by the City Administrator and City Clerk is not documented.

Non-monetary transactions should be verified and approved by a person independent of the postings of such transactions to ensure they are legitimate. Considering the risks associated with non-monetary transactions, the Board should consider monitoring all non-monetary transactions.

## 2.3 Utility deposits

A list of customer deposits is maintained in the computer system, but this listing is not reviewed for accuracy or compared to the adjusted bank balance. According to the September 30, 2011, bank reconciliation for the utility deposit account the adjusted balance was \$38,707, while the balance of the list of customer deposits was \$49,807, or a shortage of \$11,100.

A complete and accurate listing of customer utility deposits and periodic reconciliation to the bank balance is necessary to ensure sufficient funds are on hand to cover potential utility deposit liabilities and provide a record of monies held for individual customers. Such reconciliations would allow for prompt detection of discrepancies.

## 2.4 Reconciliations

Monthly reconciliations of total amounts billed, payments received, and amounts unpaid for water and sewer are not performed. The accounting system is used to prepare a monthly billing summary for the Water/Sewer Fund, which documents the beginning balance, current charges, payments, and the ending balance. City personnel indicated the ending balance is reviewed for reasonableness, but the city does not retain the billing summary. Therefore, the city could not and did not reconcile payments collected and non-monetary transactions to the monthly billing summary. Monthly reconciliations are necessary to ensure accounting records balance,





## City of Buckner Management Advisory Report - State Auditor's Findings

transactions are properly recorded, and any errors or discrepancies are detected on a timely basis.

### 2.5 Water shutoff

Late charges and shutoffs of service are not in accordance with city ordinances for elected officials and city staff. Water bills are sent out the last week of the month. Ordinance number 700.060 indicates a 10 percent late fee is to be added on all unpaid water bills after the fifteenth day of each month. Per Ordinance 700.070, if any bill for water services shall be and remains past due and unpaid for as long as thirty days, the customer shall be notified that service shall be discontinued and shall not be reconnected until all past due bills are paid in full, together with a reconnection charge of \$50.

We reviewed the August 2011 water billings and related payments, and noted the Mayor and one alderman paid their bill over 30 days late, and their water was not shut off. In addition, for the ten August 2011 billings of elected officials and staff we reviewed, we noted \$12 of late charges were not assessed. The administrative clerk said this is done as a courtesy to the elected officials and city staff.

Failing to enforce city ordinances related to utility services for elected officials and city staff does not provide equitable treatment of all utility users and reduces the incentive for elected officials and employees to make timely payments.

### 2.6 Audits

The city does not obtain annual audits of its water and sewer systems. Although an accounting firm prepares compilation reports for the city, this is not an audit. The compilation indicates the reported cash balances for several funds may be inaccurate due to the lack of bank reconciliations to the accounting records.

Section 250.150, RSMo, requires the city to obtain annual audits of the combined water and sewer system. In addition to being required by state law, annual audits of water and sewer funds help ensure monies are properly handled and financial transactions are properly recorded.

## Recommendations

The Board of Aldermen:

- 2.1 Review water and sewer rates periodically to ensure revenues are sufficient to cover all costs of providing these services, but not set at a level that results in excessive fund balances. In addition, the Board should prepare a formal capital improvement plan for the water and sewer system.
- 2.2 Ensure a documented review of all non-monetary transactions posted to the water and sewer system is performed by an independent person.



City of Buckner  
Management Advisory Report - State Auditor's Findings

- 2.3 Ensure customer deposits are reconciled to the cash balance and differences are investigated.
- 2.4 Ensure monthly reconciliations of amounts billed to amounts collected and delinquent accounts are performed. In addition, the Board should ensure adequate documentation to support reconciliations is retained.
- 2.5 Ensure utility shutoff procedures are followed and late charges are applied in compliance with city ordinances for all utility customers, including elected officials and city staff.
- 2.6 Obtain annual audits as required by state law.

## Auditee's Response

*The Board of Aldermen provided the following responses:*

- 2.1 *In conjunction with preparing our fiscal year 2014 budget, we will incorporate the recently completed capital improvement plan for the sewer system into a cost analysis of providing water and sewer services to ensure rates are set at an appropriate level. We will also consider having a capital improvement plan for the water system prepared.*
- 2.2 *We agree and have implemented this recommendation.*
- 2.3 *We are in the process of completing this reconciliation and hope to have it completed by May 1, 2013.*
- 2.4 *Once we convert to our new financial system in May we will ensure this is completed.*
- 2.5 *We agree and will implement this recommendation immediately.*
- 2.6 *We are currently in the process of obtaining an audit of the water and sewer system.*

## 3. Disbursements

Controls and procedures over disbursements including Board approval, obtaining supporting documentation, and credit cards are in need of improvement.

### 3.1 Board approval

The Board does not approve all disbursements. The City Administrator indicated that only payments which are non-recurring are presented to the Board for approval. During Board meetings, the Board approves disbursements listed on a council approval report. Our testing determined that recurring disbursements were not treated consistently. Some recurring payments were included on the council approval report for one month and



## City of Buckner Management Advisory Report - State Auditor's Findings

not included in another month. We also identified non-recurring disbursements, such as a disbursement related to the park, which were not included on the council approval report.

To safeguard against possible loss or misuse of funds, the Board should approve all disbursements and review supporting documentation, bank information, and canceled checks. Board approval of disbursements should be documented in the minutes, and by signature or initials on monthly reports.

### 3.2 Supporting documentation

Adequate supporting documentation was not obtained for some disbursements. We tested a monthly billing from four different credit card vendors, totaling \$4,385, and supporting documentation was not available for various purchases made totaling \$367.

Additionally, the city holds the Park Board bank account and makes distributions at the Park Board's request. We tested three disbursements to the Park Board totaling \$2,286 and noted the city did not receive supporting documentation for the items purchased, including \$500 for petty cash which the Park Board President indicated was used to purchase fireworks.

All disbursements should include proper supporting documentation to ensure the obligation was actually incurred and the disbursement represents an appropriate use of public funds.

### 3.3 Credit cards

Controls over credit cards need improvement. The city has 20 credit cards from seven vendors issued to seven employees, with credit limits as high as \$10,000. During the year ended September 30, 2011, the city disbursed \$56,941 to credit card vendors. The city has not adopted formal policies and procedures documenting who should maintain a credit card, appropriate usage for the credit cards, and required documentation to support credit card disbursements.

Complete and detailed written credit card policies and procedures are necessary to provide guidance to employees and help determine who actually needs a credit card. The city should develop policies that require all invoices to be submitted prior to payment of credit card statements, and purchases to be approved by someone other than the card user. The city should perform a review of all credit card purchases to ensure expenses paid are necessary, reasonable, and adequately documented.

## Recommendations

The Board of Aldermen:

- 3.1 Review and approve all disbursements and ensure approval of disbursements is documented.



City of Buckner  
Management Advisory Report - State Auditor's Findings

- 3.2 Require adequate, detailed supporting documentation be obtained and retained for all disbursements.
- 3.3 Adopt formal policies and procedures for credit card usage that include criteria for identifying employees that should be assigned a card, require adequate documentation be maintained and reconciled to billing statements, and require purchases be approved by someone other than the card user.

## Auditee's Response

*The Board of Aldermen provided the following responses:*

- 3.1 *This recommendation has been implemented.*
- 3.2 *We are being more diligent in ensuring adequate documentation is on hand to support all disbursements.*
- 3.3 *We will review our credit card policies and ensure adequate documentation is maintained and reconciled to the statement monthly. Credit limits will be reviewed periodically in the future and approval for purchases will be obtained.*

## 4. Capital Assets

The city has not implemented adequate procedures to account for city property and ensure proper insurance coverage. The city does not maintain overall property records, or affix asset tags to city property. While city personnel indicated an annual physical inventory is conducted using insurance records as property records, the inventory is not documented.

Adequate capital asset records and procedures are necessary to secure better internal controls and safeguard city assets that are susceptible to loss, theft, or misuse, and to provide a basis for determining property insurance coverage.

## Recommendation

The Board of Aldermen ensure complete and detailed property records are maintained, assets are properly tagged for identification, and annual physical inventories are performed and compared to detailed records. Additionally, the comparison should be documented.

## Auditee's Response

*The Board of Aldermen provided the following response:*

*By the beginning of the next fiscal year, we will tag all assets, develop an overall property record, and reconcile it to our insurance records to ensure proper coverage. Annual inventories will be performed in the future.*

## 5. Fuel and Vehicle Use

Concerns related to reporting taxable fringe benefits to the Internal Revenue Service (IRS) and procedures for monitoring fuel and vehicle use were identified.



City of Buckner  
Management Advisory Report - State Auditor's Findings

## 5.1 Commuting miles

The City Clerk, Waste Water Treatment Plant Operator, and Public Works Lead Man are allowed to use city vehicles to commute between home and work; however, the value of personal (commuting) mileage was not recorded on their W-2 forms as required by IRS guidelines. These employees are not required to maintain a mileage log indicating business and personal use.

IRS reporting guidelines indicate personal commuting mileage is a reportable fringe benefit. Furthermore, IRS guidelines require the full value of the provided vehicle be reported on employee W-2 forms if the employer does not require submission of detailed logs that distinguish between business and personal use. Additionally, the city may be subject to penalties and/or fines for failure to report all taxable benefits.

## 5.2 Monitoring fuel and vehicle use

Fuel and usage logs are not maintained for equipment and vehicles, and fuel usage is not reconciled to fuel purchases. Without adequate records, the city cannot effectively monitor vehicle/equipment use or verify accuracy of fuel billings. The city disbursed approximately \$35,000 for fuel during the year ended September 30, 2011.

Fuel and usage logs are necessary to document the appropriate use of equipment and vehicles and to support fuel charges. The logs should include sufficient documentation to determine reasonableness of miles driven and allow reconciliation of fuel use to fuel purchases.

## Recommendations

The Board of Aldermen:

- 5.1 Comply with IRS guidelines for reporting fringe benefits related to commuting in city-owned vehicles. In addition, fuel and usage logs should be required when vehicles are used for commuting.
- 5.2 Require fuel use logs be maintained for all city-owned vehicles and equipment, and these logs be reviewed and reconciled to fuel purchases. Any significant discrepancies should be investigated.

## Auditee's Response

*The Board of Aldermen provided the following responses:*

- 5.1 *We will review IRS guidelines and ensure the required reporting is done in the future. We will begin preparing mileage logs for all city vehicles immediately.*
- 5.2 *We will strengthen controls over fuel usage by ensuring logs are maintained and reviewed monthly.*



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## 6. Payroll

Payroll controls and procedures need improvement.

### 6.1 Payroll records

Problems were identified with the handling of payroll by the city. The city maintains a separate bank account for payroll and makes transfers from the operating account to the payroll account. During the year ended September 30, 2011, payroll costs were approximately \$439,000. The following concerns were identified:

- Accounting entries are not made timely or accurately to record payroll transfers made from other funds. The computer information system automatically interfaces the payroll cash ledger with the General, Water/Sewer, and Restricted Funds, and makes the withdrawal transactions for payroll activity. Appropriate entries to record the transfer of monies from the respective fund operating account into the respective fund payroll cash ledgers are not posted. Failing to post these entries leaves a negative balance in the payroll account for each fund and does not reduce the cash balance in the operating account. As of September 30, 2011, the total account balances reflected on the payroll cash ledgers for the General, Water/Sewer, and Restricted Funds were (\$459,607).

While the city actually transferred the money from the operating bank account to the payroll bank account, the transactions were not recorded in the accounting records. The September 30, 2011, payroll bank statement ending balance was \$2,997.

- Overdraft charges were incurred because some transfers from the operating bank account to the payroll bank account were not made timely. As a result, overdraft fees of \$636 were incurred during the year ended September 30, 2011.

Timely recording of all transactions and maintaining an accurate comprehensive running cash account balance for the payroll account would aid in monitoring the payroll account and eliminate the occurrence of bank overdraft fees.

### 6.2 Bonuses

One-time merit bonuses totaling \$21,100 were paid to 17 employees in October 2011. Bonuses ranged from \$250 to \$2,250 and were paid based upon supervisor recommendations. Minutes from the September 1, 2011, Board of Aldermen meeting indicate the city's intent to pay a one-time merit bonus to employees. In a subsequent meeting, the wording describing these bonuses was changed to say they were one-time salary adjustments, which per city officials, was based on verbal discussions with the city attorney; however, there is no documentation of a written legal opinion regarding these payments.



## City of Buckner Management Advisory Report - State Auditor's Findings

These payments appear to represent additional compensation for services previously rendered and, as such, are in violation of Article III, Section 39, Missouri Constitution, and Attorney General's Opinion No. 72, 1955 to Pray, which states, ". . . a government agency deriving its power and authority from the constitution and laws of the state would be prohibited from granting extra compensation in the form of bonuses to public officers after the service has been rendered."

### 6.3 Time sheets

Time sheets are not always signed by the employee or the supervisor. Of the ten time sheets reviewed, one was not signed by the employee, and three were not approved by the supervisor.

Time sheets are necessary to document hours actually worked, substantiate payroll disbursements, and provide the city with a method to monitor hours worked. Time sheets should be signed by all employees, verified for accuracy, and approved by the applicable supervisor.

### 6.4 Cellular phone allowances

Certain employees were paid allowances for their cellular phone use, but these were not supported by documentation or reported to the IRS. During 2011, the City Administrator, City Clerk, Chief of Police, and Mayor were each paid a \$50 per month cellular phone allowance. Officials and employees are not periodically required to submit invoices or other supporting documentation to justify the cellular phone allowances paid, and the allowances paid were not included in amounts reported on the respective W-2 forms.

IRS regulations provide when an employer issues a check to an employee without requiring proof of reimbursement for actual expenses incurred, the amount is taxable income and should be reported on the respective W-2 forms. In addition, to ensure the cellular phone allowance is reasonable, the city should periodically require documentation supporting cellular phone use.

## Recommendations

The Board of Aldermen:

- 6.1 Ensure transactions are recorded in a timely manner, and an accurate cash balance is maintained to aid in monitoring of the payroll bank account, therefore eliminating unnecessary bank charges.
- 6.2 Discontinue granting bonuses to employees.
- 6.3 Ensure all time sheets are signed by employees and approved by a supervisor.



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City of Buckner  
Management Advisory Report - State Auditor's Findings

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- 6.4     Require individuals to submit itemized cellular phone expense reports or report the cellular phone allowances as compensation to the IRS.

## Auditee's Response

*The Board of Aldermen provided the following responses:*

- 6.1 &  
6.4     *These recommendations have been implemented.*
- 6.2     *We will take this recommendation under advisement.*
- 6.3     *We are now ensuring timesheets are signed by both employee and supervisor.*

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## 7. Closed Meetings

The vote to close a meeting and the purpose of the closed meeting is not documented in the open meeting minutes as required by state law, and minutes of closed meetings are not prepared. From January 2011 through April 2012, the city closed ten meetings.

Section 610.022, RSMo, requires that before any meeting may be closed, the question of holding the closed meeting and the reason for the closed meeting, including reference to a specific section of the law, shall be voted on during an open meeting. These reasons and the corresponding votes to close the meeting should be documented in the open minutes to demonstrate compliance with statutory provisions. Further, Section 610.020.7, RSMo, requires minutes be kept for all closed meetings.

## Recommendation

The Board of Aldermen ensure open meeting minutes properly disclose the votes and reasons for closing a meeting, and minutes are prepared and retained for closed meetings.

## Auditee's Response

*The Board of Aldermen provided the following response:*

*We will ensure compliance with the provisions of the Sunshine Law in the future.*



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# City of Buckner

## Organization and Statistical Information

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The City of Buckner is located in Jackson County. The city was incorporated in 1930 and is currently a fourth class city. The city employed 14 full-time employees on September 30, 2011.

City operations include law enforcement services, utilities (water and sewer), and recreational facilities.

### Mayor and Board of Aldermen

The city government consists of a mayor and six member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 4-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at September 30, 2011, are identified below. The Mayor and Board of Aldermen are paid \$100 per quarter, plus \$40 for each regular meeting attended. In addition, the Mayor receives a \$50 cellular phone allowance per month. The compensation of these officials is established by ordinance.

Dan Hickson, Mayor  
Cathy Litten, Alderwoman  
Chester Denton, Alderman  
Claude Elliot, Alderman  
Darrel Box, Alderman  
Jim Jones, Alderman  
Tim Runyon, Alderman

### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The City of Buckner did not receive any federal stimulus monies during the year ended September 30, 2011.

### Financial Activity

A summary of the city's financial activity for the year ended September 30, 2011, follows:

City of Buckner  
Year Ended September 30, 2011

	General Fund *	Capital Improvements Fund *	Restricted Fund *	Cash Court Bond Fund **	Fairs and Festivals Fund *	Water and Sewer Fund *	Water and Sewer Capital Fund *	Total
<b>REVENUES</b>								
Taxes	\$ 617,297	111,614	221,292	0	0	0	0	950,203
Licenses, fees, and permits	268,735	0	0	0	0	0	0	268,735
Water and sewer fees	0	0	0	0	0	650,076	0	650,076
Bonds	0	0	0	70,377	0	0	0	70,377
Miscellaneous	46,037	0	739	0	14,184	1,907	0	62,867
Interest	289	0	0	0	0	119	0	408
Transfers in	55,250	0	0	0	0	0	0	55,250
Total Revenues	987,608	111,614	222,031	70,377	14,184	652,102	0	2,057,916
<b>EXPENDITURES</b>								
General government	255,255	0	0	0	0	0	0	255,255
Personnel services (1)	0	0	0	0	0	262,092	0	262,092
Contractual services	0	0	0	0	0	226,143	0	226,143
Materials and supplies	0	0	0	0	0	5,602	0	5,602
Maintenance and repairs	0	0	0	0	0	18,499	0	18,499
Fuel and lubricants	0	0	0	0	0	5,640	0	5,640
Utilities	0	0	0	0	0	28,119	0	28,119
Support services	0	0	0	0	0	55,250	0	55,250
Fairs and festivals	0	0	0	0	11,734	0	0	11,734
Police and court	555,451	0	0	66,462	0	0	0	621,913
Street	0	0	145,109	0	0	0	0	145,109
Park	17,270	0	0	0	0	0	0	17,270
Storm drainage	8,272	0	0	0	0	0	0	8,272
Capital outlay	6,590	0	0	0	0	0	0	6,590
Total Expenditures	842,838	0	145,109	66,462	11,734	601,345	0	1,667,488
<b>REVENUES OVER (UNDER)</b>								
EXPENDITURES	144,770	111,614	76,922	3,915	2,450	50,757	0	390,428
FUND BALANCE, October 1, 2010	685,069	394,515	215,134	27,104	0	2,929,458	267,962	4,519,242
FUND BALANCE, September 30, 2011	\$ 829,839	506,129	292,056	31,019	2,450	2,980,215	267,962	4,909,670

\* Amounts presented are taken from the city's compilation report prepared by a private accounting firm. This compilation indicates the city's financial statements include cash accounts that have not been reconciled and the amount by which these unreconciled accounts would affect the city's revenues and expenditures has not been determined.

\*\* Amounts were provided by the city.

(1) Personnel service expenditures for all functions other than water/sewer are included in general government, police and court, or street categories.



**Thomas A. Schweich**  
Missouri State Auditor

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# Office of Secretary of State



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**March 2013**  
**Report No. 2013-023**

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Office of Secretary of State

Background	The Office of Secretary of State is an elective office charged with the following duties: 1) to be custodian of the state seal; 2) to keep a register of the official acts of the governor; 3) to be custodian of records and documents; and 4) to perform such duties in relation to elections and corporations as provided by law. Robin Carnahan served as Secretary of State from January 10, 2005, to January 14, 2013.
Findings	The State Auditor is required to audit the Office of Secretary of State. The scope of our audit included, but was not necessarily limited to, the period July 1, 2012, to January 14, 2013, and the 2 years ended June 30, 2012. The objectives of the audit were to evaluate the office's internal controls over significant management and financial functions; evaluate the office's compliance with certain legal provisions; and evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions. No findings resulted from our audit.
Follow-up on Prior Audit Findings	As reported in our prior report, the Office of Administration transferred \$5 million from the Investor Education and Protection Fund to the General Revenue Fund, which did not appear to be an allowable use of fund monies. We recommended the Secretary of State request the Office of Administration to reimburse these monies. The Secretary of State made this request, but the Office of Administration refused to reimburse the Investor Education and Protection Fund.

In the areas audited, the overall performance of this entity was **Excellent**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The Office of Secretary of State did not receive any federal stimulus monies during the audited time period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: <http://auditor.mo.gov>

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# Office of Secretary of State

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Robin Carnahan  
and  
Honorable Jason Kander, Secretary of State  
Jefferson City, Missouri

We have audited certain operations of the Office of Secretary of State in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the period July 1, 2012, to January 14, 2013, and the years ended June 30, 2012 and 2011. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office; inspection of capital assets; analysis of comparative data obtained from external and/or internal sources; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. No findings resulted from our audit of the Secretary of State.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with a large, stylized initial "T" and a long, sweeping underline.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Toni M. Crabtree, CPA
In-Charge Auditor:	Robyn Lamb
Audit Staff:	Terese Summers, MSAS, CPA
	Joshua Allen, CPA, CFE
	Rachelle Thompson
	Alexander Druzenko, MBA
	Tessa Oates

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# Office of Secretary of State

## Follow-up on Prior Audit Findings

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	<p>This section reports the auditor's follow-up on action taken by the Office of Secretary of State (SOS) on findings in the Management Advisory Report (MAR) of our prior audit report issued for the years ended June 30, 2010, 2009, and 2008.</p>
Investor Education and Protection Fund	<p>Transfers, totaling \$5 million, from the Investor Education and Protection Fund to the General Revenue Fund did not appear to be an allowable use of fund monies. The transfers included \$3.8 million made in November 2009, \$500,000 made in February 2010, and \$700,000 made in June 2010.</p>
Recommendation	<p>The SOS request the Office of Administration (OA) to reimburse the \$5 million to the Investor Education and Protection Fund.</p>
Status	<p>Implemented. The SOS requested the OA reimburse the \$5 million to the Investor Education and Protection Fund. The OA denied the request citing that the OA properly transferred the monies from the Investor Education and Protection Fund to the General Revenue Fund and did not intend to reimburse the Investor Education and Protection Fund.</p>



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# Office of Secretary of State

## Organization and Statistical Information

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The Office of Secretary of State is an elective office as provided in the Missouri Constitution. Article IV, Section 14, established the duties of the Secretary of State: 1) to be custodian of the state seal, 2) to keep a register of the official acts of the governor, 3) to be custodian of records and documents, and 4) to perform such duties in relation to elections and corporations as provided by law.

To accommodate the responsibilities of record keeping, registration, and administration, the Secretary of State's office is divided into the following major divisions: Business Services, Elections, Securities, State Library, Records Services, and Administrative Rules. Some areas are composed of separate sections which perform specific functions.

Business Services Division: This division is comprised of three sections: Commissions, Corporation, and Uniform Commercial Code (UCC). The Commissions section maintains the oath of office and official signature of each notary, as well as their official bond; authenticates official acts of the governor; maintains the Great Seal of the State of Missouri; maintains bonds and oaths of office for state officials; and is responsible for the official signature, facsimile signature filings, resident agent filings and trademark and service mark filings. The Corporations section handles the registration and maintenance of over 700,000 active businesses registered in Missouri. Businesses file various documents required by law such as creation documents, annual reports, amendments, mergers, consolidations, dissolutions, terminations, withdrawals, and conversions. The UCC section is responsible for perfecting personal property liens and other creditor interests. These liens are perfected by filing a financing statement in the accepted national format.

Elections Division: This division oversees all statewide elections for both candidates and issues; prepares statewide ballots for primary, general, and certain special elections; and certifies and publishes election results. In addition, the division certifies statewide ballot measures that are proposed by the General Assembly or through the initiative and referendum petition process, including the oversight of signature verification. The division assists Missouri's 116 local election authorities in administering elections and promulgating rules governing elections and electronic voting systems; cooperates with other officials, schools, and civic organizations to provide materials to support voter registration, responsibility, and education; and oversees the statewide poll worker recruitment initiative. The division is also responsible for coordinating Missouri's compliance with federal election law, including the Help America Vote Act of 2002 (HAVA).

Securities Division: This division is responsible for ensuring compliance with state securities laws. This responsibility includes enforcement of the law when violations occur and the registration of securities, broker-dealers,



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Office of Secretary of State  
Organization and Statistical Information

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agents, investment advisers and investment advisor representatives. State securities laws are intended to protect investors from unsuitable investment recommendations, dishonest or unethical practices, and fraudulent investment schemes. The division is composed of the Enforcement and Registration sections. The Enforcement section receives and investigates complaints. Each year this section fields hundreds of investor complaints, many of which result in cease and desist orders, licensing revocations, civil penalties, criminal prosecutions, or investor restitution. The Registration section regulates the registration of individuals, firms, and securities. This section performs routine and for-cause inspections and pre-registration exams of the offices of broker-dealers and investment advisers to ensure compliance with Missouri securities laws. In addition, this section reviews proposed securities offerings to ensure that offerings are "fair, just, and equitable." The division also oversees the Missouri Investor Protection Center, which creates and promotes investor education initiatives designed to educate and assist both current and future investors.

Missouri State Library: The library is responsible for providing library and reference services to Missouri state government; providing library services to the blind and visually impaired; and promoting the development and improvement of library services throughout the state. To fulfill these responsibilities, the library is composed of three sections: Library Development, References Services, and the Wolfner Library. The Library Development section supports libraries through consulting, administration of grant programs, continuing education, and statewide programs. Through research, publications, and personal contacts, consultants provide assistance on general library issues and needs, promote the organization and development of library services, manage statewide projects, and maintain statistics on public library services in the state. The Reference Services section delivers library services to meet the informational and research needs of state government through current awareness services, library materials collections in multiple formats, electronic publications, and online databases provided to state employees. The Wolfner Library serves as the public library for Missourians unable to use standard print because of visual or physical disability. Wolfner services are available to qualified Missourians at no charge.

Records Services Division: This division is responsible for maintaining the current and historical records of the state to ensure those records are preserved and accessible to Missouri citizens, and for assisting local governments in records preservation and management. The division is composed of three sections: Missouri State Archives, Local Records Preservation Program, and Records Management. Missouri State Archives is the official repository for government records of permanent value. The local Records Preservation Program advises, educates, and encourages the custodians of local records in the use of sound records management and



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Office of Secretary of State  
Organization and Statistical Information

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archival practices. The Records Management section helps state agencies to effectively and efficiently manage their official records; provides state agencies storage for inactive records; and provides state agencies and local governments micrographic and digital imaging services.

Administrative Rules Division: This division is charged with setting uniform standards, procedures, and guidelines for the preparation and publishing of rules in the Missouri Register and the Missouri Code of State Regulations.

The office also includes the following divisions: Information Technology, Communications and Publications, Fiscal and Facilities, and Human Resources. The Information Technology Division coordinates, develops, implements, and supports information technology solutions for the office. The Communications and Publications Division handles a variety of printing and graphic arts responsibilities for the office, including the publication of the Official Manual. The Fiscal and Facilities Division provides fiscal, budget, procurement, and facilities management support and general office services. The Human Resources Division supports personnel recruitment, compensation, benefits, training, and performance evaluation for the office.

On January 10, 2005, Robin Carnahan was inaugurated as the state's thirty-eighth Secretary of State. Her second term expired on January 14, 2013. On that date, Jason Kander was inaugurated as the state's thirty-ninth Secretary of State.

At January 14, 2013, the office employed 232 full-time and 2 part-time employees.

American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)

The Office of Secretary of State did not receive any federal stimulus monies during the period July 1, 2012 to January 14, 2013, and the 2 years ended June 30, 2012.

Appendix A-1

Office of Secretary of State  
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments  
Federal Funds  
Year Ended June 30, 2012

	Election Administration Improvement Fund	Election Improvements Revolving Loan Fund	Federal and Other Fund	Federal Funds Fund	Total Federal Funds (Memorandum Only)
RECEIPTS					
Federal grants	\$ 0	278,088	97,064	3,131,539	3,506,691
Investment income	113,537	45	57	0	113,639
Refunds	0	1,050	106	0	1,156
Recovery costs	0	0	0	26,150	26,150
Donations	0	0	55,500	0	55,500
Miscellaneous	568	0	5	16,327	16,900
Total Receipts	<u>114,105</u>	<u>279,183</u>	<u>152,732</u>	<u>3,174,016</u>	<u>3,720,036</u>
DISBURSEMENTS					
Personal service	259,085	0	0	453,687	712,772
Employee fringe benefits	114,437	0	0	254,417	368,854
Expense and equipment	2,888,140	0	0	68,306	2,956,446
Public assistance grants	0	0	0	2,339,586	2,339,586
Federal grant programs	0	0	132,361	0	132,361
Federal election reform	3,983,117	279,138	0	0	4,262,255
Total Disbursements	<u>7,244,779</u>	<u>279,138</u>	<u>132,361</u>	<u>3,115,996</u>	<u>10,772,274</u>
RECEIPTS OVER (UNDER)					
DISBURSEMENTS	<u>(7,130,674)</u>	<u>45</u>	<u>20,371</u>	<u>58,020</u>	<u>(7,052,238)</u>
TRANSFERS					
Transfers from State Election Subsidy Fund	4,205,989	0	0	0	4,205,989
RECEIPTS OVER (UNDER)					
DISBURSEMENTS AND TRANSFERS	<u>(2,924,685)</u>	<u>45</u>	<u>20,371</u>	<u>58,020</u>	<u>(2,846,249)</u>
CASH AND INVESTMENTS, JULY 1	21,107,614	40	23	59,735	21,167,412
CASH AND INVESTMENTS, JUNE 30	<u>\$ 18,182,929</u>	<u>85</u>	<u>20,394</u>	<u>117,755</u>	<u>18,321,163</u>

Appendix A-1

Office of Secretary of State  
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments  
Other Funds  
Year Ended June 30, 2012

	Technology Trust Fund	Local Records Preservation Fund	Investor's Restitution Fund	Missouri State Archives- St. Louis Trust Fund	Library Networking Fund	Investor Education and Protection Fund	State Document Preservation Fund	Wolfner Library Trust Fund	Total Other Funds (Memorandum Only)
<b>RECEIPTS</b>									
Fees	\$ 2,371,983	1,168,718	0	0	0	0	0	0	3,540,701
Investment income	16,063	0	0	8	573	32,990	33	4,910	54,577
Donations	0	0	0	0	0	0	414	8,375	8,789
Court awards	0	0	0	0	0	827,907	0	0	827,907
Recovery costs	5,057	0	567,350	0	10,720	98,847	0	0	681,974
Miscellaneous	14,076	130	0	236	45	263	0	0	14,750
Total Receipts	<u>2,407,179</u>	<u>1,168,848</u>	<u>567,350</u>	<u>244</u>	<u>11,338</u>	<u>960,007</u>	<u>447</u>	<u>13,285</u>	<u>5,128,698</u>
<b>DISBURSEMENTS</b>									
Personal service	152,024	466,132	0	0	0	402,097	0	0	1,020,253
Employee fringe benefits	60,469	215,637	0	0	0	173,286	0	0	449,392
Expense and equipment	2,426,928	119,079	0	0	0	480,912	356	2,264	3,029,539
Library networking	0	0	0	0	62,735	0	0	0	62,735
Investors restitution	0	0	721,109	0	0	0	0	0	721,109
Cost allocation plan	32,019	14,889	1,224	1	0	23,856	1	2,441	74,431
Leasing operations	0	3,297	0	0	0	0	0	0	3,297
Miscellaneous	0	0	0	0	0	0	0	10,274	10,274
Total Disbursements	<u>2,671,440</u>	<u>819,034</u>	<u>722,333</u>	<u>1</u>	<u>62,735</u>	<u>1,080,151</u>	<u>357</u>	<u>14,979</u>	<u>5,371,030</u>
<b>RECEIPTS OVER (UNDER)</b>									
<b>DISBURSEMENTS</b>	<u>(264,261)</u>	<u>349,814</u>	<u>(154,983)</u>	<u>243</u>	<u>(51,397)</u>	<u>(120,144)</u>	<u>90</u>	<u>(1,694)</u>	<u>(242,332)</u>
<b>CASH AND INVESTMENTS, JULY 1</b>	<u>2,545,978</u>	<u>1,080,184</u>	<u>5,506,982</u>	<u>1,371</u>	<u>90,962</u>	<u>4,317,417</u>	<u>5,170</u>	<u>811,722</u>	<u>14,359,786</u>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<u>\$ 2,281,717</u>	<u>1,429,998</u>	<u>5,351,999</u>	<u>1,614</u>	<u>39,565</u>	<u>4,197,273</u>	<u>5,260</u>	<u>810,028</u>	<u>14,117,454</u>

Appendix A-2

Office of Secretary of State  
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments  
Federal Funds  
Year Ended June 30, 2011

	Election Administration Improvement Fund	Election Improvements Revolving Loan Fund	Federal and Other Fund	Federal Funds Fund	Total Federal Funds (Memorandum Only)
RECEIPTS					
Federal grants	\$ 5,456,068	281,318	108,890	3,620,184	9,466,460
Investment income	126,276	52	17	0	126,345
Refunds	986	0	0	1,702	2,688
Miscellaneous	81	0	5	195	281
Total Receipts	<u>5,583,411</u>	<u>281,370</u>	<u>108,912</u>	<u>3,622,081</u>	<u>9,595,774</u>
DISBURSEMENTS					
Personal service	230,271	0	0	508,353	738,624
Employee fringe benefits	106,178	0	0	275,536	381,714
Expense and equipment	3,671,743	0	0	112,656	3,784,399
Public assistance grants	0	0	0	2,699,487	2,699,487
Federal grant programs	0	0	103,847	0	103,847
Federal election reform	1,898,724	281,349	0	0	2,180,073
Miscellaneous	0	0	5,043	0	5,043
Total Disbursements	<u>5,906,916</u>	<u>281,349</u>	<u>108,890</u>	<u>3,596,032</u>	<u>9,893,187</u>
RECEIPTS OVER (UNDER)					
DISBURSEMENTS	<u>(323,505)</u>	<u>21</u>	<u>22</u>	<u>26,049</u>	<u>(297,413)</u>
TRANSFERS					
Transfers from State Election Subsidy Fund	3,638,193	0	0	0	3,638,193
RECEIPTS OVER (UNDER)					
DISBURSEMENTS AND TRANSFERS	3,314,688	21	22	26,049	3,340,780
CASH AND INVESTMENTS, JULY 1	17,792,926	19	1	33,686	17,826,632
CASH AND INVESTMENTS, JUNE 30	<u>\$ 21,107,614</u>	<u>40</u>	<u>23</u>	<u>59,735</u>	<u>21,167,412</u>

Appendix A-2

Office of Secretary of State  
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments  
Other Funds  
Year Ended June 30, 2011

	Technology Trust Fund	Local Records Preservation Fund	Investor's Restitution Fund	Missouri State Archives- St. Louis Trust Fund	Library Networking Fund	Investor Education and Protection Fund	State Document Preservation Fund	Wolfner Library Trust Fund	Total Other Funds (Memorandum Only)
<b>RECEIPTS</b>									
Fees	\$ 2,400,545	1,167,225	0	0	0	0	0	0	3,567,770
Investment income	22,283	0	0	8	1,392	40,939	39	6,112	70,773
Donations	0	0	0	0	374,302	0	183	5,321	379,806
Court awards	0	0	0	0	0	851,361	0	0	851,361
Refunds	97	0	0	0	0	0	0	0	97
Recovery costs	4,828	0	1,214,435	0	550	121,148	0	0	1,340,961
Miscellaneous	9,259	49	0	406	1	2,608	10	0	12,333
Total Receipts	<u>2,437,012</u>	<u>1,167,274</u>	<u>1,214,435</u>	<u>414</u>	<u>376,245</u>	<u>1,016,056</u>	<u>232</u>	<u>11,433</u>	<u>6,223,101</u>
<b>DISBURSEMENTS</b>									
Personal service	183,721	460,233	0	0	0	487,226	0	0	1,131,180
Employee fringe benefits	78,106	217,330	0	0	0	212,583	0	0	508,019
Expense and equipment	2,875,419	57,208	0	0	0	564,424	0	14,085	3,511,136
Library networking	0	0	0	0	369,932	0	0	0	369,932
Investors restitution	0	0	1,059,177	0	0	0	0	0	1,059,177
Cost allocation plan	31,323	16,999	0	1	0	47,866	80	1,140	97,409
Leasing operations	0	3,282	0	0	0	0	0	0	3,282
Miscellaneous	0	0	2,393	0	0	0	0	0	2,393
Total Disbursements	<u>3,168,569</u>	<u>755,052</u>	<u>1,061,570</u>	<u>1</u>	<u>369,932</u>	<u>1,312,099</u>	<u>80</u>	<u>15,225</u>	<u>6,682,528</u>
<b>RECEIPTS OVER (UNDER)</b>									
<b>DISBURSEMENTS</b>	<u>(731,557)</u>	<u>412,222</u>	<u>152,865</u>	<u>413</u>	<u>6,313</u>	<u>(296,043)</u>	<u>152</u>	<u>(3,792)</u>	<u>(459,427)</u>
<b>TRANSFERS</b>									
Transfers from Missouri Investment Trust Fund	0	0	0	0	0	0	0	6,005	6,005
<b>RECEIPTS OVER (UNDER)</b>									
<b>DISBURSEMENTS AND TRANSFERS</b>	<u>(731,557)</u>	<u>412,222</u>	<u>152,865</u>	<u>413</u>	<u>6,313</u>	<u>(296,043)</u>	<u>152</u>	<u>2,213</u>	<u>(453,422)</u>
<b>CASH AND INVESTMENTS, JULY 1</b>	<u>3,277,535</u>	<u>667,962</u>	<u>5,354,117</u>	<u>958</u>	<u>84,649</u>	<u>4,613,460</u>	<u>5,018</u>	<u>809,509</u>	<u>14,813,208</u>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<u>\$ 2,545,978</u>	<u>1,080,184</u>	<u>5,506,982</u>	<u>1,371</u>	<u>90,962</u>	<u>4,317,417</u>	<u>5,170</u>	<u>811,722</u>	<u>14,359,786</u>

Appendix B

Office of Secretary of State  
Comparative Statement of Receipts  
General Revenue Fund

	Year Ended June 30,	
	2012	2011
Securities	\$ 14,694,545	14,234,941
Business services	8,066,720	8,074,792
Records services	25,929	24,906
Administrative rules	12,310	14,785
Elections	60	540
Missouri state library	570	620
Miscellaneous	774	1,441
Total	\$ 22,800,908	22,352,025



Appendix C-1

Office of Secretary of State  
Statement of Appropriations and Expenditures  
Period July 1, 2012 to January 14, 2013

	Appropriation Authority	Expenditures	Encumbrances	Uncommitted Appropriations *
<b>GENERAL REVENUE FUND</b>				
Personal Service	\$ 7,371,129	3,796,563	30,584	3,543,982
Expense and Equipment	1,803,409	584,834	526,297	692,278
Elections Public Notice	2,165,100	2,165,100	0	0
Refunds of securities, corporations, uniform commercial code and miscellaneous collections	50,000	23,409	468	26,123
Remote Electronics Access for Libraries Program	3,109,250	1,724,438	692,406	692,406
Absentee Ballots	82,506	58,187	18,598	5,721
Aid to Public Libraries	3,504,001	1,363,530	0	2,140,471
Literacy Investment for Tomorrow Program	69,450	17,115	52,335	0
Leasing	625,855	293,932	56,305	275,618
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	1,014,668	505,866	478,362	30,440
Total General Revenue Fund	19,795,368	10,532,974	1,855,355	7,407,039
<b>RECORDS-FEDERAL FUND</b>				
Re-Grant Program	15,000	3,987	0	11,013
Total Records-Federal Fund	15,000	3,987	0	11,013
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES SAVE AMERICA'S TREASURES GRANT FUND</b>				
Personal Service	157,949	0	0	157,949
Total National Endowment for the Humanities Save America's Treasures Grant Fund	157,949	0	0	157,949
<b>ELECTION ADMINISTRATION IMPROVEMENT FUND</b>				
Expense and Equipment	3,737,263	1,320,946	2,225,332	190,985
Personal Service	267,325	115,340	2,519	149,466
Federal Election Reform	5,229,232	918,566	4,306,134	4,532
Total Election Administration Improvement Fund	9,233,820	2,354,852	6,533,985	344,983
<b>ELECTION IMPROVEMENTS REVOLVING LOAN FUND</b>				
Federal Election Reform	396,185	89,313	129,546	177,326
Total Election Improvements Revolving Loan Fund	396,185	89,313	129,546	177,326
<b>FEDERAL AND OTHER FUND</b>				
Grants and Projects	200,000	20,376	0	179,624
Total Federal and Other Fund	200,000	20,376	0	179,624
<b>FEDERAL FUNDS FUND</b>				
Personal Service	639,832	238,178	0	401,654
Expense and Equipment	227,574	67,489	31,825	128,260
Allotments, grants and contributions from the Federal Government or from any sources may be deposited in the State Treasury for the use of the Missouri State Library	2,750,000	1,735,700	570,952	443,348
Total Federal Funds Fund	3,617,406	2,041,367	602,777	973,262
<b>TECHNOLOGY TRUST FUND</b>				
Personal Service	336,334	147,496	0	188,838
Expense and Equipment	3,161,180	934,420	1,037,481	1,189,279
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	7,086	3,532	3,532	22
Total Technology Trust Fund	3,504,600	1,085,448	1,041,013	1,378,139

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Office of Secretary of State  
Statement of Appropriations and Expenditures  
Period July 1, 2012 to January 14, 2013

	Appropriation Authority	Expenditures	Encumbrances	Uncommitted Appropriations *
<b>LOCAL RECORDS PRESERVATION FUND</b>				
Leasing	3,296	1,649	324	1,323
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	18,489	9,236	9,235	18
Personal Service	1,062,096	413,159	2,184	646,753
Expense and Equipment	519,969	43,441	17,653	458,875
Local Records Preservation Grants	400,000	0	0	400,000
Total Local Records Preservation Fund	2,003,850	467,485	29,396	1,506,969
<b>STATE ELECTIONS SUBSIDY FUND</b>				
Special Election Costs	400,000	284,742	0	115,258
Total State Elections Subsidy Fund	400,000	284,742	0	115,258
<b>INVESTORS' RESTITUTION FUND</b>				
Investors' Restitution	55,000	23,726	0	31,274
Total Investors' Restitution Fund	55,000	23,726	0	31,274
<b>MISSOURI STATE ARCHIVES-ST. LOUIS TRUST FUND</b>				
Document Preservation	1	0	0	1
Total Missouri State Archives-St. Louis Trust Fund	1	0	0	1
<b>LIBRARY NETWORKING FUND FUND</b>				
Library Networking Grants	1,600,000	13,646	0	1,586,354
Total Library Networking Fund Fund	1,600,000	13,646	0	1,586,354
<b>INVESTOR EDUCATION AND PROTECTION FUND</b>				
Personal Service	561,081	277,887	2,887	280,307
Expense and Equipment	645,364	242,955	185,246	217,163
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	13,989	6,975	6,975	39
Total Investor Education and Protection Fund	1,220,434	527,817	195,108	497,509
<b>STATE DOCUMENT PRESERVATION FUND</b>				
Expense and Equipment	25,000	100	0	24,900
Total State Document Preservation Fund	25,000	100	0	24,900
<b>WOLFNER LIBRARY TRUST FUND</b>				
Expense and Equipment	14,501	0	0	14,501
Total Wolfner Library Trust Fund	14,501	0	0	14,501
Total All Funds	\$ 42,239,114	17,445,833	10,387,180	14,406,101

\* The uncommitted appropriations include the following withholdings made at the Governor's request:

	Period Ended January 14, 2013
<b>General Revenue Fund</b>	
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	\$ 30,440
Leasing	18,776
Total General Revenue Fund	\$ 49,216

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Office of Secretary of State  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2012

	Appropriation Authority	Expenditures	Lapsed Balances*
<b>GENERAL REVENUE FUND</b>			
Personal Service	\$ 7,251,098	7,240,988	10,110
Expense and Equipment	1,803,409	1,800,257	3,152
Elections Public Notice	100,000	0	100,000
Refunds of securities, corporations, uniform commercial code and miscellaneous collections	50,000	42,377	7,623
Remote Electronics Access for Libraries Program	3,109,250	3,109,250	0
Absentee Ballots	50,000	44,400	5,600
Aid to Public Libraries	3,604,001	3,604,001	0
Literacy Investment for Tomorrow Program	69,450	69,450	0
Leasing	588,617	555,288	33,329
Election Printing	21,395	20,424	971
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	1,008,678	978,401	30,277
Total General Revenue Fund	17,655,898	17,464,836	191,062
<b>RECORDS-FEDERAL FUND</b>			
Re-Grant Program	15,000	0	15,000
Total Records-Federal Fund	15,000	0	15,000
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES SAVE AMERICA'S TREASURES GRANT FUND</b>			
Personal Service	241,949	0	241,949
Total National Endowment for the Humanities Save America's Treasures Grant Fund	241,949	0	241,949
<b>ELECTION ADMINISTRATION IMPROVEMENT FUND</b>			
Expense and Equipment	6,930,072	2,888,140	4,041,932
Personal Service	261,191	259,085	2,106
Federal Election Reform	8,984,162	3,983,117	5,001,045
Total Election Administration Improvement Fund	16,175,425	7,130,342	9,045,083
<b>ELECTION IMPROVEMENTS REVOLVING LOAN FUND</b>			
Federal Election Reform	396,185	279,138	117,047
Total Election Improvements Revolving Loan Fund	396,185	279,138	117,047
<b>FEDERAL AND OTHER FUND</b>			
Grants and Projects	200,000	132,361	67,639
Total Federal and Other Fund	200,000	132,361	67,639
<b>FEDERAL FUNDS FUND</b>			
Personal Service	629,065	453,687	175,378
Expense and Equipment	227,574	68,306	159,268
Allotments, grants and contributions from the Federal Government or from any sources may be deposited in the State Treasury for the use of the Missouri State Library	3,000,000	2,339,586	660,414
Total Federal Funds Fund	3,856,639	2,861,579	995,060
<b>TECHNOLOGY TRUST FUND</b>			
Personal Service	246,009	152,024	93,985
Expense and Equipment	3,161,180	2,419,991	741,189
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	7,051	6,937	114
Total Technology Trust Fund	3,414,240	2,578,952	835,288

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Office of Secretary of State  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2012

	Appropriation Authority	Expenditures	Lapsed Balances*
<b>LOCAL RECORDS PRESERVATION FUND</b>			
Leasing	3,306	3,297	9
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	18,397	18,142	255
Personal Service	1,042,516	466,132	576,384
Expense and Equipment	519,969	100,937	419,032
Local Records Preservation Grants	400,000	0	400,000
Total Local Records Preservation Fund	1,984,188	588,508	1,395,680
<b>STATE ELECTIONS SUBSIDY FUND</b>			
Special Election Costs	7,550,000	7,526,299	23,701
Total State Elections Subsidy Fund	7,550,000	7,526,299	23,701
<b>INVESTORS' RESTITUTION FUND</b>			
Investors' Restitution	765,000	721,109	43,891
Total Investors' Restitution Fund	765,000	721,109	43,891
<b>MISSOURI STATE ARCHIVES-ST. LOUIS TRUST FUND</b>			
Document Preservation	1	0	1
Total Missouri State Archives-St. Louis Trust Fund	1	0	1
<b>LIBRARY NETWORKING FUND FUND</b>			
Library Networking Grants	450,000	62,735	387,265
Total Library Networking Fund Fund	450,000	62,735	387,265
<b>INVESTOR EDUCATION AND PROTECTION FUND</b>			
Personal Service	550,530	402,097	148,433
Expense and Equipment	645,364	467,211	178,153
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	13,920	13,701	219
Total Investor Education and Protection Fund	1,209,814	883,009	326,805
<b>STATE DOCUMENT PRESERVATION FUND</b>			
Expense and Equipment	402	356	46
Total State Document Preservation Fund	402	356	46
<b>WOLFNER LIBRARY TRUST FUND</b>			
Expense and Equipment	14,501	2,264	12,237
Total Wolfner Library Trust Fund	14,501	2,264	12,237
Total All Funds	\$ 53,929,242	40,231,488	13,697,754

\* The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30, 2012
<b>General Revenue Fund</b>	
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	\$ 30,277
Leasing	18,502
Total General Revenue Fund	\$ 48,779

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Office of Secretary of State  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2011

	Appropriation Authority	Expenditures	Lapsed Balances*
<b>GENERAL REVENUE FUND</b>			
Personal Service	\$ 7,303,216	7,260,777	42,439
Expense and Equipment	1,980,696	1,864,872	115,824
Elections Public Notice	1,300,000	1,020,281	279,719
Refunds of securities, corporations, uniform commercial code and miscellaneous collection:	52,450	52,368	82
Remote Electronics Access for Libraries Program	3,109,250	3,109,250	0
Absentee Ballots	81,915	81,341	574
Aid to Public Libraries	3,604,001	3,604,001	0
Literacy Investment for Tomorrow Program	69,450	69,450	0
Leasing	690,038	653,590	36,448
Election Printing	21,395	0	21,395
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	1,033,377	1,003,900	29,477
Total General Revenue Fund	19,245,788	18,719,829	525,959
<b>RECORDS-FEDERAL FUND</b>			
Re-Grant Program	15,000	0	15,000
Total Records-Federal Fund	15,000	0	15,000
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES SAVE AMERICA'S TREASURES GRANT FUND</b>			
Personal Service	241,949	0	241,949
Total National Endowment for the Humanities Save America's Treasures Grant Fund	241,949	0	241,949
<b>ELECTION ADMINISTRATION IMPROVEMENT FUND</b>			
Expense and Equipment	6,312,962	3,671,743	2,641,219
Personal Service	261,191	230,271	30,920
Federal Election Reform	8,500,002	1,898,724	6,601,278
Total Election Administration Improvement Fund	15,074,155	5,800,738	9,273,417
<b>ELECTION IMPROVEMENTS REVOLVING LOAN FUND</b>			
Federal Election Reform	456,188	281,349	174,839
Total Election Improvements Revolving Loan Fund	456,188	281,349	174,839
<b>FEDERAL AND OTHER FUND</b>			
Grants and Projects	200,000	103,847	96,153
Total Federal and Other Fund	200,000	103,847	96,153
<b>FEDERAL FUNDS FUND</b>			
Personal Service	629,065	508,353	120,712
Expense and Equipment	227,574	112,656	114,918
Allotments, grants and contributions from the Federal Government or from any sources may be deposited in the State Treasury for the use of the Missouri State Library	3,693,000	2,699,487	993,513
Total Federal Funds Fund	4,549,639	3,320,496	1,229,143
<b>TECHNOLOGY TRUST FUND</b>			
Personal Service	246,009	183,721	62,288
Expense and Equipment	4,661,180	2,868,380	1,792,800
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	7,317	7,039	278
Total Technology Trust Fund	4,914,506	3,059,140	1,855,366

Appendix C-3

Office of Secretary of State  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2011

	Appropriation Authority	Expenditures	Lapsed Balances*
<b>LOCAL RECORDS PRESERVATION FUND</b>			
Leasing	3,282	3,282	0
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	19,059	18,408	651
Personal Service	1,042,516	460,233	582,283
Expense and Equipment	519,969	38,800	481,169
Local Records Preservation Grants	400,000	0	400,000
Total Local Records Preservation Fund	1,984,826	520,723	1,464,103
<b>STATE ELECTIONS SUBSIDY FUND</b>			
Special Election Costs	400,000	204,729	195,271
Total State Elections Subsidy Fund	400,000	204,729	195,271
<b>INVESTORS' RESTITUTION FUND</b>			
Investors' Restitution	1,070,000	1,059,177	10,823
Total Investors' Restitution Fund	1,070,000	1,059,177	10,823
<b>MISSOURI STATE ARCHIVES-ST. LOUIS TRUST FUND</b>			
Document Preservation	1	0	1
Total Missouri State Archives-St. Louis Trust Fund	1	0	1
<b>LIBRARY NETWORKING FUND</b>			
Library Networking Grants	950,000	369,932	580,068
Total Library Networking Fund	950,000	369,932	580,068
<b>INVESTOR EDUCATION AND PROTECTION FUND</b>			
Personal Service	550,530	487,226	63,304
Expense and Equipment	645,364	550,521	94,843
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	14,445	13,903	542
Total Investor Education and Protection Fund	1,210,339	1,051,650	158,689
<b>STATE DOCUMENT PRESERVATION FUND</b>			
Expense and Equipment	189,260	0	189,260
Total State Document Preservation Fund	189,260	0	189,260
<b>WOLFNER LIBRARY TRUST FUND</b>			
Expense and Equipment	14,501	14,085	416
Total Wolfner Library Trust Fund	14,501	14,085	416
Total All Funds	\$ 50,516,152	34,505,695	16,010,457

\* The lapsed balances include the following withholdings made at the Governor's request

	Year Ended June 30, 2011
<b>General Revenue Fund</b>	
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	\$ 29,476

## Appendix D

### Office of Secretary of State Comparative Schedule of Expenditures (From Appropriations)

		Year Ended June 30,				
		2012	2011	2010	2009	2008
Salaries and wages	\$	8,974,013	9,130,581	9,339,206	9,626,226	9,465,221
Travel, in-state		95,257	91,434	127,975	142,120	159,475
Travel, out-of-state		14,784	6,386	28,818	54,565	88,792
Fuel and utilities		78,453	58,064	33,024	34,761	29,841
Supplies		957,527	836,751	1,032,564	1,304,383	1,090,749
Professional development		116,251	185,437	116,164	236,464	223,651
Communication service and supplies		365,934	312,990	324,095	338,877	361,907
Services:						
Professional		7,720,888	7,327,802	6,503,759	8,289,705	7,228,970
Housekeeping and janitorial		14,492	11,882	10,098	10,636	9,954
Maintenance and repair		1,707,583	1,692,517	1,709,828	1,952,748	1,895,878
Equipment:						
Computer		1,810,581	2,033,830	1,381,651	651,599	1,026,874
Motorized		57,718	24,774	0	0	21,870
Office		53,698	22,817	28,669	22,036	51,453
Other		38,240	70,434	47,157	102,257	601,693
Property and improvements		220	0	994	16,563	26,079
Building lease payments		1,542,683	1,675,625	1,354,412	1,438,817	1,403,605
Equipment rental and leases		24,392	6,137	22,367	33,490	61,342
Miscellaneous expenses		28,659	20,561	48,128	83,009	42,317
Refunds		66,108	58,342	69,188	84,592	178,598
Program distributions		16,564,007	10,939,331	9,415,621	10,991,359	16,590,616
Total Expenditures	\$	<u>40,231,488</u>	<u>34,505,695</u>	<u>31,593,718</u>	<u>35,414,207</u>	<u>40,558,885</u>

Appendix E

Office of Secretary of State  
Statement of Changes in General Capital Assets

All Funds	Furniture and Equipment	Software	Motor Vehicles	Total
Balance, July 1, 2010	\$ 6,447,157	11,047,217	193,954	17,688,328
Additions	290,343	1,918,846	32,000	2,241,189
Dispositions	(140,489)	0	0	(140,489)
Balance, June 30, 2011	6,597,011	12,966,063	225,954	19,789,028
Additions	1,127,261	302,751	49,800	1,479,812
Dispositions	(1,408,312)	0	(52,133)	(1,460,445)
Balance, June 30, 2012	6,315,960	13,268,814	223,621	19,808,395
Additions	15,668	16,468	12,300	44,436
Dispositions	(398,474)	0	0	(398,474)
Balance, January 14, 2013	\$ 5,933,154	13,285,282	235,921	19,454,357

Fund of Acquisition	Balance January 14, 2013
General Revenue Fund	\$ 3,547,552
Election Administration Improvement Fund	9,498,378
Federal and Other Fund	5,693
Federal Funds Fund	112,901
Technology Trust Fund	5,988,558
Local Records Preservation Fund	270,696
Investor Education and Protection Fund	5,666
Wolfner Library Trust Fund	24,913
Total All Funds	\$ 19,454,357





Thomas A. Schweich  
Missouri State Auditor

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# State of Missouri

## Single Audit

Year Ended  
June 30, 2012

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March 2013  
Report No. 2013-024



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<http://auditor.mo.gov>

STATE OF MISSOURI  
SINGLE AUDIT

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STATE OF MISSOURI  
SINGLE AUDIT

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Common Abbreviations

ARRA	American Recovery and Reinvestment Act of 2009
CFDA	Catalog of Federal Domestic Assistance
CFR	Code of Federal Regulations
CSR	Code of State Regulations
OMB	Office of Management and Budget
RSMo	Missouri Revised Statutes
SAM II	Statewide Advantage for Missouri
USC	United States Code

## INTRODUCTION AND SUMMARY

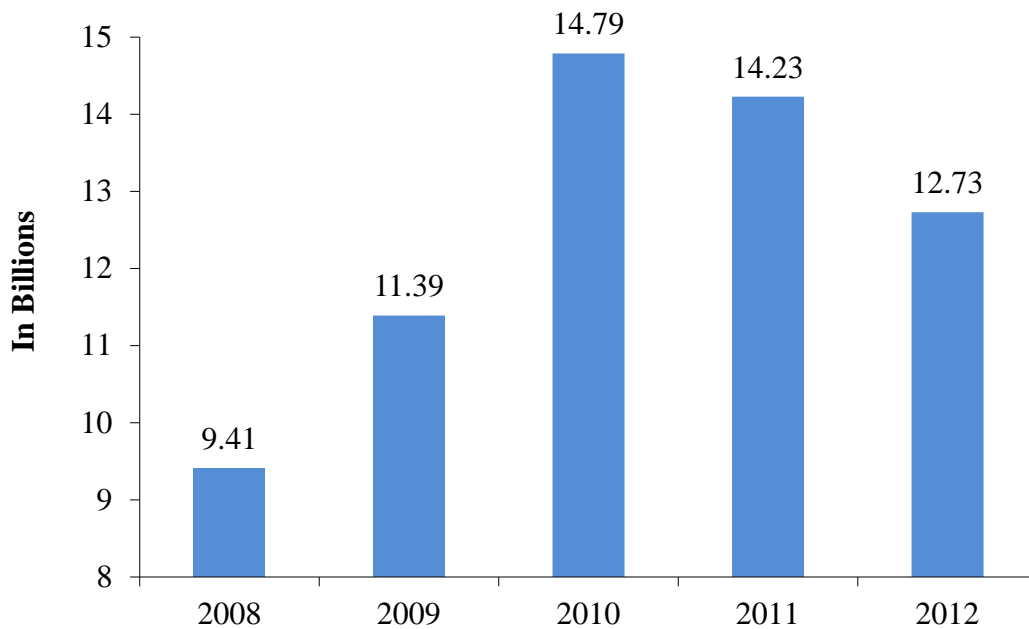
## INTRODUCTION AND SUMMARY

The United States Congress passed the Single Audit Act of 1996 to establish uniform requirements for audits of federal awards administered by states, local governments, and non-profit organizations. The Office of Management and Budget (OMB) issued Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* to set forth standards for obtaining consistency and uniformity among federal agencies for the audit of non-federal entities expending federal awards. A single audit requires an audit of the state's financial statements and expenditures of federal awards. The audit is required to determine whether:

- The state's basic financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles.
- The schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole.
- The state has adequate internal controls to ensure compliance with federal award requirements.
- The state has complied with the provisions of laws, regulations, and contracts or grants that could have a direct and material effect on federal awards.

The Single Audit report includes the federal awards expended by all state agencies that are part of the primary government. The report does not include the component units of the state, which are the public universities and various financing authorities. These component units have their own separate OMB Circular A-133 audits conducted by other auditors. The state expended \$12.73 billion in federal awards during the year ended June 30, 2012.

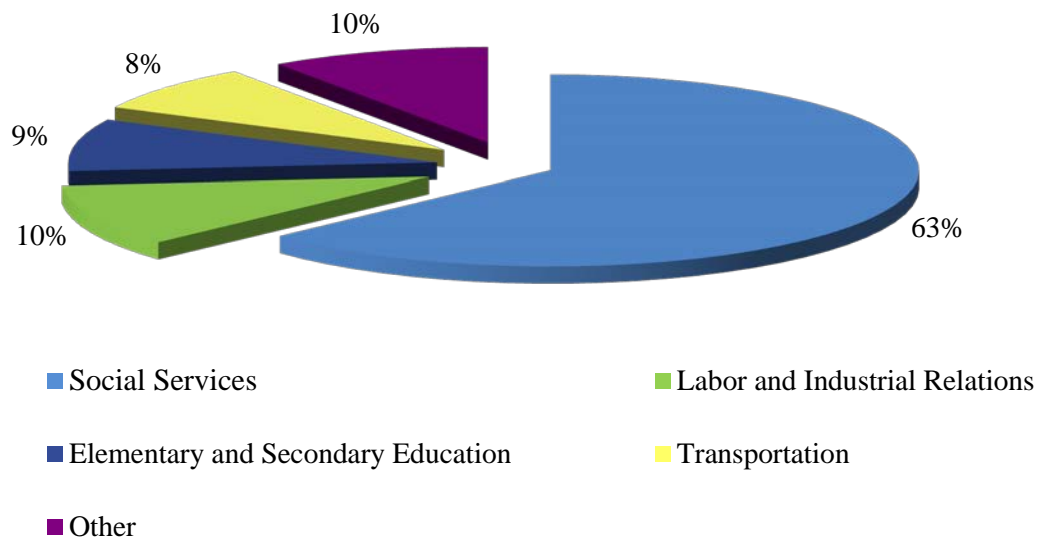
### Total Expenditures of Federal Awards Five Year Comparison



Expenditures of federal awards have increased over the past several years, peaking in fiscal year 2010. A contributing factor to the increase in total expenditures of federal awards during the 2 years ended June 30, 2011, was the additional federal funds made available through the American Recovery and Reinvestment Act of 2009 (ARRA). The majority of ARRA funds were expended by the end of fiscal year 2012; however, some programs will continue to have ARRA expenditures in subsequent fiscal years.

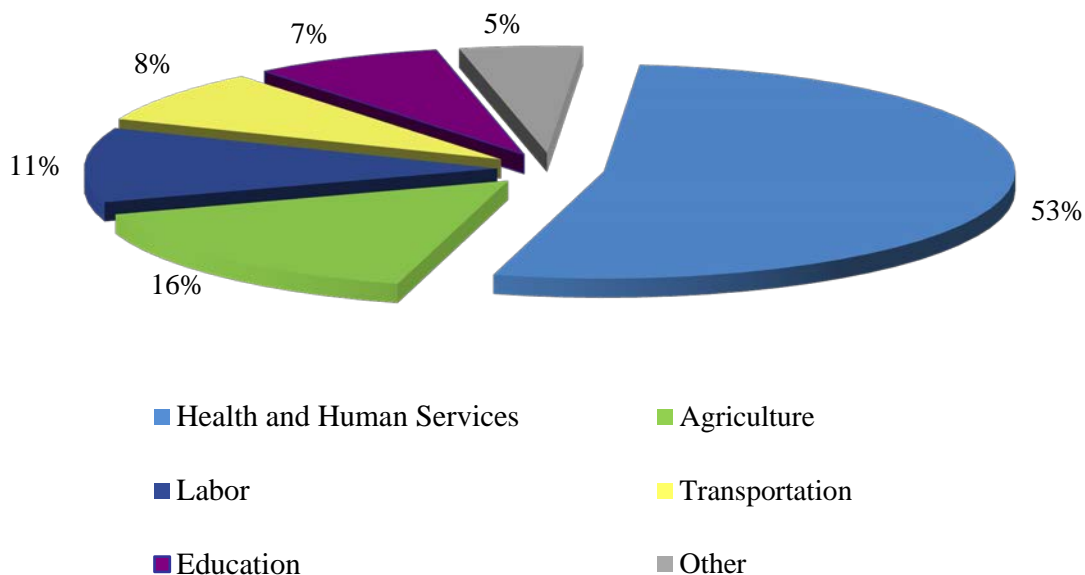
Although 19 state departments and other state offices expended federal awards, 4 state departments expended the bulk of the federal awards (90 percent).

### Expenditures of Federal Awards by State Department



The state received federal awards from 23 different federal agencies. Most of the federal awards (95 percent) came from 5 federal agencies.

### Expenditures of Federal Awards by Federal Department

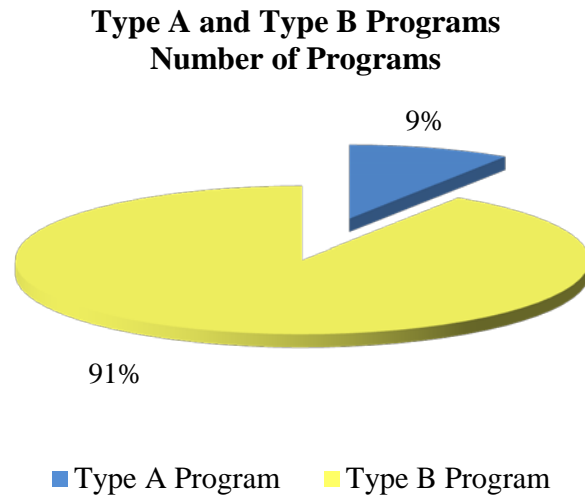


Overall, the state expended federal awards in 355 different programs. Under the audit requirements of OMB Circular A-133, federal programs are divided into Type A and Type B programs based on a dollar threshold. For the state of Missouri, OMB Circular A-133 defines the dollar threshold of a Type A program as the larger of \$30 million or fifteen-hundredths of one percent (0.0015) of federal awards expended.

#### Determination of Type A Programs

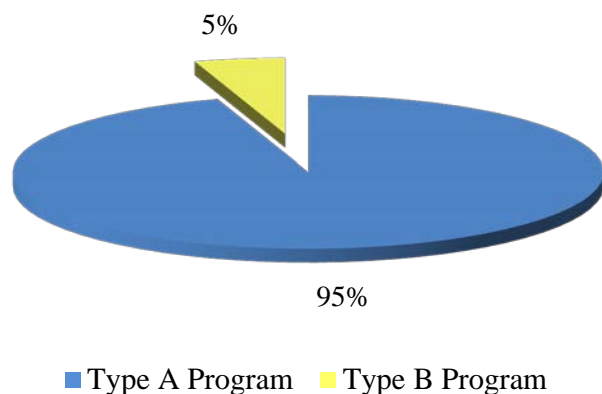
Larger of:		\$30,000,000
		or
Total expenditures of federal awards	12,725,677,262	
Fifteen-hundredths of one percent	<u>.0015</u>	
		19,088,516
Dollar Threshold		<u>\$30,000,000</u>

Programs with federal expenditures over \$30 million are Type A programs and the programs under \$30 million are Type B programs. Of the 355 different federal award programs, 32 were Type A programs and 323 were Type B programs.



The 32 Type A programs had expenditures of federal awards totaling \$12 billion, which was 95 percent of the total expenditures for all programs. The 323 Type B programs had expenditures of federal awards totaling \$682 million, which was only 5 percent of the total expenditures for all programs.

**Type A and Type B Programs  
Expenditures of Federal Awards**





OMB Circular A-133 requires the auditor to perform risk assessments on Type A programs and to audit as major each Type A program assessed as high risk based on various risk factors. To ensure a high level of accountability over ARRA funds, Appendix VII of the 2012 Compliance Supplement included additional criteria to consider when determining risk for the Type A programs containing ARRA funds due to the inherently higher risk of these funds. We performed a risk assessment on each Type A program and determined 13 of the 32 Type A programs were low risk and did not need to be audited as major. In accordance with OMB Circular A-133, we audited the 19 Type A programs assessed as high risk as major.

OMB Circular A-133 also requires the auditor to perform risk assessments on the larger Type B programs to determine which ones to audit as major in place of the Type A programs which were not audited as major. The dollar threshold to determine the larger Type B programs is three-hundredths of one percent (.0003) of total awards expended (\$12.73 billion times .0003 = \$3,817,703). We performed risk assessments on the 43 larger Type B programs and determined 6 of them were high risk. In accordance with OMB Circular A-133, we audited 3 (50 percent) of these 6 high risk Type B programs as major.

<b>Major and Non-major Programs</b>			
<b>Audit Coverage by Type of Program</b>	<b>Number of Programs</b>	<b>Expenditures</b>	<b>Percentage of Expenditures</b>
Type A major programs	19	\$ 9,901,089,182	
Type B major programs	3	44,947,134	
Total major programs	22	\$ 9,946,036,316	78%
Type A non-major programs	13	\$ 2,142,114,149	
Type B non-major programs	320	637,526,797	
Total non-major programs	333	\$ 2,779,640,946	22%
Total all programs	355	\$ 12,725,677,262	100%

#### **American Recovery and Reinvestment Act of 2009**

As noted above, the state of Missouri expended a total of approximately \$12.73 billion in federal awards during the year ended June 30, 2012. Of that total, approximately \$432 million (3.4 percent) was expended in ARRA awards. The ARRA awards relate to 45 existing or new federal programs with expenditures at 10 different state agencies. We audited 12 of these programs as major, covering about \$384 million, or 89 percent of total expenditures of ARRA awards.

STATE OF MISSOURI  
SUMMARY OF TYPE A PROGRAMS AND TOTAL EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2012

CFDA Number	Federal Grantor Agency - Program	Federal Grantor Agency	Federal Awards Expended
	SNAP Cluster:		
10.551	Supplemental Nutrition Assistance Program	Agriculture	\$ 1,460,337,454
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Agriculture	54,022,825
	Total SNAP Cluster		<u>1,514,360,279</u>
	Child Nutrition Cluster:		
10.553	School Breakfast Program	Agriculture	63,768,228
10.555	National School Lunch Program	Agriculture	220,655,708
10.556	Special Milk Program for Children	Agriculture	588,796
10.559	Summer Food Service Program for Children	Agriculture	9,142,870
	Total Child Nutrition Cluster		<u>294,155,602</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Agriculture	97,380,434
10.558	Child and Adult Care Food Program	Agriculture	51,815,450
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Defense	31,158,066
	CDBG - State-Administered CDBG Cluster:		
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	Housing and Urban Development	49,389,570
14.255	ARRA - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	Housing and Urban Development	2,986,037
	Total CDBG - State-Administered CDBG Cluster		<u>52,375,607</u>
17.225	Unemployment Insurance	Labor	1,327,493,807
	WIA Cluster:		
17.258	Workforce Investment Act - Adult Program	Labor	13,483,326
17.259	Workforce Investment Act - Youth Activities	Labor	15,696,171
17.278	Workforce Investment Act - Dislocated Workers Formula Grants	Labor	18,106,599
	Total WIA Cluster		<u>47,286,096</u>
	Highway Planning and Construction Cluster:		
20.205	Highway Planning and Construction	Transportation	859,827,789
20.205	ARRA - Highway Planning and Construction	Transportation	80,358,558
20.219	Recreational Trails Program	Transportation	4,086,101
	Total Highway Planning and Construction Cluster		<u>944,272,448</u>
64.015	Veterans State Nursing Home Care	Veterans Affairs	50,501,723
66.458	Capitalization Grants for Clean Water State Revolving Funds	Environmental Protection Agency	53,961,115
66.458	ARRA - Capitalization Grants for Clean Water State Revolving Funds	Environmental Protection Agency	9,703,383
81.041	State Energy Program	Energy	455,671
81.041	ARRA - State Energy Program	Energy	36,256,716
81.042	Weatherization Assistance for Low-Income Persons	Energy	2,318,849
81.042	ARRA - Weatherization Assistance for Low-Income Persons	Energy	44,902,202
	Title I, Part A Cluster:		
84.010	Title I Grants to Local Educational Agencies	Education	247,296,811
84.389	ARRA - Title I Grants to Local Educational Agencies, Recovery Act	Education	14,998,424
	Total Title I, Part A Cluster		<u>262,295,235</u>

STATE OF MISSOURI  
SUMMARY OF TYPE A PROGRAMS AND TOTAL EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2012

CFDA Number	Federal Grantor Agency - Program	Federal Grantor Agency	Federal Awards Expended
	Special Education Cluster (IDEA):		
84.027	Special Education - Grants to States	Education	208,104,892
84.173	Special Education - Preschool Grants	Education	9,048,648
84.391	ARRA - Special Education - Grants to States, Recovery Act	Education	31,256,212
84.392	ARRA - Special Education - Preschool Grants, Recovery Act	Education	2,082,335
	Total Special Education Cluster (IDEA)		<u>250,492,087</u>
84.032	Federal Family Education Loans	Education	144,083,021
	Vocational Rehabilitation Cluster:		
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	Education	60,805,280
84.390	ARRA - Rehabilitation Services - Vocational Rehabilitation Grants to States, Recovery Act	Education	143,631
	Total Vocational Rehabilitation Cluster		<u>60,948,911</u>
84.367	Improving Teacher Quality State Grants	Education	47,721,344
	State Fiscal Stabilization Fund Cluster:		
84.394	ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	Education	64,918,743
84.397	ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	Education	3,604,871
	Total State Fiscal Stabilization Fund Cluster		<u>68,523,614</u>
	Immunization Cluster:		
93.268	Immunization Cooperative Agreements	Health and Human Services	63,346,736
93.712	ARRA - Immunization	Health and Human Services	592,752
	Total Immunization Cluster		<u>63,939,488</u>
	TANF Cluster:		
93.558	Temporary Assistance for Needy Families	Health and Human Services	196,828,854
93.714	ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	Health and Human Services	2,007,415
	Total TANF Cluster		<u>198,836,269</u>
93.563	Child Support Enforcement	Health and Human Services	34,104,988
93.568	Low-Income Home Energy Assistance	Health and Human Services	81,309,667
	CCDF Cluster:		
93.575	Child Care and Development Block Grant	Health and Human Services	72,988,101
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Health and Human Services	53,143,933
93.713	ARRA - Child Care and Development Block Grant	Health and Human Services	7,592,213
	Total CCDF Cluster		<u>133,724,247</u>
93.658	Foster Care - Title IV-E	Health and Human Services	49,858,624
93.659	Adoption Assistance	Health and Human Services	37,450,981
93.667	Social Services Block Grant	Health and Human Services	56,500,147
93.767	Children's Health Insurance Program	Health and Human Services	117,177,877

STATE OF MISSOURI  
SUMMARY OF TYPE A PROGRAMS AND TOTAL EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2012

CFDA Number	Federal Grantor Agency - Program	Federal Grantor Agency	Federal Awards Expended
	Medicaid Cluster:		
93.775	State Medicaid Fraud Control Units	Health and Human Services	1,341,498
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	Health and Human Services	17,044,274
93.778	Medical Assistance Program	Health and Human Services	5,654,719,191
93.778	ARRA - Medical Assistance Program	Health and Human Services	73,892,407
	Total Medicaid Cluster		<u>5,746,997,370</u>
	Disability Insurance/SSI Cluster:		
96.001	Social Security - Disability Insurance	Social Security Administration	41,040,166
	Total Disability Insurance/SSI Cluster		<u>41,040,166</u>
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Homeland Security	54,463,845
97.067	Homeland Security Grant Program	Homeland Security	35,338,002
	Total Type A Programs (expenditures greater than \$30,000,000)		<u>12,043,203,331</u>
	Total Type B Programs (expenditures less than \$30,000,000)		<u>682,473,931</u>
	Total Expenditures of Federal Awards		<u>\$ 12,725,677,262</u>

## STATE AUDITOR'S REPORTS



# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

### **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Members of the General Assembly

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2012, which collectively comprise the state's basic financial statements, and have issued our report thereon dated January 24, 2013. Our report includes a reference to other auditors. Our report also expressed a qualified opinion on the basic financial statements because we were not allowed access to tax returns and related source documents for income taxes. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As described in our report on the state of Missouri's financial statements, other auditors audited the financial statements of:

1. The Missouri Road Fund; the Missouri Highway 63 Transportation Corporation, a blended transportation corporation; the Missouri Road Bond Fund; the Conservation Employees' Insurance Plan; the Transportation Self-Insurance Plan; the Missouri State Employees' Insurance Plan; the Missouri Consolidated Health Care Plan; and the Missouri Department of Transportation and Missouri State Highway Patrol Medical and Life Insurance Plan, which represent 78 percent and 12 percent of the assets and revenues, respectively, of the governmental activities.

2. The State Lottery and the Petroleum Storage Tank Insurance Fund, which represent 37 percent and 42 percent of the assets and revenues, respectively, of the business-type activities.
3. The discretely presented component units.
4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation Local Fund, which represent 94 percent and 94 percent of the assets and additions, respectively, of the fiduciary funds.

This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

The financial statements of the Missouri Highway 63 Transportation Corporation, a blended transportation corporation; the Conservation Employees' Insurance Plan, the Missouri State Employees' Insurance Plan and the Missouri Consolidated Health Care Plan, internal service funds; the Missouri Development Finance Board, a discretely presented component unit; and the pension (and other employee benefit) trust funds were not audited in accordance with *Government Auditing Standards*.

As described in Note 2 to the financial statements presented in the *Missouri Comprehensive Annual Financial Report*, the state of Missouri implemented Governmental Accounting Standards Board Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53*.

### Internal Control Over Financial Reporting

Management of the state of Missouri is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the state of Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the state's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the state's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the state's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies,

or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 2012-1, 2012-2, and 2012-3, that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the state of Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The State Auditor's office regularly issues management reports on the various programs, agencies, divisions, and departments of the state of Missouri. The conditions mentioned in those management reports were considered in determining the nature, timing, and extent of the auditing procedures to be applied in our audit of the basic financial statements. Our reports of these conditions do not modify our report dated January 24, 2013, on the basic financial statements.

This report is intended for the information and use of the management of the state of Missouri, federal awarding agencies and pass-through entities, and other applicable government officials. However, pursuant to Section 29.270, RSMo, this report is a matter of public record and its distribution is not limited.



Thomas A. Schweich  
State Auditor

January 24, 2013





# THOMAS A. SCHWEICH

## Missouri State Auditor

### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Members of the General Assembly

#### Compliance

We have audited the state of Missouri's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The state's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the state's management. Our responsibility is to express an opinion on the state's compliance based on our audit.

Our compliance audit, described below, did not include the operations of the component units and related organizations that expended federal financial assistance during the year ended June 30, 2012, because they engaged other auditors to perform audits in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the state's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the state's compliance with those requirements.

As described in finding numbers 2012-6, 2012-11, 2012-14, and 2012-15 in the accompanying Schedule of Findings and Questioned Costs, the state of Missouri did not comply with requirements regarding allowable activities or allowable costs and cost principles applicable to the Medicaid Cluster, allowable activities or allowable costs and cost principles and eligibility requirements applicable to the Child Care and Development Fund Cluster, and allowable activities or allowable costs and cost principles, eligibility, and level of effort requirements applicable to the Temporary Assistance for Needy Families Cluster. Compliance with such requirements is necessary, in our opinion, for the state of Missouri to comply with the requirements applicable to these programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the state of Missouri complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 2012-5, 2012-7, 2012-8, 2012-12, 2012-13, 2012-16, 2012-18, and 2012-20.

#### Internal Control Over Compliance

Management of the state of Missouri is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the state's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the state's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected

and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 2012-11, 2012-14, and 2012-15 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 2012-5, 2012-7, 2012-12, 2012-16, 2012-18, and 2012-19 to be significant deficiencies.

The state of Missouri's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the state's responses and, accordingly, we express no opinion on the responses.

This report is intended for the information and use of the management of the state of Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

February 8, 2013



# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

### **INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Members of the General Assembly

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2012, which collectively comprise the state's basic financial statements, and have issued our report thereon dated January 24, 2013. Our report includes a reference to other auditors. Our report also expressed a qualified opinion on the basic financial statements because we were not allowed access to tax returns and related source documents for income taxes. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As described in our report on the state of Missouri's financial statements, other auditors audited the financial statements of:

1. The Missouri Road Fund; the Missouri Highway 63 Transportation Corporation, a blended transportation corporation; the Missouri Road Bond Fund; the Conservation Employees' Insurance Plan; the Transportation Self-Insurance Plan; the Missouri State Employees' Insurance Plan; the Missouri Consolidated Health Care Plan; and the Missouri Department of Transportation and Missouri State Highway Patrol Medical and Life Insurance Plan, which represent 78 percent and 12 percent of the assets and revenues, respectively, of the governmental activities.
2. The State Lottery and the Petroleum Storage Tank Insurance Fund, which represent 37 percent and 42 percent of the assets and revenues, respectively, of the business-type activities.

3. The discretely presented component units.
4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation Local Fund, which represent 94 percent and 94 percent of the assets and additions, respectively, of the fiduciary funds.

The financial statements of the Missouri Highway 63 Transportation Corporation, a blended transportation corporation; the Conservation Employees' Insurance Plan; the Missouri State Employees' Insurance Plan and the Missouri Consolidated Health Care Plan, internal service funds; the Missouri Development Finance Board, a discretely presented component unit; and the pension (and other employee benefit) trust funds were not audited in accordance with *Government Auditing Standards*.

As described in Note 2 to the financial statements presented in the *Missouri Comprehensive Annual Financial Report*, the state of Missouri implemented Governmental Accounting Standards Board Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53*.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the state of Missouri's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The state of Missouri has excluded federal award expenditures of public universities and other component units from the accompanying schedule. In our opinion, except for the effects of the exclusion of federal award expenditures of public universities and other component units, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Thomas A. Schweich  
State Auditor

January 24, 2013

SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS

STATE OF MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2012

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
07.UNKNOWN	Office of National Drug Control Policy HIDTA	\$ 2,862,205	2,128,824
	Total Office of National Drug Control Policy	2,862,205	2,128,824
Department of Agriculture			
10.UNKNOWN	School Lunch Commodity Refund	8,702	8,702
10.025	Plant and Animal Disease, Pest Control, and Animal Care	978,282	85,581
10.069	Conservation Reserve Program	410,149	0
10.153	Market News	697	0
10.163	Market Protection and Promotion	70,523	62,186
10.169	Specialty Crop Block Grant Program	25,875	25,875
10.170	Specialty Crop Block Grant Program - Farm Bill	145,064	128,693
10.435	State Mediation Grants	24,031	0
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	581,912	0
10.479	Food Safety Cooperative Agreements	166,639	0
	SNAP Cluster:		
10.551	Supplemental Nutrition Assistance Program	1,460,337,454	0
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	54,022,825	11,121,444
	Total SNAP Cluster	1,514,360,279	11,121,444
	Child Nutrition Cluster:		
10.553	School Breakfast Program	63,768,228	63,768,228
10.555	National School Lunch Program	220,655,708	220,555,172
10.556	Special Milk Program for Children	588,796	588,796
10.559	Summer Food Service Program for Children	9,142,870	8,729,268
	Total Child Nutrition Cluster	294,155,602	293,641,464
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	97,380,434	24,031,236
10.558	Child and Adult Care Food Program	51,815,450	51,218,893
10.560	State Administrative Expenses for Child Nutrition	3,886,833	1,632,148
10.565	Commodity Supplemental Food Program	1,184,639	1,135,673
	Emergency Food Assistance Cluster:		
10.568	Emergency Food Assistance Program (Administrative Costs)	1,648,025	1,569,625
10.569	Emergency Food Assistance Program (Food Commodities)	6,219,194	0
	Total Emergency Food Assistance Cluster	7,867,219	1,569,625
10.574	Team Nutrition Grants	152,687	53,784
10.578	ARRA - WIC Grants to States (WGS)	621,084	0
10.579	Child Nutrition Discretionary Grants Limited Availability	745,468	168,165
10.582	Fresh Fruit and Vegetable Program	2,742,916	2,742,916
10.664	Cooperative Forestry Assistance	1,725,666	314,515
	Forest Service Schools and Roads Cluster:		
10.665	Schools and Roads - Grants to States	7,185,969	7,185,969
	Total Forest Service Schools and Roads Cluster	7,185,969	7,185,969
10.675	Urban and Community Forestry Program	86,598	0
10.678	Forest Stewardship Program	17,398	0
10.680	Forest Health Protection	39,509	0
10.762	Solid Waste Management Grants	118,625	0
10.912	Environmental Quality Incentives Program	29,690	0
	Total Department of Agriculture	1,986,527,940	395,126,869
Department of Commerce			
11.555	Public Safety Interoperable Communications Grant Program	8,152,628	8,152,014
11.558	ARRA - State Broadband Data and Development Grant Program	3,651,535	3,015,742
	Total Department of Commerce	11,804,163	11,167,756

STATE OF MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2012

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
Department of Defense			
12.AAG	Drug Interdiction and Counter Drug Activities	1,144,331	0
12.UNKNOWN	Troops to Teachers	131,920	20,308
12.112	Payments to States in Lieu of Real Estate Taxes	1,375,278	1,375,278
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	677,107	0
12.401	National Guard Military Operations and Maintenance (O&M) Projects	31,158,066	0
Total Department of Defense		34,486,702	1,395,586
Department of Housing and Urban Development			
CDBG - State-Administered CDBG Cluster:			
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	49,389,570	47,772,340
14.255	ARRA - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	2,986,037	2,769,087
Total CDBG - State-Administered CDBG Cluster		52,375,607	50,541,427
14.231	Emergency Solutions Grants Program	1,393,682	1,393,682
14.238	Shelter Plus Care	10,183,758	10,084,936
14.241	Housing Opportunities for Persons with AIDS	372,312	372,312
14.257	ARRA - Homelessness Prevention and Rapid Rehousing Program	2,563,975	2,386,680
14.401	Fair Housing Assistance Program - State and Local	567,098	0
14.416	Education and Outreach Initiatives	158,870	0
Total Department of Housing and Urban Development		67,615,302	64,779,037
Department of the Interior			
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	247,807	0
15.252	Abandoned Mine Land Reclamation (AMLR) Program	2,630,659	0
15.255	Science and Technology Projects Related to Coal Mining and Reclamation	21,898	0
Fish and Wildlife Cluster:			
15.605	Sport Fish Restoration Program	8,857,785	0
15.611	Wildlife Restoration and Basic Hunter Education	10,983,096	0
Total Fish and Wildlife Cluster		19,840,881	0
15.608	Fish and Wildlife Management Assistance	201,087	0
15.615	Cooperative Endangered Species Conservation Fund	29,884	0
15.616	Clean Vessel Act	13,500	0
15.623	North American Wetlands Conservation Fund	304,884	0
15.633	Landowner Incentive Program	197,675	0
15.634	State Wildlife Grants	806,703	0
15.649	Service Training and Technical Assistance (Generic Training)	73,176	0
15.650	Research Grants (Generic)	20,000	0
15.657	Endangered Species Conservation - Recovery Implementation Funds	54,279	0
15.658	Natural Resource Damage Assessment, Restoration and Implementation	885	0
15.807	Earthquake Hazards Reduction Program	17,967	0
15.808	U.S. Geological Survey - Research and Data Collection	55,940	0
15.810	National Cooperative Geologic Mapping Program	132,129	0
15.814	National Geological and Geophysical Data Preservation Program	4,918	0
15.819	Energy Cooperatives to Support the National Coal Resources Data System (NCRDS)	15,576	0
15.904	Historic Preservation Fund Grants-In-Aid	847,600	83,460
15.916	Outdoor Recreation - Acquisition, Development and Planning	358,026	264,858
15.935	National Trails System Projects	9,646	0
15.978	Upper Mississippi River System Long Term Resource Monitoring Program	282,125	0
Total Department of the Interior		26,167,245	348,318
Department of Justice			
16.UNKNOWN	Domestic Cannabis Eradication	233,506	0
16.017	Sexual Assault Services Formula Program	181,074	170,636
16.202	Prisoner Reentry Initiative Demonstration (Offender Reentry)	35,412	0
16.523	Juvenile Accountability Block Grants	841,202	592,598
16.540	Juvenile Justice and Delinquency Prevention - Allocation to States	1,090,281	827,452



STATE OF MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2012

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
16.548	Title V - Delinquency Prevention Program	38,171	38,171
16.554	National Criminal History Improvement Program (NCHIP)	250,103	0
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	412,679	288,373
16.575	Crime Victim Assistance	7,103,745	6,917,455
16.576	Crime Victim Compensation	2,906,815	2,906,815
16.585	Drug Court Discretionary Grant Program	148,155	0
16.588	Violence Against Women Formula Grants	2,072,730	1,943,978
16.588	ARRA - Violence Against Women Formula Grants	188,210	170,304
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	42,768	16,875
16.593	Residential Substance Abuse Treatment for State Prisoners	157,792	78,846
16.606	State Criminal Alien Assistance Program	182,422	0
16.610	Regional Information Sharing Systems	4,432,255	4,431,255
16.710	Public Safety Partnership and Community Policing Grants	1,252,513	0
16.726	Juvenile Mentoring Program	318,341	229,251
16.727	Enforcing Underage Drinking Laws Program	167,039	137,724
16.734	Special Data Collections and Statistical Studies	70,705	0
	JAG Program Cluster:		
16.738	Edward Byrne Memorial Justice Assistance Grant Program	6,904,607	6,224,751
16.803	ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	9,400,613	2,593,732
	Total JAG Program Cluster	16,305,220	8,818,483
16.740	Statewide Automated Victim Information Notification (SAVIN) Program	27,968	0
16.741	DNA Backlog Reduction Program	676,474	0
16.745	Criminal and Juvenile Justice and Mental Health Collaboration Program	93,311	93,232
16.746	Capital Case Litigation	445	0
16.801	ARRA - State Victim Assistance Formula Grant Program	530	517
16.810	ARRA - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	1,202,140	107,537
16.812	Second Chance Act Prisoner Reentry Initiative	194,387	0
16.816	John R. Justice Prosecutors and Defenders Incentive Act	148,700	148,700
16.821	Juvenile Justice Reform and Reinvestment Demonstration Program	147,140	0
	Total Department of Justice	40,922,233	27,918,202
Department of Labor			
17.002	Labor Force Statistics	1,122,150	0
17.005	Compensation and Working Conditions	207,828	0
	Employment Service Cluster:		
17.207	Employment Service/Wagner-Peyser Funded Activities	13,659,091	0
17.801	Disabled Veterans' Outreach Program (DVOP)	873,054	0
17.804	Local Veterans' Employment Representative Program	2,266,009	0
	Total Employment Service Cluster	16,798,154	0
17.225	Unemployment Insurance	1,327,493,807	0
17.235	Senior Community Service Employment Program	2,450,803	2,395,703
17.245	Trade Adjustment Assistance	7,635,075	0
	WIA Cluster:		
17.258	Workforce Investment Act - Adult Program	13,483,326	12,126,529
17.259	Workforce Investment Act - Youth Activities	15,696,171	14,414,975
17.278	Workforce Investment Act - Dislocated Worker Formula Grants	18,106,599	15,439,059
	Total WIA Cluster	47,286,096	41,980,563
17.260	Workforce Investment Act - Dislocated Workers	491,090	377,749
17.260	ARRA - Workforce Investment Act - Dislocated Workers	200,619	200,619
17.261	Workforce Investment Act - Pilots, Demonstrations, and Research Projects	263,437	74,349
17.267	Incentive Grants - WIA Section 503	859,928	389,544
17.271	Work Opportunity Tax Credit Program (WOTC)	602,565	0
17.273	Temporary Labor Certification for Foreign Workers	61,615	0
17.275	ARRA - Program of Competitive Grants for Worker Training and Placement in High Growth		

STATE OF MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2012

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
	and Emerging Industry Sectors	1,791,935	1,713,098
17.277	Workforce Investment Act (WIA) National Emergency Grants	22,546,388	22,028,414
17.282	ARRA - Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	82,085	0
17.504	Consultation Agreements	1,138,322	0
17.505	OSHA Data Initiative	44,089	0
17.600	Mine Health and Safety Grants	292,389	0
17.807	Transition Assistance Program	9,143	0
	Total Department of Labor	1,431,377,518	69,160,039
Department of Transportation			
20.106	Airport Improvement Program	14,983,007	14,637,426
	Highway Planning and Construction Cluster:		
20.205	Highway Planning and Construction	859,827,789	139,655,164
20.205	ARRA - Highway Planning and Construction	80,358,558	19,265,980
20.219	Recreational Trails Program	4,086,101	539,143
	Total Highway Planning and Construction Cluster	944,272,448	159,460,287
20.217	Motor Carrier Safety	917,937	898,370
20.218	National Motor Carrier Safety	3,685,483	745,378
20.231	Performance and Registration Information Systems Management	199,998	0
20.237	Commercial Vehicle Information Systems and Networks	33,500	0
20.240	Fuel Tax Evasion - Intergovernmental Enforcement Effort	121,112	0
20.319	High-Speed Rail Corridors and Intercity Passenger Rail Service - Capital Assistance Grants	404,295	404,295
20.319	ARRA - High-Speed Rail Corridors and Intercity Passenger Rail Service - Capital Assistance Grants	399,379	399,379
	Federal Transit Cluster:		
20.500	Federal Transit - Capital Investment Grants	4,668,418	4,668,418
	Total Federal Transit Cluster	4,668,418	4,668,418
20.505	Metropolitan Transportation Planning	5,565,929	5,410,541
20.509	Formula Grants for Other Than Urbanized Areas	14,187,111	13,625,432
20.509	ARRA - Formula Grants for Other Than Urbanized Areas	1,987,065	1,987,065
	Transit Services Programs Cluster:		
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	944,816	810,098
20.516	Job Access - Reverse Commute	1,314,817	1,314,817
20.521	New Freedom Program	255,104	255,104
	Total Transit Services Programs Cluster	2,514,737	2,380,019
	Highway Safety Cluster:		
20.600	State and Community Highway Safety	4,163,322	3,222,919
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	2,512,627	2,161,920
20.610	State Traffic Safety Information System Improvement Grants	870,805	672,892
20.612	Incentive Grant Program to Increase Motorcyclist Safety	162,508	7,703
20.613	Child Safety and Child Booster Seats Incentive Grants	480,123	169,545
	Total Highway Safety Cluster	8,189,385	6,234,979
20.607	Alcohol Open Container Requirements	10,084,118	3,096,657
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	5,067,585	0
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants	49,282	0
20.615	Ensuring Needed Help Arrives Near Callers Employing 911	187,901	187,901
20.700	Pipeline Safety Program State Base Grant	601,882	0
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	675,109	410,573
20.720	State Damage Prevention Program Grants	26,922	0
20.721	PHMSA Pipeline Safety Program One Call Grant	9,414	0
20.816	America's Marine Highway Grants	250,277	0
20.930	Payments for Small Community Air Service Development	58,643	0
	Total Department of Transportation	1,019,140,937	214,546,720
Equal Employment Opportunity Commission			
30.002	Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	505,683	0
	Total Equal Employment Opportunity Commission	505,683	0

STATE OF MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2012

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
General Services Administration			
39.003	Donation of Federal Surplus Personal Property	2,084,459	1,763,694
39.011	Election Reform Payments	511,641	510,343
	Total General Services Administration	2,596,100	2,274,037
National Foundation on the Arts and the Humanities			
45.025	Promotion of the Arts - Partnership Agreements	763,537	443,199
45.310	Grants to States	3,097,721	1,724,677
	Total National Foundation on the Arts and the Humanities	3,861,258	2,167,876
Small Business Administration			
59.061	ARRA - State Trade and Export Promotion Pilot Grant Program	274,304	0
	Total Small Business Administration	274,304	0
Department of Veterans Affairs			
64.UNKNOWN	Vocational Training for Certain Veterans Receiving VA Pension	710,639	0
64.005	Grants to States for Construction of State Home Facilities	1,345,054	0
64.015	Veterans State Nursing Home Care	50,501,723	0
64.024	VA Homeless Providers Grant and Per Diem Program	589,058	589,058
	Total Department of Veterans Affairs	53,146,474	589,058
Environmental Protection Agency			
66.032	State Indoor Radon Grants	151,198	0
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	651,955	39,240
66.039	National Clean Diesel Emissions Reduction Program	1,697,120	1,090,513
66.040	State Clean Diesel Grant Program	574,989	311,144
66.202	Congressionally Mandated Projects	874,235	0
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	270,416	0
66.433	State Underground Water Source Protection	101,082	0
66.454	Water Quality Management Planning	230,739	1,189
66.454	ARRA - Water Quality Management Planning	432,220	299,185
66.458	Capitalization Grants for Clean Water State Revolving Funds	53,961,115	39,647,933
66.458	ARRA - Capitalization Grants for Clean Water State Revolving Funds	9,703,383	9,703,383
66.460	Nonpoint Source Implementation Grants	2,112,531	1,217,055
66.461	Regional Wetland Program Development Grants	114,522	0
66.468	Capitalization Grants for Drinking Water State Revolving Funds	16,793,401	8,335,336
66.468	ARRA - Capitalization Grants for Drinking Water State Revolving Funds	2,637,416	2,637,416
66.471	State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	666,760	25,795
66.474	Water Protection Grants to the States	617	0
66.475	Gulf of Mexico Program	1,270	0
66.605	Performance Partnership Grants	13,908,939	377,392
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	16,000	0
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	253,216	0
66.709	Multi-Media Capacity Building Grants for States and Tribes	15,269	0
66.714	Regional Agricultural IPM Grants	2,596	0
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	1,561,802	385,830
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	729,705	0
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	1,297,555	0
66.810	Chemical Emergency Preparedness and Prevention (CEPP) Technical Assistance Grants Program	21,000	21,000
66.817	State and Tribal Response Program Grants	1,364,605	0
66.818	Brownfields Assessment and Cleanup Cooperative Agreements	115,082	0
66.940	Environmental Policy and State Sustainability Grants	73,857	0
	Total Environmental Protection Agency	110,334,595	64,092,411
Department of Energy			
81.039	National Energy Information Center	1,854	0
81.041	State Energy Program	455,671	0
81.041	ARRA - State Energy Program	36,256,716	27,830,290

STATE OF MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2012

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
81.042	Weatherization Assistance for Low-Income Persons	2,318,849	2,013,877
81.042	ARRA - Weatherization Assistance for Low-Income Persons	44,902,202	43,419,703
81.089	Fossil Energy Research and Development	57,379	0
81.092	Weldon Springs Site Remedial Action Project	435,481	0
81.104	Office of Environmental Waste Processing	141,598	0
81.122	ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis	441,381	0
81.127	ARRA - Energy Efficient Appliance Rebate Program (EEARP)	46,658	0
81.128	ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	5,057,903	4,667,911
81.138	State Heating Oil and Propane Program	3,940	0
81.902	State Environmental Oversight and Monitoring	72,224	0
Total Department of Energy		90,191,856	77,931,781
Department of Education			
84.UNKNOWN	Cooperative System Grant	86,522	0
84.002	Adult Education - Basic Grants to States	9,953,732	8,676,398
Title I, Part A Cluster:			
84.010	Title I Grants to Local Educational Agencies	247,296,811	244,181,513
84.389	ARRA - Title I Grants to Local Educational Agencies, Recovery Act	14,998,424	14,998,424
Total Title I, Part A Cluster		262,295,235	259,179,937
84.011	Migrant Education - State Grant Program	1,357,482	1,328,591
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	1,438,875	1,424,413
Special Education Cluster (IDEA):			
84.027	Special Education - Grants to States	208,104,892	178,223,503
84.173	Special Education - Preschool Grants	9,048,648	9,048,648
84.391	ARRA - Special Education - Grants to States, Recovery Act	31,256,212	31,256,212
84.392	ARRA - Special Education - Preschool Grants, Recovery Act	2,082,335	2,082,335
Total Special Education Cluster (IDEA)		250,492,087	220,610,698
84.032	Federal Family Education Loans	144,083,021	0
84.048	Career and Technical Education - Basic Grants to States	20,928,851	18,671,865
Vocational Rehabilitation Cluster:			
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	60,805,280	0
84.390	ARRA - Rehabilitation Services - Vocational Rehabilitation Grants to States, Recovery Act	143,631	0
Total Vocational Rehabilitation Cluster		60,948,911	0
84.144	Migrant Education - Coordination Program	99,549	75,438
Independent Living State Grants Cluster:			
84.169	Independent Living - State Grants	431,417	375,580
84.398	ARRA - Independent Living State Grants	33,933	0
Total Independent Living - State Grants Cluster		465,350	375,580
Independent Living Services for Older Individuals Who Are Blind Cluster:			
84.177	Rehabilitation Services - Independent Living Services for Older Individuals Who Are Blind	878,263	0
84.399	ARRA - Independent Living Services for Older Individuals Who Are Blind	217,408	0
Total Independent Living Services for Older Individuals Who Are Blind Cluster		1,095,671	0
Early Intervention Services (IDEA) Cluster:			
84.181	Special Education - Grants for Infants and Families	7,864,270	0
84.393	ARRA - Special Education - Grants for Infants and Families, Recovery Act	374,372	0
Total Early Intervention Services (IDEA) Cluster		8,238,642	0
84.185	Byrd Honors Scholarships	28,154	0
84.186	Safe and Drug-Free Schools and Communities - State Grants	615,406	615,406
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	418,728	0
Education for Homeless Children and Youth Cluster:			
84.196	Education for Homeless Children and Youth	897,436	888,842
84.387	ARRA - Education for Homeless Children and Youth, Recovery Act	248,152	248,152
Total Education for Homeless Children and Youth Cluster		1,145,588	1,136,994
84.213	Even Start - State Educational Agencies	397,708	367,790
84.224	Assistive Technology	825,201	604,440

STATE OF MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2012

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
84.243	Tech-Prep Education	1,381,285	1,381,214
84.265	Rehabilitation Training - State Vocational Rehabilitation Unit In-Service Training	48,746	0
84.282	Charter Schools	540,886	537,848
84.287	Twenty-First Century Community Learning Centers	17,584,172	17,305,124
	Educational Technology State Grants Cluster:		
84.318	Educational Technology State Grants	1,038,495	979,394
84.386	ARRA - Education Technology State Grants, Recovery Act	829,839	799,839
	Total Educational Technology State Grants Cluster	1,868,334	1,779,233
84.323	Special Education - State Personnel Development	1,008,435	1,008,435
84.326	Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	181,155	0
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	253,036	253,036
84.331	Grants to States for Workplace and Community Transition Training for Incarcerated Individuals	45,292	0
84.358	Rural Education	3,017,125	2,960,304
84.365	English Language Acquisition State Grants	4,305,317	4,128,895
84.366	Mathematics and Science Partnerships	2,892,313	2,891,547
84.367	Improving Teacher Quality State Grants	47,721,344	47,146,024
84.369	Grants for State Assessments and Related Activities	5,419,083	0
84.371	Striving Readers	32,105	3,000
	Statewide Data Systems Cluster:		
84.372	Statewide Data Systems	1,688,565	0
	Total Statewide Data Systems Cluster	1,688,565	0
	School Improvement Grants Cluster:		
84.377	School Improvement Grants	137,058	137,058
84.388	ARRA - School Improvement Grants, Recovery Act	17,205,785	17,203,667
	Total School Improvement Grants Cluster	17,342,843	17,340,725
84.378	College Access Challenge Grant Program	1,671,732	1,347,531
	State Fiscal Stabilization Fund Cluster:		
84.394	ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	64,918,743	64,918,746
84.397	ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	3,604,871	3,604,871
	Total State Fiscal Stabilization Fund Cluster	68,523,614	68,523,617
84.410	ARRA - Education Jobs Fund	2,802,893	2,802,893
84.902	National Assessment of Educational Programs	114,274	0
	Total Department of Education	943,357,262	682,476,976
National Archives and Records Administration			
89.003	National Historical Publications and Records Grants	97,064	34,690
	Total National Archives and Records Administration	97,064	34,690
Elections Assistance Commission			
90.401	Help America Vote Act Requirements Payments	3,471,477	631,477
	Total Elections Assistance Commission	3,471,477	631,477
Department of Health and Human Services			
93.003	Public Health and Social Services Emergency Fund	536,543	351,021
93.041	Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	100,983	11,704
93.042	Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	388,800	148,838

STATE OF MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2012

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
93.043	Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services Aging Cluster:	421,295	421,295
93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	8,572,297	7,590,342
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	11,239,956	11,239,956
93.053	Nutrition Services Incentive Program	3,311,172	3,311,172
	Total Aging Cluster	23,123,425	22,141,470
93.048	Special Programs for the Aging - Title IV - and Title II - Discretionary Projects	148,711	71,332
93.051	Alzheimer's Disease Demonstration Grants to States	229,489	215,530
93.052	National Family Caregiver Support, Title III, Part E	2,989,678	2,989,678
93.069	Public Health Emergency Preparedness	15,686,142	8,814,173
93.070	Environmental Public Health and Emergency Response	815,550	449,478
93.089	Emergency System for Advance Registration of Volunteer Health Professionals	60,085	0
93.090	Guardianship Assistance	3,133,866	0
93.090	ARRA - Guardianship Assistance	158,492	0
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	544,082	397,186
93.103	Food and Drug Administration - Research	242,185	0
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	1,128,235	1,093,837
93.110	Maternal and Child Health Federal Consolidated Programs	817,888	110,556
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	757,848	253,429
93.127	Emergency Medical Services for Children	92,997	9,956
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	251,144	48,370
93.135	Centers for Research and Demonstration for Health Promotion and Disease Prevention	37,883	0
93.136	Injury Prevention and Control Research and State and Community Based Programs	715,226	614,653
93.150	Projects for Assistance in Transition from Homelessness (PATH)	949,792	914,656
93.161	Health Program for Toxic Substances and Disease Registry	22,500	22,500
93.197	Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	84,265	56,573
93.230	Consolidated Knowledge Development and Application (KD&A) Program	177,304	22,118
93.234	Traumatic Brain Injury State Demonstration Grant Program	280,168	190,564
93.235	Affordable Care Act (ACA) Abstinence Education Program	1,039,584	852,801
93.240	State Capacity Building	321,623	0
93.241	State Rural Hospital Flexibility Program	592,338	413,649
93.243	Substance Abuse and Mental Health Services - Projects of Regional and National Significance	9,338,931	8,345,521
93.251	Universal Newborn Hearing Screening	281,840	98,685
	Immunization Cluster:		
93.268	Immunization Cooperative Agreements	63,346,736	374,956
93.712	ARRA - Immunization	592,752	1,075
	Total Immunization Cluster	63,939,488	376,031
93.270	Adult Viral Hepatitis Prevention and Control	58,065	0
93.283	The Affordable Care Act: Centers for Disease Control and Prevention - Investigations and Technical Assistance	7,732,609	3,018,753
93.293	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	25,400	25,389
93.301	Small Rural Hospital Improvement Grant Program	339,514	326,776
93.414	ARRA - State Primary Care Offices	73,415	0
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	1,096,939	750,604
93.506	ACA Nationwide Program for National and State Background Checks for Direct Patient Access Employees of Long Term Care Facilities and Providers	1,922,181	0
93.507	PPHF 2012 National Public Health Improvement Initiative	197,388	0
93.511	Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review	90,733	0
93.518	Affordable Care Act - Medicare Improvements for Patients and Providers	201,241	193,603
93.519	Affordable Care Act (ACA) - Consumer Assistance Program Grants	511,013	0

STATE OF MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
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CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
93.520	Centers for Disease Control and Prevention - Affordable Care Act (ACA) - Communities Putting Prevention to Work	93,516	93,291
93.521	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF	210,135	11,640
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	820,455	0
93.538	Affordable Care Act - National Environmental Public Health Tracking Program - Network Implementation	731,624	0
93.539	PPHF 2012 - Prevention and Public Health Fund (Affordable Care Act) - Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance Financed in Part by 2012 Prevention and Public Health Funds	264,891	0
93.544	The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) Authorizes Coordinated Chronic Disease Prevention and Health Promotion Program	353,821	18,780
93.556	Promoting Safe and Stable Families TANF Cluster:	7,122,183	5,195,527
93.558	Temporary Assistance for Needy Families	196,828,854	20,306,481
93.714	ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	2,007,415	802,098
	Total TANF Cluster	198,836,269	21,108,579
93.563	Child Support Enforcement	34,104,988	17,473,216
93.566	Refugee and Entrant Assistance - State Administered Programs	2,317,233	0
93.568	Low-Income Home Energy Assistance CSBG Cluster:	81,309,667	40,463,250
93.569	Community Services Block Grant	15,593,716	15,455,294
	Total CSBG Cluster	15,593,716	15,455,294
	CCDF Cluster:		
93.575	Child Care and Development Block Grant	72,988,101	2,394,019
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	53,143,933	0
93.713	ARRA - Child Care and Development Block Grant	7,592,213	0
	Total CCDF Cluster	133,724,247	2,394,019
93.576	Refugee and Entrant Assistance - Discretionary Grants	371,330	188,648
93.584	Refugee and Entrant Assistance - Targeted Assistance Grants	123,184	0
93.586	State Court Improvement Program	1,028,432	0
93.590	Community-Based Child Abuse Prevention Grants	1,155,085	1,148,816
93.597	Grants to States for Access and Visitation Programs	556,102	0
93.599	Chafee Education and Training Vouchers Program (ETV) Head Start Cluster:	1,018,721	1,018,721
93.600	Head Start	197,658	197,658
93.708	ARRA - Head Start	152,983	70,015
	Total Head Start Cluster	350,641	267,673
93.603	Adoption Incentive Payments	1,150,839	0
93.617	Voting Access for Individuals with Disabilities - Grants to States	278,088	278,088
93.630	Developmental Disabilities Basic Support and Advocacy Grants	1,301,132	407,831
93.643	Children's Justice Grants to States	58,091	0
93.645	Stephanie Tubbs Jones Child Welfare Services Program	8,950,309	0
93.652	Adoption Opportunities	441,155	0
93.658	Foster Care - Title IV-E	49,858,624	404,941
93.659	Adoption Assistance	37,450,981	0
93.667	Social Services Block Grant	56,500,147	3,761,034
93.669	Child Abuse and Neglect State Grants	824,759	0
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters - Grants to States and Indian Tribes	1,782,794	0

STATE OF MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
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CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
93.674	Chafee Foster Care Independence Program	2,345,617	0
93.717	ARRA - Preventing Healthcare-Associated Infections	159,701	108,531
93.719	ARRA - State Grants to Promote Health Information Technology	2,657,242	0
93.723	ARRA - Prevention and Wellness - State, Territories and Pacific Islands	911,472	907,605
93.725	ARRA - Communities Putting Prevention to Work: Chronic Disease Self-Management Program	368,970	368,970
93.767	Children's Health Insurance Program	117,177,877	0
	Medicaid Cluster:		
93.775	State Medicaid Fraud Control Units	1,341,498	0
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	17,044,274	0
93.778	Medical Assistance Program	5,654,719,191	0
93.778	ARRA - Medical Assistance Program	73,892,407	0
	Total Medicaid Cluster	5,746,997,370	0
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	1,634,221	308,347
93.791	Money Follows the Person Rebalancing Demonstration	7,136,899	0
93.889	National Bioterrorism Hospital Preparedness Program	6,258,941	4,872,951
93.913	Grants to States for Operation of Offices of Rural Health	186,131	22,621
93.917	HIV Care Formula Grants	8,896,654	8,340,208
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	3,175,080	174,895
93.940	HIV Prevention Activities - Health Department Based	3,801,438	2,100,830
93.943	Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	515,859	249,668
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	676,438	313,962
93.945	Assistance Programs for Chronic Disease Prevention and Control	14,056	5,370
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	159,877	39,735
93.958	Block Grants for Community Mental Health Services	7,670,948	7,313,363
93.959	Block Grants for Prevention and Treatment of Substance Abuse	25,685,701	23,847,836
93.977	Preventive Health Services - Sexually Transmitted Diseases Control Grants	2,277,917	260,381
93.982	Mental Health Disaster Assistance and Emergency Mental Health	2,221,912	2,164,358
93.991	Preventive Health and Health Services Block Grant	1,095,305	361,159
93.994	Maternal and Child Health Services Block Grant to the States	10,861,708	6,123,573
	Total Department of Health and Human Services	6,733,227,371	221,324,440
	Corporation for National and Community Service		
94.003	State Commissions	305,775	1,174
94.004	Learn and Serve America - School and Community Based Programs	99,149	90,882
94.006	AmeriCorps	3,294,969	3,266,660
94.007	Program Development and Innovation Grants	67,870	67,870
94.009	Training and Technical Assistance	108,042	14,750
	Total Corporation for National and Community Service	3,875,805	3,441,336
	Social Security Administration		
	Disability Insurance/SSI Cluster:		
96.001	Social Security - Disability Insurance	41,040,166	0
	Total Disability Insurance/SSI Cluster	41,040,166	0
	Total Social Security Administration	41,040,166	0
	Department of Homeland Security		
97.005	State and Local Homeland Security National Training Program	432,349	245,544
97.008	Non-Profit Security Program	81,272	81,272
97.012	Boating Safety Financial Assistance	2,153,292	0
97.017	Pre-Disaster Mitigation (PDM) Competitive Grants	464,559	464,559
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	155,313	0
97.029	Flood Mitigation Assistance	70,883	70,883
97.032	Crisis Counseling	836,309	0
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	54,463,845	50,265,999
97.039	Hazard Mitigation Grant	16,151,717	15,881,940



STATE OF MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
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CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
97.041	National Dam Safety Program	99,002	0
97.042	Emergency Management Performance Grants	3,357,753	0
97.045	Cooperating Technical Partners	1,912,981	0
97.047	Pre-Disaster Mitigation	3,916	3,916
97.052	Emergency Operations Center	867,796	867,796
97.055	Interoperable Emergency Communications	511,121	487,875
97.056	Port Security Grant Program	511,229	0
97.067	Homeland Security Grant Program	35,338,002	31,774,612
97.075	Rail and Transit Security Grant Program	49,765	49,280
97.078	Buffer Zone Protection Program (BZPP)	726,845	723,959
97.082	Earthquake Consortium	12,309	0
97.088	Disaster Assistance Projects	212,886	181,403
97.091	Homeland Security Biowatch Program	348,577	272,868
97.092	Repetitive Flood Claims	31,881	31,881
Total Department of Homeland Security		118,793,602	101,403,787
		<u>\$ 12,725,677,262</u>	<u>1,942,939,220</u>

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF MISSOURI  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards of the state of Missouri has been prepared to comply with U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the 2012 OMB Circular A-133 Compliance Supplement. The circular requires a schedule that shows total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available. Appendix VII of the supplement requires identifying expenditures of federal awards made under the American Recovery and Reinvestment Act of 2009 (ARRA) separately on the schedule with the inclusion of the prefix "ARRA-" in the name of the federal program.

The accompanying schedule includes all federal financial assistance administered by the state of Missouri, except for those programs administered by public universities and other component units and related organizations which are legally separate from the state of Missouri. Federal financial assistance provided to public universities and other component units and related organizations has been excluded from this audit. They were audited by other auditors under OMB Circular A-133.

B. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards is presented in accordance with OMB Circular A-133, which defines federal financial assistance as assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

The schedule presents both Type A and B federal financial assistance programs administered by the state of Missouri. OMB Circular A-133 establishes the formula for determining the level of expenditures or disbursements to be used in defining Type A and B federal financial assistance programs. For the state of Missouri during the year ended June 30, 2012, Type A programs are those which exceed \$30 million in disbursements, expenditures, or distributions. The determination of major and non-major programs is based on the risk-based approach outlined in OMB Circular A-133.

C. Basis of Accounting

The expenditures for each of the federal financial assistance programs are presented on the accounting basis as required by the federal agency which awarded the assistance. Most programs are presented on a cash basis, which recognizes expenditures of federal awards when disbursed in cash. However, some are presented on a modified accrual basis, which recognizes expenditures of federal awards when the related liability is incurred.

2. Supplemental Nutrition Assistance Program Expenditures

The reported expenditures for benefits under the Supplemental Nutrition Assistance Program (SNAP) (CFDA No. 10.551) are supported by both regularly appropriated funds and incremental funding made available under section 101 of the ARRA. The portion of total expenditures for SNAP benefits that is supported by ARRA funds varies according to fluctuations in the cost of the Thrifty Food Plan, and to changes in participating households' income, deductions, and assets. This condition prevents The U.S. Department of Agriculture (USDA) from obtaining the regular and ARRA components of SNAP benefits expenditures through normal program reporting processes. As an alternative, the USDA has computed a weighted average percentage to be applied to the national aggregate SNAP benefits provided to households in order to allocate an appropriate portion thereof to ARRA funds. This methodology generates valid results at the national aggregate level but not at the individual state level. Therefore, the state cannot validly disaggregate the regular and ARRA components of its reported expenditures for SNAP benefits. At the national aggregate level, however, ARRA funds account for approximately 10.95 percent of the USDA's total expenditures for SNAP benefits in the federal fiscal year ended September 30, 2012.

3. Special Supplemental Nutrition Program for Women, Infants and Children Program Rebates

The state received cash rebates from an infant formula manufacturer, totaling \$34,097,673, on sales of formula to participants in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) (CFDA No. 10.557). This amount was excluded from total program expenditures. Rebate contracts with infant formula manufacturers are authorized by 7 CFR Section 246.16(a) as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. The state was able to extend program benefits to more persons than could have been served this fiscal year in the absence of the rebate contract.

4. Unemployment Insurance Expenditures

Expenditures of federal awards reported for the Unemployment Insurance program (CFDA No. 17.225) include unemployment benefit payments from the State Unemployment Compensation Fund totaling \$1,272,764,214. Reimbursements to other states from the State Unemployment Compensation Fund for benefits paid by those other states, totaling \$35,859,459, have also been included in the Unemployment Insurance program expenditures. Reimbursements to the State Unemployment Compensation Fund

from other states for benefits paid by the state of Missouri, totaling \$8,855,281, have been excluded from total expenditures.

5. Federal Loan Guarantees

The Department of Higher Education (DHE) guarantees student loans made by lenders under the Federal Family Education Loans program (CFDA 84.032). The original principal balance outstanding of all loans guaranteed by the DHE was \$2,773,527,299 as of June 30, 2012. Additionally, the outstanding balance of defaulted loans (including principal and accrued interest) for which the federal government imposes continuing compliance requirements on the DHE was \$322,982,336 as of June 30, 2012.

6. Nonmonetary Assistance

The Department of Elementary and Secondary Education distributes food commodities to school districts under the National School Lunch Program (CFDA No. 10.555). Distributions are valued at the cost of the food paid by the federal government and totaled \$28,147,923.

The Department of Public Safety distributes excess Department of Defense (DOD) equipment to state and local law enforcement agencies under the DOD Surplus Property program (CFDA No. 12.AAG). Property distributions totaled \$4,832,480 valued at the historical cost as assigned by the federal government, which is substantially in excess of the property's fair market value. The amount of expenditures presented on the Schedule of Expenditures of Federal Awards is 23.68 percent of the historical cost (\$1,144,331), which approximates the fair market value of the property at the time of distribution.

The State Agency for Surplus Property distributes federal surplus property to eligible donees under the Donation of Federal Surplus Personal Property program (CFDA No. 39.003). Property distributions totaled \$8,802,614 valued at the historical cost as assigned by the federal government, which is substantially in excess of the property's fair market value. The amount of expenditures presented on the Schedule of Expenditures of Federal Awards is 23.68 percent of the historical cost (\$2,084,459), which approximates the fair market value of the property at the time of distribution as determined by the General Services Administration.

The Department of Health and Senior Services distributes vaccines to local health agencies and other health care professionals under the Immunization Grants Cluster (CFDA No. 93.268 and 93.712). Distributions are valued at the cost of the vaccines paid by the federal government and totaled \$59,788,106.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

STATE OF MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2012

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

- Material weaknesses identified?        yes   x   no
- Significant deficiencies identified that are not considered to be material weaknesses?   x   yes        none reported

Noncompliance material to the financial statements noted?        yes   x   no

Federal Awards

Internal control over major programs:

- Material weaknesses identified?   x   yes        no
- Significant deficiencies identified that are not considered to be material weaknesses?   x   yes

Type of auditor's report issued on compliance for major program(s): Qualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?   x   yes        no

The following programs were audited as major programs:

CFDA

<u>Number</u>	<u>Name of Federal Program or Cluster</u>
	Child Nutrition Cluster:

10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special Milk Program for Children
10.559	Summer Food Service Program for Children

17.225 Unemployment Insurance  
WIA Cluster:

17.258 Workforce Investment Act - Adult Programs

17.259 Workforce Investment Act - Youth Activities

17.278 Workforce Investment Act - Dislocated Worker Formula Grants

17.277 Workforce Investment Act (WIA) National Emergency Grants

Highway Planning and Construction Cluster:

20.205 Highway Planning and Construction

20.205 ARRA - Highway Planning and Construction

20.219 Recreational Trails Program

81.041 State Energy Program

81.041 ARRA - State Energy Program

81.042 Weatherization Assistance for Low-Income Persons

81.042 ARRA - Weatherization Assistance for Low-Income Persons

81.128 ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)

Title I, Part A Cluster:

84.010 Title I Grants to Local Educational Agencies

84.389 ARRA - Title I Grants to Local Educational Agencies, Recovery Act

Special Education Cluster (IDEA):

84.027 Special Education - Grants to States

84.173 Special Education - Preschool Grants

84.391 ARRA - Special Education - Grants to States, Recovery Act

84.392 ARRA - Special Education - Preschool Grants, Recovery Act

84.032 Federal Family Education Loans

Vocational Rehabilitation Cluster:

84.126 Rehabilitation Services - Vocational Rehabilitation Grants to States

84.390 ARRA - Rehabilitation Services - Vocational Rehabilitation Grants to States, Recovery Act

84.367 Improving Teacher Quality State Grants

School Improvement Grants Cluster:

84.377 School Improvement Grants

84.388 ARRA - School Improvement Grants, Recovery Act

State Fiscal Stabilization Fund Cluster:

84.394 ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act

84.397 ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act

TANF Cluster:

- 93.558 Temporary Assistance for Needy Families
- 93.714 ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program
- 93.568 Low-Income Home Energy Assistance

CCDF Cluster:

- 93.575 Child Care and Development Block Grant
- 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
- 93.713 ARRA - Child Care and Development Block Grant
- 93.667 Social Services Block Grant
- 93.767 Children's Health Insurance Program

Medicaid Cluster:

- 93.775 State Medicaid Fraud Control Units
- 93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
- 93.778 Medical Assistance Program
- 93.778 ARRA - Medical Assistance Program
- 97.067 Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$30,000,000

Auditee qualified as a low-risk auditee?

\_\_\_\_\_ yes      x   no

## Section II - Financial Statement Findings

### 2012-1. Financial Reporting Controls - Inter-Fund/Inter-Agency Transactions

As noted in the prior report, the Office of Administration - Division of Accounting (DOA) does not have adequate procedures in place to identify improperly recorded inter-fund and inter-agency transactions. In addition, the Department of Social Services (DSS) and the Department of Mental Health (DMH) do not have adequate procedures in place to ensure complete and accurate information regarding inter-fund and inter-agency transactions is submitted to the DOA. Although the DOA implemented procedures in response to the prior audit finding, these procedures did not identify similar improperly recorded transactions totaling \$248 million for the fiscal year ending June 30, 2012. Revenues and expenditures related to these improperly recorded transactions would have been double counted and overstated in the *Missouri Comprehensive Annual Financial Report* (CAFR) if they had remained undetected. The corrections for the misstatement were made to the CAFR in November 2012, after we brought this to the attention of the DOA.



Data recorded in the SAM II accounting system is a primary source of information used in compiling the CAFR. Policies and procedures for processing transactions in SAM II are designed to allow the DOA to identify and eliminate inter-fund and inter-agency transactions when compiling the CAFR, as required by governmental accounting standards. These policies require state agencies to record inter-fund and inter-agency transactions using transfer or inter-agency billing documents. Recording inter-fund transfers and inter-agency billings correctly provides the transaction information needed by the DOA to identify necessary adjustments.

Beginning in July 2010, the federal Centers for Medicare and Medicaid Services required a change in the processing of certain Medical Assistance Program claims between the DSS and the DMH to provide for greater transparency. However, this change resulted in overstated revenues and expenditures in SAM II as these transactions flowed between several DSS and DMH funds. As noted in the prior report, these overstatements were corrected when identified during the preparation of the fiscal year 2011 CAFR. In response to the prior audit finding, the DOA developed and distributed a new survey form to state agencies requesting information on inter-fund and inter-agency transactions that were not recorded using the transfer or inter-agency billing process during fiscal year 2012. In addition, the DOA performed a review of SAM II expenditure transactions in an attempt to identify transactions not reported by the state agencies. However, neither the DSS nor the DMH initially reported such Medical Assistance Program inter-fund and inter-agency transactions, totaling \$248 million for the fiscal year ended June 30, 2012, on their survey forms and the review performed by the DOA did not identify these additional improperly recorded transactions.

We held several discussions with personnel of the DSS, the DMH, and the DOA from June through early November 2012, to determine the status of the prior audit finding. Agency personnel indicated the process to record the inter-fund and inter-agency transactions was changed in November 2011. The agencies also indicated that under the new process there were no similar improperly recorded transactions and; therefore, no needed corrections for the fiscal year ended June 30, 2012. However, this new transaction recording process only changed the funds involved and did not affect the way the transactions were recorded. As a result, the double counting of revenues and expenditures still existed.

We determined the transactions between the DSS and the DMH continued to result in improperly recorded revenues and expenditures during fiscal year 2012, by reviewing Medical Assistance Program payment data in SAM II. When it became apparent in early November 2012 the DOA's new survey form and internal review of SAM II expenditure transactions had not identified the misstatements, we provided our documentation to the DOA. As a result, the DOA made corrections to the overstated amounts in the fiscal year 2012 CAFR. In subsequent discussions during mid-November 2012, DOA personnel indicated the overstatements would have been detected through analytical procedures performed during their review of the CAFR draft. However, it is not clear if the overstatements would have been identified with this analytical procedure.

In addition, following discussions among the agencies in November 2012 regarding the inter-agency transactions, the DSS and the DMH resubmitted their survey forms to the DOA with revised amounts. However, these revised survey forms reported only a portion of the interagency transactions.

Adequate systems of internal controls include the design and operation of controls which allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements.

**WE RECOMMEND** the DOA continue to implement and improve controls which allow for the timely detection and correction of inter-agency and inter-fund transactions that are not processed in compliance with SAM II policies and procedures. In addition, the DSS and the DMH should implement controls to ensure complete and accurate information is submitted to the DOA identifying inter-fund and inter-agency transactions.

### **AUDITEE'S RESPONSE**

*The DOA provided the following written response:*

*We disagree that the DOA does not have adequate procedures in place to identify improperly recorded inter-fund and inter-agency transactions. In addition to the new survey, the DOA management conducts an extensive review of the CAFR prior to completion. The State Auditor's office (SAO) presented the transactions in question to the DOA staff in early November, two and a half months before the release of the FY12 CAFR. As such, the DOA management had not completed their review of CAFR. If we had been allowed to complete our review in its entirety, the transactions would have been detected and corrected without any assistance from the SAO.*

### **AUDITOR'S COMMENT**

As noted in the finding, a similar issue was first identified and discussed with the DOA in late 2011 and was reported in the prior report. Also as noted above, the additional procedures specifically developed by the DOA subsequent to that report were not successful. While it is possible the DOA's management level review of the CAFR draft may have detected the misstatements, it cannot be assumed as a certainty. The improperly recorded transactions could have been identified through an analysis of SAM II data at any point during the fiscal year and corrected by the DOA long before the CAFR draft was prepared. It appears the DOA had sufficient time and knowledge to ensure the misstatements were corrected during the CAFR compilation process rather than waiting until the DOA's final review of the fiscal year 2012 CAFR draft was performed.

*The DMH and the DSS provided the following written response:*

*The DMH and the DSS did not initially report these inter-fund/inter-agency transactions to the Office of Administration. However, after gaining a better understanding of how the Inter-Governmental Transfer Reimbursement Methodology transactions were processed, the DMH and the DSS reported the transactions to the Office of Administration on November 8, 2012. The*

*DMH and the DSS have processes in place to identify and accurately report these transactions to the Office of Administration. The DMH and the DSS will continue to ensure complete and accurate information is submitted to the Office of Administration identifying inter-fund and inter-agency transactions.*

**2012-2.**

**Financial Reporting Controls -  
Department of Labor and Industrial Relations**

The Department of Labor and Industrial Relations (DLIR) does not have adequate procedures in place to ensure the accuracy of financial statements and adjusting entries submitted to the Office of Administration - Division of Accounting (DOA) for the Unemployment Compensation Fund (UCF). The UCF revenues and accounts receivable account balances would have been overstated by \$22.5 million in the *Missouri Comprehensive Annual Financial Report* (CAFR) for the year ended June 30, 2012, had an error in the adjusting entries not been identified during our audit.

DLIR personnel properly included a \$22.5 million federal assessment charge to employers in revenues and accounts receivable balances of the UCF financial statements for the year ending June 30, 2012. However, our audit identified these federal assessment charges were mistakenly included again in the year-end adjusting entries to accrue revenues and accounts receivable balances for preparation of the CAFR. Although the financial statements and adjusting entries are reviewed by DLIR supervisors, the error was not detected and the incorrect information was submitted to the DOA.

When compiling the draft CAFR, the DOA incorporated the incorrect amounts reported by the DLIR. After we brought this to the attention of the DLIR, a correction of this misstatement was made to the CAFR by the DOA in December 2012, prior to its completion.

Adequate systems of internal controls include the design and operation of controls which allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements.

**WE RECOMMEND** the DLIR implement controls which allow for the detection and correction of errors when preparing year-end financial statement adjusting entries.

**AUDITEE'S RESPONSE**

*We concur with the finding and we will perform a more thorough review and analysis of all adjusting entries before sending information to the DOA.*

**2012-3.**

**Financial Reporting Controls - Department of Revenue**

The Department of Revenue (DOR) does not have adequate procedures in place to ensure the accuracy of agency fund financial statements submitted to the Office of

Administration - Division of Accounting (DOA). Accounts receivable and the related liability balances of the agency funds would have been understated by \$54.4 million in the *Missouri Comprehensive Annual Financial Report* (CAFR) for the year ended June 30, 2012, had an error in the preparation of the DOR financial statements not been identified during our audit.

Agency fund financial statements prepared by the DOR incorrectly reported accounts receivable balances. The DOR financial statements are to include an amount for gross accounts receivable, as well as an offsetting deduction for the portion considered likely to be uncollectible, resulting in expected net accounts receivable. However, when preparing the financial statements, the DOR incorrectly reported as the gross accounts receivable a total which had already been reduced by the expected uncollectible amounts. The uncollectible amount of \$54.4 million was then also shown on the financial statement, in effect deducting those amounts twice from gross receivables and resulting in net receivables being understated by \$54.4 million. Although the DOR financial statements are reviewed by DOR supervisors, the misstatement was not detected and the incorrect financial statements were submitted to the DOA.

When compiling the draft CAFR, the DOA incorporated the incorrect amounts reported by the DOR. This resulted in an understatement of \$54.4 million in accounts receivable and the related liability balances included in the CAFR. After we brought this to the attention of the DOR and the DOA, correction of the misstatement was made to the CAFR in December 2012, prior to its completion.

Adequate systems of internal controls include the design and operation of controls which allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements.

**WE RECOMMEND** the DOR implement controls which allow for the detection and correction of errors when preparing the Agency Fund financial statements.

#### **AUDITEE'S RESPONSE**

*The Department of Revenue agrees that it submitted the Combining Schedule of Changes in Assets and Liabilities - All Agency Funds to the Office of Administration, Division of Accounting with a material mistake. The Department reduced agency funds' accounts receivable for allowance for doubtful accounts prior to reporting receivables in the agency fund statement and then also reported allowances for doubtful accounts in the statement, causing double counting of allowances. The Department will analyze its review process and increase controls where needed.*

### Section III - Federal Award Findings and Questioned Costs

<b>2012-4.</b>	<b>Subrecipient Monitoring and Participant Data</b>
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Federal Agency:	Department of Labor
Federal Program:	17.258 Workforce Investment Act - Adult Program 2010 - AA-20203-10-55-A-29 2011 - AA-21405-11-55-A-29 17.259 Workforce Investment Act - Youth Activities 2010 - AA-20203-10-55-A-29 2011 - AA-21405-11-55-A-29 17.278 Workforce Investment Act - Dislocated Workers Formula Grants 2010 - AA-20203-10-55-A-29 2011 - AA-21405-11-55-A-29
State Agency:	Department of Economic Development - Division of Workforce Development (DWD)

The DWD has not established adequate procedures to ensure subrecipients are complying with all federal requirements regarding participant enrollment, and has not ensured participant records are complete and accurate for the Workforce Investment Act (WIA) program. The DWD expended approximately \$48 million in WIA funding in fiscal year 2012, of which approximately \$42.6 million (89 percent) was paid to subrecipients. The majority of subrecipient funds were passed through to 14 Workforce Investment Boards (WIBs) throughout the state for various worker training programs.

- A. The DWD did not take action to ensure WIBs were following federal guidelines which require participants be exited from the WIA program if no services have been provided for 90 days.

Services provided to participants, such as assisted job searches, skills assessments, and job training, require contact from a WIB representative (either WIB staff or a WIB subcontractor's staff). An August 2012 report from the Department of Labor, Employment and Training Administration (DOL-ETA) noted the failure of the Central Region WIB to timely exit participants from the program. The review revealed multiple participant files indicated various services had been provided, even though the files also contained repeated case notes documenting the participant had not been directly contacted, and therefore had not actually been provided program services, for over 90 days. Allowing participants to remain enrolled when they have not been directly contacted or provided services allows the WIB and its subcontractors to manipulate performance statistics and potentially receive performance incentives not earned. The DOL-ETA report recommended the DWD ensure subrecipients are exiting participants from the program timely when required.

Our discussions with DWD management in early December 2012 indicated no specific corrective action had yet been taken in response to the DOL-ETA report beyond conducting normal monitoring procedures to identify potential manipulations of the 90 day requirement. Subsequently, DWD management indicated the agency began a process of reviewing 100 percent of Central Region enrollments and has provided additional guidance to all subrecipients to help ensure compliance with federal requirements.

- B. The DWD Central Office has approved change requests to participant records which are not in compliance with federal requirements. In addition, changes made via the agency's change order process are documented with hard-copy change requests and logged separately from the electronic participant tracking system. However, the tracking system itself contains no mention or documentation of any changes to the participant record.

The ToolBox Case Tracking System (Toolbox) was created to track information on job seekers and employers who participate in all WIA programs. All WIB representatives are required to enter participant data into the Toolbox system. Only specific fields in electronic Toolbox participant records can be edited by WIB representatives and records can be backdated by the representative no more than 7 days. A change request form must be submitted to DWD Central Office to request modifications to fields not editable by staff. These change request forms are manually numbered, logged, and retained by the DWD. Our review of change requests noted 2 of the 25 (8 percent) tested were approved and processed although the change did not appear appropriate. Both change requests involved participants who were automatically exited by the system due to inactivity, as required. In both cases, a change was made to 'unexit' the participant although case notes clearly showed the participant had not been contacted or provided services for more than 90 days. Such changes are not in accordance with federal requirements.

In addition, the Toolbox system does not adequately track administrative changes made on the system, such as what changes were made, who made the changes, or the date the changes occurred. Record of the change requests are maintained in a spreadsheet separate from the Toolbox system, and change request forms are maintained in hardcopy. A DWD official said an electronic audit trail of information may be available if needed for review of a specific case; however, the information is not readily evident and changes are not identified as such when the files are viewed on Toolbox.

DOL-ETA Training and Employment Guidance Letter (TEGL) No. 17-05 states that a participant is to be exited from the program if a program service has not been received in a 90-day period. In addition, without a sufficient and accurate audit trail of changes to records of participant activity oversight agency personnel, as well as DWD management and monitoring personnel, are less able to adequately monitor subrecipient participant records.

**WE RECOMMEND** the DWD:

- A. Continue to implement additional monitoring of WIB representatives or other staff responsible for documenting program exits to ensure compliance with federal requirements.
- B. Ensure administrative changes made to participant records are appropriate, and develop or acquire the functionality to maintain adequate records of all changes made to participant records in the Toolbox Case Tracking System.

**AUDITEE'S RESPONSE**

- A. *We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.*
- B. *We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.*

<b>2012-5.</b>	<b>Vocational Rehabilitation</b>
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Federal Agency:	Department of Education
Federal Program:	84.126 Rehabilitation Services - Vocational Rehabilitation Grants to States 2010 - H126A100036C; 2011 - H126A110036-11H and 2012 - H126A120036-12D 84.187 Supported Employment Services for Individuals with Significant Disabilities 2012 - H187A120037-12B
State Agency:	Department of Elementary and Secondary Education (DESE) - Missouri Vocational Rehabilitation (MVR)

An adequate review of community rehabilitation provider (CRP) billings and other supporting documentation, including obtaining independent employment verification, was not performed. As a result, at least \$46,030 was paid to a CRP for falsified and erroneous billings. MVR procedures to address concerns identified in annual performance appraisals performed on counselors were not effective. Correction of these concerns may have helped the agency detect the falsified and erroneous billings more timely.

During the year ended June 30, 2012, the MVR expended approximately \$54 million through the Vocational Rehabilitation (VR) program, including \$20.1 million for MVR staff payroll and operating expenses, \$9.4 million for various types of client assistance payments, and \$24.5 million paid to CRPs for contracted services. The VR program assists individuals with disabilities prepare for and engage in gainful employment. MVR

counselors determine client eligibility and services required. Some clients are provided with assistance for transportation costs, tuition, etc. In addition, many clients are referred to contracted CRPs which provide services such as job readiness training, job placement, and job coaching.

- A. An adequate review of CRP billings and other supporting documentation was not performed, and employment of some clients was not independently verified, prior to payment for placement and job coaching services. As a result, 23 payments totaling \$33,699 were made during the period March 2011 to July 2012 to a CRP for falsified billings. In addition, another 14 payments totaling \$12,331 made to the same CRP during the period March 2011 to May 2012 were determined questionable and may be either billing errors or additional falsified billings. During the year ended June 30, 2012, this CRP was paid approximately \$2.8 million by the MVR for contracted services.

CRPs are allowed to bill the MVR when certain services are completed or benchmarks/outcomes are achieved for a client. CRP service invoices are received by the district MVR offices and reviewed by a supervisor or counselor. The supervisor or counselor compares the invoice to the client case file maintained by the MVR to ensure the information agrees, such as, level of service provided, amount of job coaching provided, and if the client has been placed in a job. The supervisor or counselor documents approval on the invoice with initials or a signature. This review does not, however, include independent verification of client employment activity. The billing is then approved by the billing department and processed for payment.

In July 2012, discrepancies in a previously approved billing and other supporting documentation provided by a CRP were identified by a MVR counselor. The CRP had billed for services not received by the clients, and the billing was subsequently determined by the MVR to be falsified. In August 2012, the DESE and the State Auditor's office also received an anonymous tip regarding the falsified billings. As a result, the MVR created a team to review all open cases with payments to this CRP for federal fiscal years 2011 and 2012 and to investigate any discrepancies identified. At our request, the MVR also conducted an additional review of some of the closed cases with payments made to this CRP in federal fiscal year 2011 and 2012. Closed cases are classified as either successful or unsuccessful (meaning the client did not find and retain employment in accordance with the client's employment goals). The MVR review of the 94 unsuccessful closed cases that billed for job placement or job coaching services identified additional falsified or erroneous billings. The MVR did not review closed cases for which no placement activities or services were provided or closed cases with successful closures because the MVR counselor contacts these clients before a case is closed. The MVR believed unsuccessful closed cases were a higher risk for falsified billings.



The MVR review of both open and closed cases identified the 37 questionable payments noted above, totaling \$46,030. Questionable payments included, for example, the CRP billing for job coaching and job placement; however, the clients and the employers indicated to the review team the client never worked at the place of employment noted on the billing or received any job coaching. Also, some client signatures on supporting documentation submitted by the CRP did not match signatures maintained in MVR case files. The CRP acknowledged the questionable payments, and as of November 2012, the MVR received full reimbursement of \$46,030 from the CRP for the falsified and erroneous billings and terminated the contract with the CRP.

In addition to the MVR review of cases involving this CRP, we conducted a review of 60 program expenditures, which included 20 payments to this and other CRP vendors, as well as other assistance payments, etc. Our review noted employment was also not verified for three payments made to other CRPs and adequate supporting documentation was not retained for two education assistance payments reviewed.

In response to the falsified and erroneous billings identified above, the MVR established new procedures for all contracted CRPs, which includes requiring the CRP to provide proof of outside employment verification such as a client's paycheck stub or a letter from the client's employer. If documentation is not submitted, the MVR counselor is required to document their own verification of employment with the client prior to the payment of invoices.

Federal regulation 34 CFR, Section 74.21 states recipients shall provide effective controls over and accountability for all funds, and have procedures for determining the reasonableness, allocability, and allowability of costs in accordance with the provisions of the federal cost principles. Due to the lack of adequate procedures, these falsified billings and other errors were not detected on a timely basis. Adequate documentation is necessary to ensure the appropriateness of these expenditures. Adequate supervisory reviews and verification of services billed assists in preventing the misappropriation of funds.

- B. Procedures have not been established to effectively address concerns related to inadequate client contact identified in annual performance appraisals of counselors. More frequent client contact may have helped the MVR identify the falsified and erroneous billings noted in part A above.

MVR district supervisors perform annual performance appraisals of each MVR counselor. While the appraisals appear oriented toward case outcomes, one of the areas reviewed evaluates whether a counselor provides and documents goal-directed client contact. The MVR client services guide recommends counselors contact clients monthly. We reviewed annual performance appraisals conducted during the period October 2009 through September 2012 for 17 counselors that approved \$42,130 of the questionable billings noted above. Annual appraisals for

ten of these counselors identified failure of the counselors to adequately contact clients. Additionally, for eight of the ten counselors, this issue was identified in multiple annual appraisals, signifying ongoing deficiencies.

Upon completion of the appraisal, the district supervisor addresses any identified concerns with the counselor. Depending on the type of concern, the district supervisor may monitor the counselor by reviewing his/her casework on the case management system; however, this review is not documented. The district supervisor may also initiate an action plan or performance objective with the counselor. However, action plans and performance objectives are typically initiated to address the MVR's primary objective of employment outcomes rather than focusing on improving client contact.

In addition to contributing to productive outcomes for clients, counselor contact with clients can provide valuable information regarding the services provided by contracted CRPs. Since the MVR was not obtaining independent verification of reported employment as noted in part A, more frequent counselor contact of clients may have detected the falsified and erroneous billings more timely. Procedures should be developed to ensure concerns with inadequate client contact are corrected timely.

**WE RECOMMEND** the DESE:

- A. Continue improving procedures over the billing review process to help prevent and identify falsified or erroneous billings from CRPs in a timely manner and ensure adequate supporting documentation is obtained for all expenditures.
- B. Ensure concerns with inadequate client contact identified during annual performance appraisals are corrected timely.

**AUDITEE'S RESPONSE**

*We agree with the auditor's findings. Our Corrective Action Plan includes our planned actions to address the findings.*

**2012-6.**

**Medicaid Home and Community Based Services**

Federal Agency:	Department of Health and Human Services
Federal Program:	93.778 Medical Assistance Program
	2011 - 1105MO5MAP and 1105MO5ADM
	2012 - 1205MO5MAP and 1205MO5ADM
State Agency:	Department of Health and Senior Services (DHSS) - Division of Senior and Disability Services (DSDS)
Questioned Costs:	\$297,964

As noted in the two prior audits, the DSDS does not ensure annual reassessments are performed, as required, to determine continued need of services of Home and Community Based Services (HCBS) recipients. As a result, the DSDS has not ensured most HCBS recipients have a need for and are receiving the appropriate level of care.

The DSDS is responsible for the direct administration of various Medical Assistance Program (Medicaid)-funded HCBS programs for seniors and adults with disabilities, including the two largest programs, State Plan Personal Care (SPPC) and Aged and Disabled Waiver (ADW). The Medicaid program is administered by the Department of Social Services (DSS) - MO HealthNet Division, while the DSDS is charged with assessing and reassessing the need for, and authorizing HCBS services for these Medicaid recipients. These services, which are authorized in a plan of care, provide assistance to help qualifying recipients remain in or return to their home or community, and include services such as bathing, grooming, and dressing; general toileting activities; cleaning, dusting, and laundry; meal preparation and/or assistance with eating and washing dishes; and transportation for shopping/errands and medical appointments. Other services include advanced personal care, authorized nurse visits, and respite care. During the year ended June 30, 2012, approximately 59,000 recipients were provided SPPC and ADW services totaling approximately \$483 million.

Backlogs of HCBS reassessments due, which have existed for several years, have been compounded by staff reductions in state fiscal years 2010 and 2011 and a failed contract with an assessment administrator. After the contract with the assessment administrator was canceled in September 2011, the DSDS hired approximately 90 staff to perform call center, initial assessment, reassessment, and care plan maintenance functions. In July 2012, the DSDS received additional funding and began paying HCBS providers to also perform some annual reassessments. With these changes, there has been limited improvement and a significant backlog of reassessments due still exists. According to DSDS officials, as of February 15, 2013, reassessments were due for approximately 29,600 Medicaid HCBS recipients.

In May 2011, the DSDS established the new HCBS Web Tool for performing various tasks for each recipient. Most new recipients and those existing recipients who have had a care plan change or reassessment after May 2011 have been entered in the HCBS Web Tool. DSDS staff have been yet unable to add the remaining existing recipients to the HCBS Web Tool. Participating HCBS providers and DSDS staff are responsible for performing reassessments for those recipients in the HCBS Web Tool (approximately 44 percent as of February 2013); while DSDS staff are responsible for performing reassessments for recipients (approximately 56 percent) not yet in the HCBS Web Tool. According to DSDS officials, while reassessments are performed annually for those recipients in the HCBS Web Tool, there is still a backlog of reassessments due for those recipients not yet in the HCBS Web Tool. For those participants in the HCBS Web Tool, participating providers and DSDS staff receive a monthly list of reassessments due within 60 days, and have 45 days to submit the completed reassessments. DSDS staff are assigned to perform initial assessments, care plan changes, and reassessments, with reassessments for participants not in the HCBS Web Tool being lower priority. Recently,

in an effort to reduce the backlog of reassessments, the DSDS has been working to increase provider participation in the reassessment process. DSDS officials indicated their goal is to resolve the backlog of reassessments during fiscal year 2014, with current staff levels and full provider participation.

We tested assessment documentation for 60 Medicaid recipients who received SPPC and/or ADW services during the year ended June 30, 2012. Payments totaling \$719,980 were made to providers on behalf of these recipients during this period. We found the DSDS did not perform annual reassessments of eligibility for 40 of the 58 (69 percent) recipients requiring a reassessment. The most recent reassessment for these recipients was completed 2 to 7 years ago. As a result, the DSDS could not demonstrate these 40 recipients needed the services for which the payments were made. The payments for SPPC and ADW services provided to these recipients without annual reassessments during the year ended June 30, 2012, totaled \$468,570. We question the federal share, or \$297,964 (63.59 percent).

The failure to perform annual reassessments as required can result in payments for services which are not necessary. Various regulations, including 42 CFR Section 441.302(c), Missouri statutes Sections 208.906 and 208.930, RSMo, the Cooperative Agreement between the DSS and the DHSS, and the DSDS Home and Community Services Case Management Manual, Section 1606.20, require that annual reassessments be performed for ADW and/or SPPC recipients to ensure the adequacy of the care plan and continued need for the level of care provided.

**WE RECOMMEND** the DHSS, through the DSDS, resolve the questioned costs with the grantor agency and ensure annual reassessments are performed as required.

#### **AUDITEE'S RESPONSE**

*We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.*

<b>2012-7.</b>	<b>Homeland Security Grant Program</b>
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Federal Agency:	Department of Homeland Security
Federal Program:	97.067 Homeland Security Grant Program
	2007 - GE-T7-0034
	2008 - GE-T8-0014
	2009 - SS-T9-0062
	2010 - SS-T0-0039
	2011 - SS - 00003
State Agency:	Department of Public Safety - Office of the Director (OD)
Questioned Costs:	\$745,978

Controls and procedures over the operation of the Homeland Security program need improvement. During the year ended June 30, 2012, the Homeland Security program disbursed approximately \$35.3 million in program funds.

A. The OD did not ensure personnel related expenditures were properly supported by salary certifications and approved activity reports for the Homeland Security program. A similar condition was noted in our prior audit report.

- 1) Salary certifications were not prepared for the 17 employees the OD identified as working solely on the Homeland Security program from July 2011 to March 2012. Personnel costs charged to the program (excluding benefits) during this period for these employees totaled \$511,940. We question the federal share, or \$511,940 (100 percent).

In April 2012, in response to a similar finding in our prior audit report, the OD began preparing salary certifications; however, our review identified 1 of the 17 employees noted above still lacked a salary certification for both May and June 2012. An additional employee, newly assigned to the program in May 2012, did not prepare a salary certification until June 2012. Personnel costs charged to the program (excluding benefits) for these two employees during the additional periods without salary certifications totaled \$8,762. We question the federal share, or \$8,762 (100 percent). Beginning July 2012, all OD employees record time using semi-monthly timesheets.

- 2) Documentation of employee and supervisor approval for time worked is not always maintained for employees splitting time between multiple programs, including the Homeland Security program. As a result, the OD cannot substantiate some payroll costs charged to the program.

Each pay period, OD employees enter the time spent on each federal program into an internal time tracking system. This data is used by OD officials to determine the allocation of payroll costs to various federal programs. However, the time entered and charged to the program for the period of July 2011 to March 2012 was not approved by the employee or the employee's direct supervisor as required for any of the 10 employees charging part of their time to the Homeland Security program during at least part of that period. Salary costs (excluding benefits) allocated for these employees during July 2011 to March 2012 totaled \$215,991. We question the federal share, or \$215,991 (100 percent).

In April 2012, in response to a similar finding in our prior audit report, the OD established procedures requiring the employee or the employee's supervisor to approve the time charged to the various programs and activities. Our review of salary costs allocated during May 2012 found three of the five employees during that period working on multiple

programs (which included the Homeland Security program), either did not have properly approved activity forms or the allocation made did not agree to the approved form or other supporting documentation. A further review of a pay period in June 2012 found similar errors for two of these three employees. Salary costs (excluding benefits) allocated to the Homeland Security program for these three employees during the periods reviewed in which costs were not fully supported, totaled \$9,285. We question the federal share, or \$9,285 (100 percent).

OMB Circular A-87 requires salaries or wages charged to the federal award be supported by salary certifications or personnel activity reports or equivalent documentation. These records must account for the total activity for which the employee was compensated and be signed by the employee or supervisor. Without adequate documentation and proper approval of activity charged to the program, the OD has not fully substantiated the payroll costs allocated to the federal program.

- B. The OD should improve policies and procedures to provide better assurance that subrecipients of the Homeland Security program are in compliance with applicable federal and grant requirements. During the year ended June 30, 2012, the Homeland Security program disbursed approximately \$31.8 million to 68 subrecipients.

- 1) Although a formal subrecipient monitoring policy was implemented in March 2011 and a revised policy was issued in April 2012 for the Homeland Security program, the OD did not comply with these policies and monitoring procedures could still be improved. A similar condition was noted in our prior audit report.

Prior to payment of a claim, the OD receives supporting documentation (i.e. invoices, proof of payment, etc.) from the subrecipient. In addition, the OD monitoring policy requires personnel to perform an annual desk monitoring review of each subrecipient. However, the OD did not perform desk monitoring reviews for 57 of the 68 subrecipients with expenditures during fiscal year 2012. In addition, the monitoring policy requires the OD to perform on-site visits to three subrecipients per year; however, the OD only performed one on-site visit during fiscal year 2012.

- 2) The OD has not established an audit tracking system or ensured Homeland Security program subrecipients expending \$500,000 or more in federal funds obtained independent Single Audits as required. In addition, followup was not performed on findings reported in subrecipient Single Audits. A similar condition was reported in our prior audit report.

Nine Homeland Security subrecipients each received \$500,000 or more in federal funds from the Homeland Security program alone. For these nine

subrecipients, the OD obtained copies of data collection forms, which accompany Single Audit reports submitted to the federal Single Audit Clearinghouse. These forms summarize various information from the audit reports, including whether material non-compliance or other audit findings were identified by the auditor. The OD performed desktop reviews of the data collection forms for two of the nine subrecipients and identified one of the subrecipients had audit findings. In addition, one of the seven subrecipients with no desktop review also had audit findings. However, the OD did not obtain a copy of the actual audit report from the two subrecipients to determine the significance of the findings and there was no documentation of any follow-up action by the OD. In addition, the OD had no system to identify which of the remaining subrecipients could be expected to need a Single Audit. While remaining subrecipients received Homeland Security program funding of less than \$500,000, numerous awardees received significant Homeland Security funds and it is likely, when considering federal awards from other sources, a Single Audit would have been required for some.

Under 28 CFR Section 66.40 and OMB Circular A-133, grantees are responsible for monitoring subrecipient activities to assure compliance with applicable federal requirements. Grantee monitoring must cover each program, function, or activity. In addition, OMB Circular A-133 requires grant recipients to ensure subrecipients obtain a Single Audit when federal grant expenditures exceed \$500,000 in a fiscal year. That audit report is required to be filed with the recipient agency and the federal Single Audit Clearinghouse within 9 months of the end of the subrecipient's fiscal year. The recipient agency is also required to issue a management decision on audit findings within 6 months after receipt of the subrecipient's audit report and ensure the subrecipient takes timely and appropriate corrective action. Findings identified in subrecipient Single Audit reports could provide the OD valuable information about the performance of subrecipients.

- C. The OD does not have adequate controls and procedures to ensure compliance with the Federal Funding Accountability and Transparency Act (FFATA), and as a result, several subawards were not reported timely as required.

The FFATA requires the reporting of key data elements for certain subawards and subcontracts to promote the transparency and accountability over the use of non-ARRA federal financial awards, and requires such information be made available to the public through a single searchable website. The FFATA requirements relate to direct recipients of grants or cooperative agreements who make first-tier subawards, and to contractors that award first-tier subcontracts. Reporting is required to be made by the end of the month following the month a subaward/subcontract, or an amendment or modification to a subaward/subcontract, greater than \$25,000 was made. According to the OMB Circular A-133 Compliance Supplement, due to the relative newness of the

FFATA, the recipient must at least demonstrate a good faith effort to comply with these requirements, and such effort must be adequately documented.

An OD official was assigned to ensure compliance with FFATA. This official provided copies of correspondence indicating there were delays in obtaining information and guidance from the granting agency needed to comply with the FFATA. As of February 2012, the documentation indicated these issues were resolved. However, none of the 16 subawards issued during state fiscal year 2012 that we reviewed, totaling \$8.6 million, were reported until after our inquiry in October 2012, approximately a year after the information was required to be reported. As of December 2012, 3 of the 16 subawards still had not been reported.

**WE RECOMMEND** the OD:

- A. Resolve the questioned costs with the grantor agency, and ensure adequate records of time worked are prepared and approved by the employee and/or their supervisor to support the salary costs allocated to the program.
- B. Improve procedures to ensure subrecipients are monitored timely. In addition, a system should be established to track Single Audit reports expected and received from applicable subrecipients, and to document the review and follow-up of all subrecipient Single Audit reports received.
- C. Establish procedures to ensure the subaward information required to be reported per the FFATA is complete, accurate, and submitted timely.

**AUDITEE'S RESPONSE**

*We partially agree with the auditor's findings. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the findings.*

**2012-8.**

**Payroll Cost Allocation Procedures**

Federal Agency:	Department of Agriculture Department of Health and Human Services
Federal Program:	10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program 2011 - 2011IS252043, 2011IE251843, 2011CQ270343, and 2011IQ390343 2012 - 2012IS252043, 2012IE251843, and 2012IQ390343 93.558 Temporary Assistance for Needy Families 2011 - G1102MOTANF and 2012 - G1202MOTANF 93.575 Child Care and Development Block Grant 2011 - G1101MOCCDF and 2012 - G1201MOCCDF



	93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund 2011 - G1101MOCCDF and 2012 - G1201MOCCDF
	93.658 Foster Care - Title IV-E 2011 - G1101MO1401 and 2012 - G1201MO1401
	93.659 Adoption Assistance 2011 - G1101MO1407 and 2012 - G1201MO1407
	93.667 Social Services Block Grant 2011 - G1101MOSOSR 2012 - G1201MOSOSR
	93.778 Medical Assistance Program 2011 - 1105MO5ADM and 2012 - 1205MO5ADM
State Agency:	Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)
Questioned Costs:	\$148,884

DFAS controls and procedures over the allocation of some payroll costs to federal programs were inadequate and, as a result, several errors were not prevented and/or detected.

The DFAS has developed procedures to identify and allocate payroll costs to federal programs administered by the department in accordance with the DSS cost allocation plan. These procedures provide for the classification of payroll costs by labor codes. Payroll costs related to some labor codes are directly charged to specific federal programs while payroll costs related to other labor codes are included in the Income Maintenance (IM) or Children's Services (CS) cost pools. Payroll costs included in the cost pools are allocated to federal programs based on the percentage of time worked by employees on certain federal programs. Costs included in the IM cost pool are primarily allocated to the programs administered by the Family Support Division (FSD) and the costs included in the CS cost pool are primarily allocated to programs administered by the Children's Division (CD).

FSD, CD, and MO HealthNet Division Personnel Unit staff assign a labor code to each employee that reflects the employee's position, division, and other programmatic information related to the employee's duties. Each division has the authority to establish new labor codes or modify existing labor codes, as necessary, to account for new programs or facilitate reorganization of existing employees. The DFAS is primarily responsible for determining how those labor codes are to be processed through the cost allocation plan. DFAS officials indicated the Personnel Unit staff notify and discuss with them changes to labor codes so the DFAS can make necessary changes in the allocation of the labor codes to federal grants. The DFAS does not maintain a master listing of the title/definition of each labor code or periodically review labor codes assigned to employees to ensure payroll costs are allocated appropriately.

Our review of selected labor codes charged to the IM and CS cost pools during state fiscal year 2012 identified 3 of 60 employees reviewed (5 percent) were assigned labor

codes that resulted in their payroll costs being charged to the incorrect cost pool. We expanded our review to include all employees assigned the labor codes in question and noted payroll costs were incorrectly charged for two additional employees. The labor codes associated with these errors only include a few employees. DFAS officials indicated the purpose or definition of these labor codes may have changed, but these changes were not properly reflected in the assignment of the labor codes to the cost pools. These errors resulted in overstatements of payroll costs totaling approximately \$236,000 (\$149,000 federal share) and understatements totaling approximately \$139,000 (\$86,000 federal share) for seven federal programs for the year ended June 30, 2012. Identified errors include:

- One labor code that included two FSD administrative support employees was charged to the CS cost pool instead of the IM cost pool. This error resulted in overstatements totaling approximately \$70,200 to four federal programs and understatements totaling approximately \$69,800 to three federal programs. We question the federal share of the overstatements, or \$51,255.
- One labor code that included a CD area director was charged to the IM cost pool instead of the CS cost pool. This error resulted in overstatements totaling approximately \$68,300 to three federal programs and understatements totaling approximately \$68,700 to four federal programs. We question the federal share of the overstatements, or \$35,191.
- One labor code was charged to the CS cost pool; however, the labor code included two employees whose entire payroll costs should have been directly charged to the federal programs related to their duties. These employees provide administrative support for the Caring Communities program funded by the Promoting Safe and Stable Families or the Social Services Block Grant programs. In response to Report No. 2010-30, *State of Missouri, Single Audit, Year Ended June 30, 2009*, issued in March 2010, finding 2009-12, DFAS management indicated the allocation of similar Caring Community partnership costs through the CS cost pool would be discontinued and the costs would be charged directly to the applicable federal programs. This resulted in overstatements to four federal programs totaling approximately \$97,800. We question the federal share of the overstatements, or \$62,438.

As noted above, the identified errors resulted in both understatements and overstatements for various federal programs. We question the federal share of payroll costs related to the overstatements because those costs were not allowable costs of the applicable federal programs. The understatements relate to allowable costs the DSS can allocate to applicable federal programs through future adjustments on cost allocation spreadsheets. Listed below is the federal share of questioned costs related to the overstatements:

CFDA	Program	Amount
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	\$ 17,086
93.558	Temporary Assistance for Needy Families	36,618
93.575/ 93.596	Child Care and Development Block Grant / Child Care Mandatory and Matching Funds of the Child Care and Development Fund	2,429
93.658	Foster Care Title IV-E	47,459
93.659	Adoption Assistance	6,363
93.667	Social Services Block Grant	22,795
93.778	Medical Assistance Program	16,134
Total		\$ 148,884

OMB Circular A-87, Attachment A, Section C states that a cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received. In addition, federal regulation 45 CFR Section 96.30(a) requires the DSS to have sufficient controls over block grants to ensure expenditures are allowable. Without proper controls to periodically review the purpose and definition of labor codes and labor codes assigned to employees, the DFAS cannot ensure payroll costs are allowable and allocable to the various federal programs.

**WE RECOMMEND** the DSS, through the DFAS, resolve the questioned costs with the grantor agency, and establish controls and procedures to ensure payroll costs are allowable and allocable. These procedures should include a periodic documented review of labor codes assigned to employees and the purpose and definition of labor codes to ensure associated payroll costs are charged to appropriate federal programs directly or through the proper cost pool.

#### **AUDITEE'S RESPONSE**

*We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.*

<b>2012-9.</b>	<b>Schedule of Expenditures of Federal Awards</b>
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Federal Agency: Department of Education  
Department of Health and Human Services  
Federal Program: 84.126 Rehabilitation Services - Vocational Rehabilitation  
Grants to States  
2011 - H126A110037 and 2012 - H126A120037  
93.090 Guardianship Assistance  
2012 - 1201MO1409  
93.090 ARRA - Guardianship Assistance

2012 - 1201MO1408  
 93.558 Temporary Assistance for Needy Families  
 2011 - G1102MOTANF and 2012 - G1202MOTANF  
 93.714 ARRA - Emergency Contingency Fund for Temporary  
 Assistance for Needy Families State Program  
 2009 - G0901MOTAN2 and 2010 - G1001MOTAN2  
 93.563 Child Support Enforcement  
 2010 - G1004MO4004  
 2011 - G1104MO4004  
 2012 - G1204MO4005  
 93.568 Low-Income Home Energy Assistance Program  
 2011 - G11B1MOLIEA and 2012 - G12B1MOLIEA  
 93.575 Child Care and Development Block Grant  
 2011 - G1101MOCCDF and 2012 - G1201MOCCDF  
 93.596 Child Care Mandatory and Matching Funds of the Child  
 Care and Development Fund  
 2011 - G1101MOCCDF and 2012 - G1201MOCCDF  
 93.713 ARRA - Child Care and Development Block Grant  
 2009 - G0901MOCCD7  
 93.658 Foster Care - Title IV-E  
 2011 - G1101MO1401 and 2012 - G1201MO1401  
 93.667 Social Services Block Grant  
 2009 - 0901MOSOS2  
 2011 - G1101MOSOSR  
 2012 - G1201MOSOSR  
 93.767 Children's Health Insurance Program  
 2010 - 1005MO5021 and 2011 - 1105MO5021  
 93.778 Medical Assistance Program  
 2011 - 1105MO5MAP and 1105MO5ADM  
 2012 - 1205MO5MAP and 1205MO5ADM  
 93.778 ARRA - Medical Assistance Program  
 2011 - 1105MOARRA, 1105MOHIMP,  
 1105MOINCT and 1105MOEXTN  
 2012 - 1205MOIMPL and 1205MOINCT

State Agency: Department of Social Services (DSS) - Division of Finance  
 and Administrative Services (DFAS)

As noted in the prior audit report, DFAS controls and procedures over the preparation of the Schedule of Expenditures of Federal Awards (SEFA) are not sufficient, and as a result, errors on the SEFA were not prevented and/or detected. Expenditures reported on the SEFA for 7 of 18 (39 percent) programs reviewed were overstated by a net amount of approximately \$16.9 million (overstatements totaled approximately \$23.4 million and understatements totaled approximately \$6.5 million). Listed below are the misstatements applicable to each program:

<b>CFDA</b>	<b>Program</b>	<b>Overstated/ (Understated)</b>
93.090	Guardianship Assistance	\$ (3,133,866)
93.090	ARRA - Guardianship Assistance	(158,492)
93.563	Child Support Enforcement	(401,163)
93.575	Child Care and Development Block Grant	22,975,559
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	5,520
93.658	Foster Care - Title IV-E	435,043
93.667	Social Services Block Grant (SSBG)	(2,771,173)

In addition to the above errors, the amount provided to subrecipients was understated by approximately \$6.4 million for the Low-Income Home Energy Assistance Program (LIHEAP). The DFAS revised the schedule after we brought the above errors to management's attention.

DFAS personnel prepare the SEFA from various records, including the program federal reports, the cost allocation plan, and other internal spreadsheets. In response to our prior finding, the DSS implemented new written procedures over the preparation of the SEFA in fiscal year 2012 including additional reviews and the use of a checklist by the preparer and reviewers. The checklist requires the reviewers to perform a comparison of expenditure amounts by program to federal reports, the cost allocation plan, or other documentation. The reviewers did not document which specific programs were verified and which documents were used to verify the SEFA amounts. The errors discussed above were not detected during the review process.

The majority of the above errors resulted from the incorrect compilation of data from program federal reports or other documentation during preparation of the SEFA. In addition, the amount paid to subrecipients for the LIHEAP program was understated because DFAS personnel were not aware how to identify the applicable population of payments in SAM II. The SSBG expenditure amount was understated because DFAS personnel preparing the SEFA did not include amounts expended by another state agency. DFAS personnel also stated Guardianship Assistance expenditures were not included on the SEFA schedule because the federal grantor agency did not allow the DSS to draw down grant funds until fiscal year 2013 although the expenditures were claimed for reimbursement in fiscal year 2012. However, the DSS properly recognized similar expenditures for other grants in the year claimed for reimbursement rather than when the funds were drawn down. It is unclear why the DSS reconciliation of the federal reports and other documentation to the prepared SEFA failed to detect these misstatements.

OMB Circular A-133, section .310(b)(3), requires the DSS prepare a schedule of expenditures of federal awards showing the financial activity for each federal program. To ensure the SEFA is complete and accurate, effective procedures should be established, including a documented reconciliation to federal reports and detailed supervisory review.

**WE RECOMMEND** the DSS, through the DFAS, continue to implement controls and procedures to ensure the schedule of expenditures of federal awards is complete and accurate.

**AUDITEE'S RESPONSE**

*We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.*

**2012-10.**

**Reporting**

Federal Agency:	Department of Health and Human Services
Federal Program:	93.558 Temporary Assistance for Needy Families 2011 - G1102MOTANF and 2012 - G1202MOTANF
	93.568 Low-Income Home Energy Assistance Program 2011 - G11B1MOLIEA and 2012 - G12B1MOLIEA
	93.575 Child Care and Development Block Grant 2011 - G1101MOCCDF and 2012 - G1201MOCCDF
	93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund 2011 - G1101MOCCDF and 2012 - G1201MOCCDF
	93.667 Social Services Block Grant 2011 - G1101MOSOSR and 2012 - G1201MOSOSR
State Agency:	Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)

The DFAS does not have adequate controls and procedures to ensure compliance with the Federal Funding Accountability and Transparency Act of 2006 (FFATA) and, as a result, several subawards were not reported as required.

The FFATA requires the reporting of key data elements for certain subawards and subcontracts to promote the transparency and accountability over the use of non-ARRA federal financial awards, and requires such information be made available to the public through a single searchable website. The FFATA requirements relate to direct recipients of grants or cooperative agreements who make first-tier subawards, and to contractors that award first-tier subcontracts. Reporting is required to be made by the end of the month following the month a subaward/subcontract, or an amendment or modification to a subaward/subcontract, greater than \$25,000 was made. According to the OMB Circular A-133 Compliance Supplement, due to the relative newness of the FFATA, the recipient must at least demonstrate a good faith effort to comply with these requirements, and such effort must be adequately documented.

The DFAS has developed written procedures for FFATA reporting. The procedures require a designated DFAS employee to ask the Purchasing Unit monthly which federally

funded subaward contracts or agreements exceeding \$25,000 were issued during the month. The Purchasing Unit manager is required to respond and provide copies of the applicable contracts or agreements. The Purchasing Unit manager identifies the subaward contracts by the inclusion of certain attachments. Subaward contracts identify the recipient as a subrecipient and the DSS requires an attachment identifying information about the grantor agency, federal grant, grant terms and conditions, and audit requirements. Additionally, the DSS requires the contract/agreement recipient complete a separate FFATA attachment that includes certain details required to be reported for the FFATA. DFAS officials indicated there is no supervisory review of the FFATA entries or the information submitted to the DFAS and DFAS staff do not compare subawards for a grant to prior year submissions.

We reviewed 24 of the 41 subawards for four federal grants. For 23 of the 24 subawards reviewed, totaling approximately \$35.3 million, FFATA information was either not reported or not reported timely.

- The DFAS did not timely report a Child Care and Development Block Grant subaward totaling approximately \$3.5 million. After our inquiry, approximately 9 months after the information was required to be reported, the DSS reported this subaward. The employee responsible for entering data in the federal system indicated Purchasing Unit staff did not inform her of this agreement.
- The DFAS did not timely report two Social Services Block Grant subawards totaling approximately \$6.8 million. These subawards were not reported until 4 and 5 months, respectively, after required. DFAS officials indicated these awards were likely reported late because the grantor agency did not upload the prime award information timely. DFAS officials did not document this delay and could not provide evidence that a good faith effort had been previously taken to comply with FFATA requirements.
- The DFAS did not report increases in the amount of Low-Income Home Energy Assistance Program monies obligated to ten Community Action Agencies as required. While the original subawards were reported as required in October 2011, each of the ten contracts were subsequently amended by more than \$25,000 in February 2012. The subaward increases totaled approximately \$5 million. DFAS procedures do not address whether Purchasing Unit staff should identify amendments increasing subawards for FFATA reporting.
- The DFAS did not report Temporary Assistance for Needy Families subawards, totaling approximately \$20 million, to ten contractors. The DSS indicated the amounts were not reported because the fiscal year 2012 subaward contracts did not designate the contractors as subrecipients, so they were not identified as contracts to be reported. The fiscal year 2013 contracts do designate the contractors as subrecipients and the DSS intends to report the current subawards in accordance with the FFATA.

Strengthening procedures over FFATA reporting would provide the DSS more assurance information included in the FFATA data for the various programs is complete, accurate, and reported timely.

**WE RECOMMEND** the DSS, through the DFAS, improve controls to ensure the subaward information required to be reported per the FFATA is complete, accurate, and submitted timely. In addition, the DSS should report the 2012 subawards not yet reported as required.

### **AUDITEE'S RESPONSE**

*We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.*

<b>2012-11.</b>	<b>Child Care Eligibility and Payments</b>
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Federal Agency:	Department of Health and Human Services
Federal Program:	93.575 Child Care and Development Block Grant 2011 - G1101MOCCDF and 2012 - G1201MOCCDF 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund 2011 - G1101MOCCDF and 2012 - G1201MOCCDF 93.713 ARRA - Child Care and Development Block Grant 2009 - G0901MOCCD7
State Agency:	Department of Social Services (DSS) - Children's Division (CD), Family Support Division (FSD), and Division of Legal Services (DLS)
Questioned Costs:	\$298,847

As noted in our prior two audit reports, significant weaknesses exist in DSS controls over Child Care Development Fund (Child Care) eligibility and provider payments. Controls are not sufficient to prevent and/or detect payments on behalf of ineligible clients or improper payments to child care providers. Eligibility and payment documentation could not be located for many child care cases reviewed and overpayments were made to some providers. In addition, controls over investigations of potentially fraudulent child care payments need improvement. During the year ended June 30, 2012, the DSS paid over 8,200 child care providers approximately \$172 million for services provided to about 85,000 children.

The DSS provides funds to child care providers who serve eligible clients. Federal regulation 45 CFR Section 98.20 provides that to be eligible for services the child must 1) be under 13 years old, or at the option of the DSS under age 19 and physically or mentally incapable of caring for himself/herself or under court supervision, 2) live with a family who meets certain income guidelines, and 3) have parents who are working or attending a job training or educational program.



Parents/caregivers apply to FSD or CD case workers for participation in the program. Once approved, the parent/caregiver selects a child care provider and the DSS enters into an agreement with the provider for child care services. To comply with federal requirements, the DSS Income Maintenance manual requires that case workers set maximum authorized service units for the amount and type of care that best meets the family's need; and maintain case file documentation, including the child care application or a signed system-generated interview summary and copies of income (including work hours) or educational program verifications to support eligibility determination. The DSS Income Maintenance manual also limits the number of absences and holidays eligible for reimbursement.

In addition, the Child Care policy manual and provider agreements require that providers submit a monthly invoice electronically via the internet through the Child Care Online Invoicing System (CCOIS) or manually through the Child Care Provider Relations Unit. The CCOIS system interfaces with the Family Assistance Management Information System (FAMIS) eligibility and payment system to process provider payments. Additionally, providers are required to maintain detailed attendance records documenting daily arrival and departure times and containing parent/caregiver signature verifying the child received the services. Although all providers are required to retain attendance records for 5 years, the DSS only requires registered (license exempt) providers who submit manual invoices to submit attendance records for payment.

- A. Controls over eligibility and provider payments are not sufficient to prevent and/or detect payments made on behalf of ineligible clients or improper payments to child care providers. The DSS has only limited procedures to review eligibility determinations and current procedures are inadequate to monitor payments to providers.

To test compliance with program requirements, we sampled eligibility documentation for 60 children, and reviewed provider agreements and payment documentation supporting one payment for each of these children. Payments totaling approximately \$151,000 were made to child care providers on behalf of these children during state fiscal year 2012. We noted the following:

- The DSS could not locate the child care eligibility file for 5 of 60 (8 percent) cases reviewed. For two files, the DSS could not locate any original signed information and provided only reprinted information from the FAMIS system. The remaining three files included information related to other benefit programs or child care information for other time periods; however, child care eligibility information for the audit period was missing. In addition, the DSS could not locate an additional two files until approximately 5 months after our initial request. Child care payments made on behalf of these children and their siblings during the year ended June 30, 2012, totaled \$51,884. We question the federal share of \$42,026 (81 percent).

- Eligibility documentation was not sufficient to support a valid need for child care for 5 of 60 (8 percent) cases reviewed. For one case, the client did not report all sources of income and additional income identified later by the DSS made her ineligible for benefits. For the remaining four cases, there was no documentation supporting the need for child care while enrolled in an educational program for all or part of the year. Payments totaling \$12,603, made on behalf of these children and their siblings, were unallowable and/or unsupported by adequate documentation. We question the federal share of \$10,208 (81 percent).
- For child care payments, 22 of 60 (37 percent) payments reviewed were not supported by adequate documentation and/or were not in compliance with DSS policies. Attendance records were not provided by child care providers upon our request, some provider invoices did not agree to the corresponding attendance records, and one provider was paid more than the authorized number of days. In addition, documentation supporting some authorizations for payments at enhanced evening/weekend rates could not be located. Of these 22 payments, 6 were for cases which also lacked eligibility documentation and were included in the questioned costs above or were absence and/or holiday payment errors and are questioned in Part B. Payments for the remaining 16 cases totaled an additional \$3,989. We question the federal share of \$3,231 (81 percent).

During the fiscal year ended June 30, 2012, there was a lack of overall quality control for the Child Care program. The various errors noted above occurred because the DSS lacks sufficient controls to ensure eligibility determinations are accurate and payments are proper and adequately supported. At least three significant factors contributed to the weak control system including: limited supervisory review of child care eligibility determinations, failure to perform on-site contract compliance reviews of child care providers and minimal other procedures in place to review provider attendance records, and poor case management and document retention.

In response to deficiencies identified in previous audit reports, the DSS implemented new controls over eligibility determinations. Although the DSS has a system for monthly supervisory reviews of eligibility determinations by caseworkers statewide for other DSS assistance programs, the review system did not previously include the Child Care program. Effective March 1, 2012, the DSS requires all FSD eligibility supervisors to review a minimum of three child care cases each month in the case review system. While the new procedures improve controls over eligibility determinations, there are no requirements for random case selection and only limited procedures to ensure the monthly case reviews are performed.

The DSS needs to review and strengthen policies and procedures to ensure child care payments are made only on behalf of eligible clients, invoices agree to the

corresponding attendance records, attendance records are complete, payments are in accordance with department policy, and appropriate child care services are authorized. These procedures should include sufficient monitoring of eligibility determinations and provider payments, and follow-up on errors identified. Complete and accurate case records are critical in properly administering the program.

Payments associated with known questioned costs represented approximately 20 percent of payments reviewed. If similar errors were made on the remaining population of child care payments, questioned costs could be significant.

- B. Controls and procedures over absence and holiday payments are inadequate and, as a result, the DSS paid at least \$300,000 to providers who did not actually provide child care for the children claimed. In addition, some payment edit checks in the FAMIS and CCOIS systems were not operating effectively.

Child care providers are allowed to bill for a limited number of absences and/or holidays during a month if the child has not left the provider's care. Our review of DSS expenditure data determined the DSS paid at least 680 providers on behalf of at least 2,900 children for absences and/or holidays in months with no attendance reported for the child during either the month reported or the subsequent month. For many of these the provider billed and was paid for the maximum number of absences and/or holidays allowed even though no other services were provided or billed. Identified payments made on behalf of these children with fiscal year 2012 service dates totaled \$300,471. We question the federal share, or \$243,382 (81 percent). For at least two children, the DSS paid the provider for absences and/or holidays for all 12 months when there was no other claimed attendance. We also identified an additional \$133,645 in potentially unallowable payments on behalf of children who had attendance in the subsequent month but their case was not reviewed by the DSS in accordance with policy or the service date was outside of the audit period, and we could not confirm if they had additional attendance. DSS officials confirmed there is no system edit in place to prevent providers from billing for only absences and/or holidays.

We also noted additional weaknesses in the FAMIS (eligibility and payments) and CCOIS (web invoicing) systems. In some instances the FAMIS system paid providers more than the allowed number of absences and/or holidays when a child care authorization ended during the month and a new authorization subsequently began in the same month. For example, the DSS paid one provider for nine absences and one holiday in November 2011 because the FAMIS system allowed five absences and/or holidays for the child's authorization period that ended on November 17 and also the new authorization period that began on November 18. CD officials were not aware edit checks were not operating correctly. Providers are limited to a maximum of three or five absences and holidays combined, per calendar month, depending on the child's authorized level of care. In addition, the CCOIS system does not limit the service dates that can be claimed for payment.

Some payments made during state fiscal year 2012 were for services provided as old as February 2007. Payments for service dates prior to January 2011 totaled over \$388,000. While some older service date payments may be allowable or correcting entries, CD officials stated they were not aware older entries by providers were possible and thought the FAMIS system would limit the service dates that could be paid even if the CCOIS allowed the service dates to be entered by providers.

Current DSS policy prohibits providers from billing for absences and/or holidays after a child has left the care of a provider. Officials indicated there may be times when a child is temporarily absent from the provider, but the determination of whether the provider would be allowed to claim absences and/or holidays would need to be addressed on a case by case basis. Policy instructs employees to review the child's authorization and circumstances when a provider claims only absences. However, this does not occur in practice, because procedures do not exist to review any web invoices prior to payment, including those submitted with only absences and/or holidays. Without adequate controls and procedures in place, including appropriate computer system edits, the DSS is unable to effectively prevent and detect improper payments.

- C. Controls over child care fraud investigations are not sufficient to ensure cases are investigated timely and effectively. The Division of Legal Services - Welfare Investigations Unit (WIU) is responsible for investigating cases of suspected fraud for all DSS public assistance programs, including the Child Care program. The WIU closed 27 fraud investigations that included child care benefits during the year ended June 30, 2012, and as of December 31, 2012, had 165 open fraud investigations (both client and provider fraud) that included child care benefits. Approximately 30 percent of the open investigations were opened prior to January 2012.

We reviewed ten investigations closed during fiscal year 2012 and noted two of these investigations were not reviewed by the WIU timely. One of the investigations was open for over 5 years and eventually closed without a repayment agreement because the statute of limitations had expired. The other investigation was open for 3 years with no repayment agreement. The WIU referred this client to the CD and the CD did not deny eligibility to the client as required until 6 months later.

Officials indicated there is no specific method established to prioritize pending investigations. The supervisor in each of the five regional offices assigns new cases to investigators and monitors caseloads, but procedures vary between offices. DSS officials stated current DLS staffing levels may affect the number of cases that can be investigated.

45 CFR Section 98.60 requires states recover child care payments from the responsible party that are the result of fraud. The DSS Child Care Policy manual

states upon application for child care benefits the eligibility specialist is required to check for outstanding claims against the client and contact the WIU to determine if the family is paying restitution. If the client is not paying restitution as required the eligibility specialist is required to reject the application.

**WE RECOMMEND** the DSS through the CD, FSD, and DLS resolve the questioned costs with the grantor agency and:

- A. Review and strengthen policies and procedures regarding child care eligibility determinations, provider payments, and case record documentation and retention. These procedures should include sufficient monitoring of eligibility determinations and provider payments, and follow-up on errors identified.
- B. Implement procedures to ensure payments for absences and holidays are allowable and reviewed in accordance with policy. In addition, system controls should be strengthened to ensure claimed absences are limited in accordance with policy and services dates claimed are timely.
- C. Improve controls and procedures over fraud investigations and ensure cases are investigated timely, appropriate actions are taken to recover overpayments, and eligibility is not approved when the client is not repaying.

### **AUDITEE'S RESPONSE**

*We agree with the auditor's findings. Our Corrective Action Plan includes our planned actions to address the findings.*

<b>2012-12.</b>	<b>Child Care Reporting and Earmarking</b>
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Federal Agency:	Department of Health and Human Services
Federal Program:	93.575 Child Care and Development Block Grant 2011 - G1101MOCCDF and 2012 - G1201MOCCDF 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund 2011 - G1101MOCCDF and 2012 - G1201MOCCDF
State Agency:	Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)

DFAS controls over the preparation of quarterly federal financial reports are inadequate and, as a result, some reports were inaccurate. Additionally, DFAS procedures need improvement to ensure Child Care and Development Fund (CCDF) federal earmarking requirements (targeted funds) are met. As a result, the DFAS did not report meeting two of three targeted fund requirements for federal fiscal year 2012.

- A. Expenditure amounts reported on CCDF quarterly financial reports (ACF-696) for two quarters exceeded actual expenditures because formula errors in a supporting spreadsheet were not detected. The ACF-696 reports Mandatory, Matching, and Discretionary grant cumulative expenditure and obligation information for the federal fiscal year as well as required Maintenance of Effort (MOE) expenditures.

The DFAS Grants Unit Manager prepares the ACF-696 reports quarterly. A spreadsheet is used to determine the federal amounts for each grant type and the MOE amount to be included. The manager enters the quarterly federal allotment amounts from grantor agency award letters and actual administrative and earmark expenditures from cost allocation spreadsheets. A spreadsheet formula then calculates the direct services (assistance) expenditure amount by deducting the cumulative actual administrative and earmark expenditures from the cumulative allotment amount. When actual expenditures exceed the allotted amount, the formula accurately limits the reported expenditures to the allotment. However, when actual expenditures are less than the allotment, the balance of the allotment is inappropriately reported as direct services expenditures. DFAS officials indicated, in the past, actual expenditures always exceeded the grant allotment. In fiscal year 2012, the number of child care recipients decreased causing two quarters of expenditures to be less than the quarterly allotment. The DFAS Deputy Director reviews the quarterly reports and the DFAS Director electronically signs the reports before they are electronically submitted to the Administration for Children and Families (ACF). The report review does not include a detailed comparison of amounts to source documentation or a review of formulas in supporting spreadsheets.

Our review of the federal fiscal year 2012 quarterly ACF-696 reports noted the assistance amounts reported for the quarters ended March 31, 2012, and December 31, 2011, exceeded total assistance expenditures reported on the respective quarterly cost allocation spreadsheets. The spreadsheet formula error discussed above caused the DSS to improperly report the full grant allotment as expended rather than the lesser actual expenditures amount. For these two quarters the DSS reported approximately \$7.9 million (federal, state match, and MOE) more in expenditures than the amount supported by the quarterly cost allocation spreadsheets. While the actual assistance expenditures were overstated for these two quarters, by year-end total federal fiscal year 2012 eligible assistance expenditures exceeded the grant award by \$150,000. If eligible expenditures had not exceeded the available grant award by year end, the errors could have resulted in claiming unallowable expenditures on federal reports and likely questioned costs.

ACF report guidance states all amounts reported on required quarterly reports must be actual obligations or expenditures made under the State's plan and in accordance with all applicable statutes and regulations. Additionally, the grant terms require the grantee's fiscal and accounting procedures be sufficient to permit the preparation of required reports and tracing of expenditures to a level of

expenditure adequate to establish that such funds have not been used in violation of 45 CFR Part 98. Inadequate supervisory reviews of federal reports and supporting spreadsheets could hinder the ability to manage federal funds effectively and to comply with federal regulations.

- B. The DFAS initially reported two of three targeted fund requirements were not met for federal fiscal year 2012. After our review, the DFAS revised the federal reports to show earmarking requirements were met; however some revised amounts were not supported. Federal CCDF appropriations require states to spend funds on three targeted quality activities including Child Care Resource and Referral and School-Aged Child Care (school age), Quality Expansion Activities (quality), and Infant and Toddler Care Activities. The DSS subgrants monies to other state agencies to provide services to satisfy a portion or all of the target requirements.

The amount reported for the quality target was approximately \$1.6 million less than the \$3.7 million targeted spending requirement. The amount reported for the school age target was approximately \$188,000 less than the \$361,000 targeted spending requirement. After our initial review, the DFAS determined the quality target was actually met, but misreported on the federal reports due to a formula error in a supporting spreadsheet which resulted in the exclusion of some expenditures for the quarters ended September 30, 2012, and June 30, 2012. The DFAS revised the federal report for the quarter ended September 30, 2012, correctly reporting expenditures in excess of the required quality target amount.

The DFAS also revised school age target amounts by adding \$200,000 to the reported amount for a total of \$373,000. The Grants Unit Manager stated she discussed the target requirement with the other agency that provides school age services, which indicated at least a portion of the agency's other CCDF expenditures would likely qualify for inclusion under the school age target. The Grants Unit Manager increased the reported amount for the school age target based on this assumption; however, the DFAS has no documentation to support which other expenditures would qualify and in what amount. It is unclear, based on the funded activities described in the DSS agreement with the other agency, which, if any, of the other expenditures would qualify. Officials indicated they are considering requiring the other state agency submit more detailed reports of monthly expenditures to allow the DFAS to clearly identify which expenditures satisfy this target.

CCDF grant terms and conditions require states to spend their full allotment of targeted funds and these expenditures must be separately reported on quarterly financial reports. To ensure earmarking requirements are met and tracked, and amounts claimed are adequately supported and allowable, earmarking procedures should be improved.

**WE RECOMMEND** the DSS, through the DFAS:

- A. Improve controls and procedures to ensure quarterly federal financial reports are complete and accurate and reflect actual expenditures. Controls and procedures should include a supervisory review of quarterly reports sufficient to detect errors.
- B. Ensure earmarking requirements are met and improve controls for tracking and reporting targeted fund expenditures. Controls should be sufficient to ensure targeted fund expenditures are allowable and supported.

**AUDITEE'S RESPONSE**

- A. *We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.*
- B. *We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.*

<b>2012-13.</b>	<b>Vocational Rehabilitation</b>
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Federal Agency:	Department of Education
Federal Program:	84.126 Rehabilitation Services - Vocational Rehabilitation Grants to States 2011 - H126A110037; 2012 - H126A120037
State Agency:	Department of Social Services (DSS) - Family Support Division (FSD) - Rehabilitation Services for the Blind (RSB)
Questioned Costs:	\$5,903

The RSB did not adequately review provider billings or obtain independent employment verification for employment services (ES) paid through the Vocational Rehabilitation (VR) program. Additionally, the RSB did not adequately document annual reviews of Individualized Plans for Employment (IPE).

- A. The RSB did not adequately review ES provider billings and other supporting documentation and did not obtain independent verification of employment of the clients prior to payment for job placement services. The RSB contracts with ES providers for functional assessments, job coaching, job development and placement, and on-going support services for clients. During the year ended June 30, 2012, the RSB paid approximately \$215,000 to nine ES providers. We were made aware of concerns regarding billings of one ES provider which was paid about \$104,500 for services for 69 RSB clients. We reviewed 8 of the 69 cases, covering payments totaling \$9,927.



For seven of the eight cases, payments totaling \$7,501 were made even though at least one or more of the required reports or monthly logs was not submitted by the provider. In addition, a monthly log for one case appeared to be a duplicate of the prior month's log, and the client signature on that log was not consistent with other signatures made by the client in the file. We question the federal share of payments for ES services for these seven cases, or \$5,903 (78.7 percent).

For one of the seven cases, the provider received a payment of \$1,852 for placing the client in employment. While the vendor provided the RSB with a placement notice listing the position and employer name, the case file contained no documented contact between the RSB and the client or employer verifying the job placement.

Invoices, monthly progress reports and monthly logs showing the hours of services provided, if applicable, are received by the district VR offices and reviewed by the RSB counselor or rehabilitation assistant. An RSB official indicated the vendor is expected to obtain a signature from the client verifying receipt of services for hours reported on the monthly log. RSB staff compare the invoice to the progress report or monthly log and the case file to ensure the information agrees and the services were authorized. Their approval to authorize payment is documented on the invoice with initials or a signature. We noted this review lacked independent verification of client employment activity with the client or employer and clients are generally not contacted about invoices unless something unusual is noted. Based on the issues we noted with the files tested, the RSB review of provider billings and supporting documentation does not appear adequate or thorough. Given the high rate of exceptions and questionable documentation noted in our review, the RSB should consider more closely reviewing the remainder of the billings reimbursed to this provider.

Federal regulation 34 CFR Section 74.21 states recipients shall provide effective controls over and accountability for all funds, and have procedures for determining the reasonableness, allocability, and allowability of costs in accordance with the provisions of the federal cost principles. Adequate documentation is necessary to ensure the appropriateness of these expenditures.

- B. The RSB does not always conduct or adequately document annual reviews of IPEs. Without adequate documentation, it is unclear whether the reviews were performed as required. During the year ended June 30, 2012, purchased services and products for VR clients totaled approximately \$5.2 million.

An IPE is developed for each individual determined to be eligible for vocational rehabilitation services. The IPE is designed to achieve a specific employment outcome for each individual based on their strengths, resources, priorities, and capabilities. The IPE generally outlines the services authorized to achieve the set goals and employment outcome. An annual review of the IPE is required by

federal regulation to assess the progress of each individual and to determine the continued need for the services outlined in the IPE.

We noted documentation of the annual review was not included in the case file for 14 of 47 (30 percent) cases tested. The case files generally included documentation indicating the cases were being actively managed and IPEs were often amended. In addition, case counselors regularly approved payments for VR services authorized in the individual's IPE; however, the case file contained no documentation of an annual review of the IPE. RSB officials indicated they are implementing, in February 2013, a new management report from the RSB case management system that will allow RSB management and caseworkers to more easily identify cases in need of an annual review of the IPE.

Federal regulation 34 CFR Section 361.45(d)(5) requires the IPE to be reviewed at least annually by a qualified vocational rehabilitation counselor to assess the eligible individual's progress in achieving the identified employment outcome.

**WE RECOMMEND** the DSS, through the FSD and RSB:

- A. Resolve the questioned costs with the grantor agency. In addition, the FSD should establish procedures to improve the billing review process for ES providers, conduct independent verification of job placement for VR clients, and ensure adequate supporting documentation is obtained for all expenditures. The RSB should also consider more closely reviewing the remainder of the billings reimbursed to this provider.
- B. Ensure annual reviews of the IPE for VR clients are performed and documented as required.

**AUDITEE'S RESPONSE**

*We partially agree with the auditor's findings. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the findings.*

<b>2012-14.</b>	<b>Unallowable Costs and Maintenance of Effort</b>
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Federal Agency:	Department of Health and Human Services
Federal Program:	93.558 Temporary Assistance for Needy Families 2011 - G1102MOTANF and 2012 - G1202MOTANF
State Agency:	Department of Social Services (DSS) - Family Support Division (FSD)
Questioned Costs:	\$56,625,807

The DSS does not have adequate controls in place to ensure costs claimed under the Temporary Assistance for Needy Families (TANF) program meet federal requirements. The DSS claimed unallowable foster care, adoption assistance, and subsidized guardianship costs totaling over \$32.4 million under the TANF program. The DSS included unallowable educational program costs as qualifying under the maintenance of effort (MOE) requirement for the TANF program. In addition, the DSS claimed unallowable scholarship program costs totaling about \$24.2 million directly under the TANF program. Similar findings were noted in our two prior audit reports. The federal oversight agency has not provided any formal resolution on these issues.

The four purposes of the TANF program as stated in 45 CFR Section 260.20 include: (1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; (2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; (3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and (4) encourage the formation and maintenance of two-parent families.

- A. The DSS claimed unallowable state foster care, adoption assistance, and subsidized guardianship costs under the TANF program. Federal regulation, 45 Section 263.11, includes a grandfather clause allowing states to continue to claim expenditures previously authorized under certain federal programs which are now obsolete. Such expenditures are referred to as prior approved program costs. The DSS identified the foster care, adoption assistance and subsidized guardianship costs as authorized under the IV-A Emergency Assistance (EA) Plan in effect on September 30, 1995. However, EA that may be claimed as a prior approved program cost is limited by the 1995 IV-A EA plan, to a maximum duration of 365 days or less as necessary to alleviate the emergency condition, and must be authorized within a single 30-day period no less than 12 months after the beginning of the family's last EA authorization period.

The DSS started claiming certain child welfare expenditures in state fiscal year 2006 including some state foster care, adoption assistance, and subsidized guardianship under the TANF program. Expenditures claimed do not appear to meet the criteria for emergency assistance. The foster care, adoption assistance, and guardianship expenditures can and often do extend beyond 12 months and do not necessarily correspond to an emergency or an emergency assistance authorization. While it is clear that some expenditures for some families within those categories would meet the requirements as a prior approved program cost, the DSS does not have a methodology to track which specific foster care, adoption assistance and guardianship expenditures meet the emergency assistance criteria and were authorized as required.

The foster care, adoption assistance, and subsidized guardianship costs claimed included non-emergency assistance, and the costs claimed for emergency assistance are not separately identified; therefore all costs are unallowable. We

question all state fiscal year 2012 costs for foster care, adoption assistance, and subsidized guardianship claimed under the TANF program, totaling \$32,412,572 (100 percent federal share).

- B. The DSS included unallowable early childhood educational expenditures of the Missouri Pre-School Program totaling \$14,307,089 in the amounts reported for the annual MOE requirement. MOE is the minimum amount of funding the state must expend from other funding sources as a condition of receiving TANF funding each year. Qualifying activities provided to TANF eligible families may be included in MOE. In addition, qualifying activities provided to families who are not eligible for participation in the TANF program may be included in MOE only if those activities meet certain criteria. The MOE must meet a threshold based on either 80 percent (\$128.1 million) or 75 percent (\$120.1 million) of the 1994 base year expenditures, depending on whether the state meets the work participation rate requirements for the fiscal year. This is termed “basic MOE” and the requirement is based on the federal fiscal year.

MOE expenditures must be made on behalf of eligible TANF families pursuant to 42 USC Section 609(a)(7)(B)(i)(IV). Eligible families are defined in 45 CFR Section 263.2, as families who meet the income and resource standards and other eligibility criteria defined in the state TANF plan. For federal fiscal year 2009 and forward, states are only allowed to claim specific activities for families who are not TANF eligible if the expenditure is closely related to the promotion of healthy marriages and responsible fatherhood as defined in Department of Health and Human Services (DHHS), Administration for Children and Families (ACF) directive TANF-ACF-PI-2008-10 issued October 23, 2008.

We reviewed all sources of MOE claimed for federal fiscal year 2011 and noted the DSS had insufficient documentation to support the inclusion of the Missouri Pre-School Program as an allowable source of MOE. The program was operated by the Missouri Department of Elementary and Secondary Education. The DSS began including this educational program in MOE in 2007.

The Missouri Pre-School Program appears to fall under the category of early childhood education programs which have been deemed by the ACF as meeting TANF purposes 3 and 4 under certain conditions. However, for this program activity to be includable in MOE, the activity must be provided to TANF eligible families or, for families who are not eligible to participate in the TANF program, those programs must be closely related to the promotion of healthy marriages and responsible fatherhood. The DSS does not have a methodology to track which expenditures within this program benefit only TANF eligible families. The DSS has also not determined and documented how this program was closely related to the promotion of healthy marriages and responsible fatherhood for families not eligible for TANF participation. Therefore, the DSS is unable to substantiate which, if any, expenditures for the Missouri Pre-School Program are an allowable

source of MOE. For this program, the DSS claimed unallowable costs totaling approximately \$14 million in federal fiscal year 2011.

For federal fiscal year 2011, DSS reported MOE total expenditures of \$178.9 million including the unallowable Missouri Pre-School Program costs of \$14 million. It appears the allowable MOE expenditures were \$164.9 million which exceeds the required MOE for federal fiscal year 2011. The DSS did not comply with TANF program requirements related to MOE and continuing to claim unallowable MOE expenditures increases the risk the DSS could fail to meet the MOE requirements. Under 45 CFR Section 263.8, the failure to meet the MOE requirement may result in a penalty, which is a dollar for dollar reduction in the TANF grant award for the subsequent year. In addition, the amount of MOE in excess of required levels is a critical factor in the case load reduction credit that is used by the ACF to determine if the state meets the minimum work participation rate. Failure to meet the work participation rate could result in additional significant penalties.

- C. For the quarter ended September 30, 2011, the DSS claimed costs under the TANF program, totaling \$24,213,235, related to two scholarship programs: A+ Schools, and Bright Flight Scholarships. According to the TANF Funding Guide, the ACF indicates TANF expenditures may include expenditures for TANF eligible families that serve to meet any of the four purposes of the TANF program. For families that are not TANF eligible, the funded activities must serve to meet TANF purposes 3 or 4, which relate to preventing and reducing out-of-wedlock pregnancies and encouraging the formation and maintenance of two-parent families. The DSS reported the scholarship programs meet TANF purposes 3 and 4; however, the DSS has not determined and documented there is any correlation between those programs and any of the four TANF purposes. We question the state fiscal year 2012 costs for scholarship programs that were claimed under the TANF program, totaling \$24,213,235 (100 percent federal share).
- D. The DSS control system has not been effective in ensuring the types of costs claimed under the TANF program or recorded as TANF MOE meet all federal regulatory and grant requirements, resulting in unallowable costs and unqualified sources of MOE claimed against the federal TANF grant. Such a control system should include formal evaluations, periodic re-evaluations, and management review of the related federal regulations and expenditure categories to ensure expenditures claimed under the TANF program or recorded as TANF MOE meet all federal regulatory and grant requirements.

**WE RECOMMEND** the DSS resolve the questioned costs with the grantor agency and:

- A. Ensure prior approved program costs claimed under the TANF program comply with federal regulations.

- B. Ensure expenditures claimed as MOE are allowable.
- C. Ensure program costs claimed under the TANF program comply with federal regulations.
- D. Establish a formal control system to ensure the types of costs claimed under the TANF program or recorded as TANF MOE meet all federal regulatory and grant requirements.

### **AUDITEE'S RESPONSE**

*We disagree with the auditor's findings. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.*

<b>2012-15.</b>	<b>Eligibility and TANF Assistance Payments</b>
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Federal Agency:	Department of Health and Human Services
Federal Program:	93.558 Temporary Assistance for Needy Families 2011 - G1102MOTANF and 2012 - G1202MOTANF
State Agency:	Department of Social Services (DSS) - Family Support Division (FSD)
Questioned Costs:	\$20,261

The FSD did not act promptly or properly on information affecting recipient eligibility and eligibility documentation was not complete for some Temporary Assistance for Needy Families (TANF) recipients reviewed. In addition, sanctions were not imposed on recipients who failed to cooperate with Child Support Enforcement (CSE) procedures. During the state fiscal year ended June 30, 2012, the DSS expended federal funding of about \$199 million for the TANF program, of which about \$95 million was basic assistance payments to families. Similar conditions were noted in our prior audit.

- A. The FSD paid TANF benefits to some recipients who may not have been eligible or were ineligible for the full amount of TANF payments received. We sampled 60 recipients, with payments totaling \$135,618 for the year ended June 30, 2012, and noted concerns with 13 (22 percent) of the cases tested. The purpose of the test was to determine whether the proper eligibility determinations were made, and whether payments were calculated in accordance with program requirements, including obtaining any required documentation.
  - For five recipients tested, the eligibility specialist did not act promptly or properly on available information affecting recipient eligibility, resulting in payment of improper benefits. In four cases, the eligibility specialist did not take action after receiving system alerts of changes in recipient income and employment identified by periodic matches between various federal and state databases. In another case, the eligibility specialist did not act promptly to

close the case after being notified of client ineligibility by the FSD medical review team. The FSD failed to detect four of the five instances noted here. The FSD indicated the cases have now been closed and claims for repayment of the improper benefits have been established for all five recipients. We question the amount of improper benefits paid to these five recipients, totaling \$6,342 (100 percent federal share).

Under 45 CFR Section 206.10, an individual's eligibility must be reconsidered or redetermined: (1) when required on the basis of information the agency has obtained previously about anticipated changes in the individual's situation; (2) promptly, after a report is obtained which indicates changes in the individual's circumstances that may affect the amount of assistance to which he is entitled or may make him ineligible; and (3) periodically, within agency established time standards, for certain other eligibility factors subject to change. The FSD has established a policy requiring all factors of eligibility for recipients of TANF to be redetermined at least annually or more often for certain cases.

- For four recipients tested, the FSD identified unreported income and took action to close the case; however, the FSD did not establish claims for improper benefits until we inquired about these cases. The FSD determined improper benefits for three cases totaled \$2,369, but has not determined the amount of improper benefits for the third case. We question the amount of the improper benefits identified totaling \$2,369 (100 percent federal share).

Prompt determination of overpayment and claims establishment are necessary as amounts recovered offset future program costs.

- For four recipients tested, the FSD did not maintain adequate documentation. In three instances, the case file did not contain the recipient's signed assistance application/eligibility statement or system-generated interview summary. In another instance, the case file contained an application/eligibility statement but no interview summary. Additionally, for two of these cases, there was no documentation of the verification of a minor child living in the household. In two of these cases, the FSD identified unreported income, but did not take timely action to close the case and establish a claim. The assistance application/eligibility statement and interview summary contain questions concerning income, reasons for need, and required federal prohibitions and requirements, and must be signed by the applicant certifying compliance with the requirements and attesting to the accuracy of the information provided. The verification of a minor child living in the home is a federal eligibility requirement.

Under 45 CFR Section 206.10(a)(ii), applications for program participation must be in writing on an agency prescribed form and signed by the applicant or an appropriate representative. In addition, 45 CFR Section 205.60(a) requires the agency to maintain records for the proper and efficient operation

of the plan, including records regarding applications, determination of eligibility, the provision of financial assistance, and other pertinent information obtained.

Because the FSD did not maintain required case file documentation, it could not ensure or demonstrate compliance with federal requirements related to eligibility for the TANF program. Payments made for these four cases during the year ended June 30, 2012, totaled \$9,313, for which we question the entire amount (100 percent federal share).

- B. The FSD did not act upon some notices of non-cooperation from the CSE Unit to sanction recipients and the CSE Unit did not always notify the FSD of non-cooperating clients. We obtained a listing of CSE cases flagged in the child support case management system for non-cooperation during the year ended June 30, 2012, and matched it against a listing of TANF cases. There were 2,628 TANF cases flagged for non-cooperation, with payments totaling nearly \$5.2 million during the fiscal year ended June 30, 2012. We tested 60 of these TANF recipients to determine whether the FSD was properly sanctioning recipients who were not cooperating with CSE procedures. TANF payments for the fiscal year for the 60 recipients totaled about \$127,000. For 34 of the 60 items (57 percent) tested, either the CSE Unit did not promptly notify the FSD of the non-cooperation or the FSD did not act to sanction the recipient upon notification.
- The CSE Unit did not notify the FSD of 23 non-cooperating clients tested. When non-cooperation occurs, the CSE Unit is to alert the FSD eligibility specialist via email comments or by sending a notice of non-cooperation form. For one case, the notification occurred about 4 months after the non-cooperation began, delaying the imposition of the sanction. For 12 cases, neither the FSD nor CSE had documentation to support the FSD had received a notice of non-cooperation. For 10 of the 23 cases, notes in the Missouri Automated Child Support System indicated no notification was sent because either there was no currently active TANF case or the TANF case was currently sanctioned for other reasons. As a result of the failure of CSE to notify FSD of the non-cooperation, sanctions were not entered or not entered timely into the Family Assistance Management Information System (FAMIS) system and of the 23 cases reviewed, 6 recipients received overpayments totaling \$1,199 during the year ended June 30, 2012. We question the federal share of overpayments totaling \$1,199 (100 percent federal share).
  - The FSD did not sanction 11 recipients when notified of referral for non-cooperation. For four of these recipients, the TANF case was either inactive or already sanctioned for other reasons when the notification was received, and consequently the FSD entered no additional sanction for the child support non-cooperation in the FAMIS system. As a result, no sanction would be in effect if the case was re-activated or the other sanction currently being imposed was removed. Only one sanction at a time can be imposed upon a



TANF case. For another case, the client subsequently cooperated before the next benefit payment. For the other six recipients, the active TANF case was not sanctioned by the FSD resulting in overpayments totaling \$1,038 during the year ended June 30, 2012. We question the federal share of overpayments, totaling \$1,038 (100 percent federal share).

Under 45 CFR 264.30, the FSD must refer to the CSE all appropriate individuals in the family of a child, for whom paternity has not been established or for whom a child support order needs to be established, modified, or enforced. Referred individuals must cooperate in establishing paternity and in establishing, modifying, or enforcing a support order with respect to the child. If the CSE determines an individual is not cooperating, and the individual does not qualify for a good cause or other exception established by CSE, the FSD, or federal law, the CSE agency must notify the FSD promptly. The FSD must then take appropriate action by either deducting an amount equal to at least 25 percent from the TANF assistance that would otherwise be provided to the family of the individual or denying the family assistance entirely. The DSS has determined the sanction will be 25 percent of the assistance amount.

The FSD and CSE did not have a system to track cases requiring notification of non-cooperation and ensuring the notifications were sent and received, and sanctions entered. As a result, the FSD could not ensure or demonstrate compliance with federal requirements related to sanctioning of recipients who were not cooperating with CSE program requirements. Notifications should be sent and sanctions entered on all non-cooperating cases, including inactive cases and cases sanctioned for other reasons, so the sanction can be applied if the TANF case becomes active or the other sanctions expire.

**WE RECOMMEND** the FSD resolve the questioned costs with the grantor agency and:

- A. Strengthen controls to ensure information affecting eligibility is properly reviewed periodically and proper and timely action is taken regarding the information, including case closures and recoupment of overpayments if warranted. In addition, the FSD should maintain required eligibility documentation in all case files.
- B. Develop additional controls to ensure sanctions are imposed on TANF recipients who fail to cooperate with CSE program requirements.

### **AUDITEE'S RESPONSE**

*We partially agree with the auditor's findings. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the findings.*

**2012-16.**

**TANF Work Participation and Sanctions**

Federal Agency: Department of Health and Human Services  
Federal Program: 93.558 Temporary Assistance for Needy Families  
2011 - G1102MOTANF and 2012 - G1202MOTANF  
State Agency: Department of Social Services (DSS) - Family Support Division  
(FSD)  
Questioned costs: \$393

The FSD did not have adequate controls in place to ensure compliance with the Temporary Assistance for Needy Families (TANF) Work Verification Plan in effect for state fiscal year 2012 and, as a result, the FSD has less assurance the data used to calculate the work participation rate is accurate. In addition, controls were not adequate to ensure recipients were sanctioned when they were not in compliance with federal and state requirements.

The FSD contracted with 10 community organizations for the 19 regions in the Missouri Work Assistance (MWA) program to perform many of the required TANF work activity functions. These duties include case management, enrollment and assistance to TANF recipients who are required to participate in eligible work activities, and reporting recipient noncompliance and hours of participation to the FSD. The FSD expenditures to the MWA contracted community organizations for the MWA program totaled about \$20 million during the year ended June 30, 2012.

The FSD has adopted procedures to monitor the performance of the MWA contractors for compliance with the Work Verification Plan policies and procedures. Those procedures include periodic reviews of 3 to 5 percent of cases for proper handling, and quarterly testing of a sample of cases with no recorded hours of work activity for proper sanctioning. The FSD has also provided training to the MWA contractors based on the case testing results. However, our review indicates monitoring activities and training were not effective in ensuring adequate contractor compliance. As a result, the FSD failed to ensure MWA contractors complied with the state Work Verification Plan and policies for reporting recipients who do not comply with work requirements.

Under 45 CFR Section 265.3, states are required to submit quarterly TANF Data Reports which provide information regarding TANF recipients and work activities. The Department of Health and Human Services, Administration for Children and Families uses the TANF Data Reports to calculate the state work participation rate each fiscal year. In addition, under 45 CFR Section 261.62, the FSD is required to have a Work Verification Plan which includes requirements to maintain adequate documentation, verification, and internal control procedures to ensure the accuracy of the data used in calculating work participation rates. In doing so, the FSD must have in place procedures to identify TANF recipients who are work-eligible, identify work activities that may count for work participation rate purposes, determine how to count and verify reported hours of work, and control internal data transmission and accuracy.

- A. The FSD was not in compliance with certain work activity reporting requirements contained in the Work Verification Plan in effect for state fiscal year 2012. A similar condition was noted in our prior two audit reports.

We obtained a February 2012 listing of those TANF recipients referred to the MWA contractors which included data on the status of each recipient's compliance with the work participation requirements and number of hours of participation in the various work related activities. Of the 21,025 TANF recipients included in the report, 4,547 recipients had at least an hour of work activity reported. We selected 60 recipients with reported work activity for testing and obtained their case files. We noted for 25 (42 percent) of the cases tested, the work participation hours were either not documented, not verified, and/or not reported correctly in accordance with the Work Verification Plan. In five instances the errors led to incorrectly reporting the recipient as meeting or not meeting the work participation requirements. The net effect of the errors was a slight understatement of the work participation compliance rate of approximately 2 percent for this group of 60 individuals.

The failure to maintain adequate controls to ensure accurate data is reported for measurement of work participation could result in a penalty, under 45 CFR Section 261.65, of not less than 1 percent and not more than 5 percent of the annual grant amount.

- B. The FSD did not have adequate procedures in place to ensure MWA contractors notified the FSD when TANF recipients failed to meet work participation requirements. As a result, many TANF recipients who failed to meet work participation requirements were not sanctioned and continued to receive full benefits. A similar condition was noted in our prior audit report.

Of 21,025 individuals on the February 2012 listing of TANF recipients referred to the MWA contractors, there were 16,478 recipients for which no work activities were reported. About 2,300 of these recipients were not subject to sanction due to various allowable waivers and exemptions, leaving about 14,200 recipients who were not participating in work activities and subject to sanction. We tested 57 of the 14,200 cases and noted 6 (11 percent) of the recipients were not appropriately sanctioned for non-compliance with work participation requirements. Twenty-five recipients were appropriately sanctioned and the remainder were not subject to sanction during February 2012 due to various reasons such as the recipient began participation, or the FSD or recipient closed the case. The DSS has established the sanction at 25 percent of the monthly benefit amount. We question the amount of the sanctions that were not imposed on these six recipients for the month of February 2012, which totaled \$393 (100 percent federal share).

For the cases with errors, MWA program contractors had multiple contacts with the recipients to get them engaged with the program and to reschedule missed appointments. However, the contractors did not place the recipients in conciliation or report them to the FSD to begin the sanctioning process.

Under 45 CFR Section 261.14, for an individual who refuses to engage in work required under Section 407 of the Social Security Act, the state must reduce or terminate the amount of assistance payable to the family, subject to any good cause or other exceptions the state may establish. The state has determined the sanction shall be 25 percent of the monthly benefit. A state that fails to impose penalties on individuals in accordance with the provisions of Section 407(e) of the Social Security Act may be subject to penalty. Under 45 CFR Section 261.54, the federal agency may impose a penalty amount for a fiscal year of no less than 1 percent and no more than 5 percent of the annual grant amount.

The failure to maintain adequate controls to ensure recipients who are not in compliance with the work requirements are appropriately sanctioned has resulted in overpayment of benefits totaling \$393.

In 2010 and 2011, the Department of Health and Human Services, Administration for Children and Families (ACF) determined the state failed to meet the overall work participation rates for federal fiscal years 2008 and 2009 and indicated the state was subject to potential penalties totaling \$44.4 million. The DSS has appealed the ACF's determinations. Failure to comply with the requirements regarding data accuracy and imposition of sanctions for failure to meet work requirements increases the risk additional penalties may be imposed.

**WE RECOMMEND** the FSD:

- A. Develop additional controls to ensure work activities are adequately documented, verified, and reported in accordance with the FSD Work Verification Plan.
- B. Develop additional controls to ensure TANF recipients failing to meet work participation requirements are sanctioned as required. In addition, the FSD should resolve the questioned costs with the grantor agency.

**AUDITEE'S RESPONSE**

*We partially agree with the auditor's findings. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the findings.*

**2012-17.**

**LIHEAP and CSBG Subrecipient Monitoring**

Federal Agency:	Department of Health and Human Services
Federal Program:	93.568 Low-Income Home Energy Assistance
	2011 - G11B1MOLIEA and 2012 - G12B1MOLIEA
	93.569 Community Services Block Grant
	2009 - G09B1MOCOSR, 2010 - G10B1MOCOSR, and
	2011 - G11B1MOCOSR

93.710 ARRA - Community Services Block Grant  
2009 - 0901MOCOS2

State Agency: Department of Social Services (DSS) - Family Support Division (FSD) - Low-Income Home Energy Assistance Program Unit and the Division of Finance and Administrative Services - Compliance and Quality Control (CQC) Unit

The DSS conducted close out reviews of the Low-Income Home Energy Assistance program (LIHEAP) and the Community Services Block Grant (CSBG) program funds provided to the Human Development Corporation of Metropolitan St. Louis (HDC), a former DSS subrecipient. The DSS questioned costs totaling over \$660,000 related to the CSBG program.

As noted in our prior audit report, the DSS determined the HDC misused at least \$669,704 of LIHEAP funds that were due to an energy supplier. The DSS issued payment of additional state funds to satisfy the amounts due to the energy supplier. In February 2012, the DSS paid the energy supplier an additional \$1,878 of state funds for amounts due. The DSS did not allow the HDC to participate in the LIHEAP during federal fiscal year 2012. The HDC voluntarily withdrew from the CSBG program in September 2011 and filed for corporate dissolution in December 2011. The DSS filed a claim in the HDC corporate dissolution case for the amount of LIHEAP funds misused, totaling \$671,582.

In July and August 2012, the DSS conducted a closeout monitoring review of the LIHEAP and CSBG program funds provided to the HDC for federal fiscal years 2009, 2010, and 2011. No additional misuse of LIHEAP funds was identified by the DSS. However, the DSS identified payments for CSBG services totaling \$660,239 for which the HDC lacked adequate supporting documentation and the DSS filed another claim in the HDC corporate dissolution case for those costs in August 2012. According to DSS officials, no court decision has been made on the DSS claims. DSS officials indicated the appropriate federal officials have been notified of the results of the closeout monitoring, but the DSS has not been notified of any requirements for the state to repay the CSBG costs questioned.

The DSS formed the CQC Unit in April 2012 to develop and implement extensive monitoring tools and processes for the fiscal review of all Community Action Agencies (CAA). The CAAs administer the LIHEAP and CSBG program at the local level. DSS officials indicated the changes will allow the DSS to more effectively monitor LIHEAP and CSBG service providers. The DSS should continue to evaluate the effectiveness of those monitoring procedures and make improvements as necessary to help timely identify any problems at the subrecipient level.

**WE RECOMMEND** the DSS continue to review its subrecipient monitoring efforts and determine if further improvements are needed.

## **AUDITEE'S RESPONSE**

*We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.*

**2012-18.**

### **Participant Eligibility**

Federal Agency:	Department of Health and Human Services
Federal Program:	93.767 Children's Health Insurance Program
	2010 - 1005MO5021
	2011 - 1105MO5021
	93.778 Medical Assistance Program
	2011 - 1105MO5MAP and 1105MO5ADM
	2012 - 1205MO5MAP and 1205MO5ADM
State Agency:	Department of Social Services (DSS) - Family Support Division (FSD) and MO HealthNet Division (MHD)
Questioned Costs:	\$3,545,095

Effective controls are not in place to ensure or demonstrate compliance with participant eligibility requirements of the Medical Assistance Program and the Children's Health Insurance Program (CHIP). In addition, ineligible payments were made related to these programs, but have not been reported to, or resolved with, the grantor agency.

The Medical Assistance Program, also known as Medicaid, and the CHIP are administered by the MHD under the federally approved Medicaid and CHIP State Plans. The FSD is responsible for determining the eligibility of Medicaid and CHIP participants. During the year ended June 30, 2012, Medicaid and CHIP payments totaled approximately \$9.1 billion, of which approximately \$5.8 billion was claimed as federal expenditures. There were approximately 1.2 million Medicaid and CHIP participants active for at least part of fiscal year 2012.

- A. Controls are not adequate to ensure participants transferred to the new eligibility determination system are completely converted to the new system. As a result, some annual redeterminations were not conducted timely to evaluate the continued eligibility of participants in the Medicaid and CHIP programs.

Over the last several years, participants have been moved in batches from the legacy eligibility determination system to the Family Assistance Management Information System (FAMIS). The FAMIS has features to automatically initiate annual redeterminations. However, the conversion to the FAMIS must be manually finalized for these features to take effect. FSD county offices receive monthly reports of participants whose conversions have not been finalized, and it is the responsibility of personnel in the county offices to complete conversion. Central office personnel do not review these reports or have other procedures in

place to ensure the county offices are completing these conversions to the FAMIS.

We reviewed 60 Medicaid and CHIP participants to ensure eligibility requirements were met and found 1 participant had not received a redetermination during the fiscal year ended June 30, 2012. The participant's case was transferred to the FAMIS in November 2010, but the conversion had not been finalized and eligibility had not been redetermined since that time. As of October 31, 2012, there were 894 Medicaid and CHIP cases (which include one or more participants) that had not been fully converted in the FAMIS. The last eligibility redeterminations for these cases ranged from 1996 to 2012 and were performed before the cases were moved to the FAMIS. Of these, 747 cases did not receive a redetermination during the year ended June 30, 2012, as required. If these participants are not fully converted in the FAMIS, future redeterminations will not be automatically initiated by the system. FSD personnel said the conversions are now being finalized as work priorities allow.

Participants in 584 of the 747 cases had payments made on their behalf after the date a redetermination was due. These ineligible payments totaled \$5,207,584 for the year ended June 30, 2012. We question the federal share of the total payments or \$3,311,503 (63.59 percent). In addition, since many of these cases have still not been redetermined as of December 2012, there are likely ineligible payments made on behalf of these participants during fiscal year 2013 as well.

Federal regulations 42 CFR Sections 435.916 and 457.320 require a redetermination of eligibility at least every 12 months to ensure Medicaid and CHIP participants continue to be eligible for benefits. The failure to perform annual redeterminations as required can result in medical payments made on behalf of ineligible individuals.

- B. The MHD has identified Medicaid and CHIP payments made on behalf of approximately 400 children from 2009 to 2012 who were later determined to be ineligible for these programs at the time of service; however, the MHD has not taken steps to resolve these questioned costs with the grantor agency.

DSS, Children's Division (CD) personnel determine and track the Medicaid and CHIP eligibility of children in the CD's custody, such as children in foster care. After upgrading to a new eligibility determination system in 2011, CD personnel discovered eligibility had not always been correctly determined in the previous system. In January 2012, CD personnel retroactively redetermined eligibility based on the placement and legal status of children who were in state custody at any point during 2009 to 2012. As a result of the updated information, some children who were previously classified as eligible for Medicaid or CHIP for specific time periods were, in fact, determined to be ineligible during those periods. CD personnel stated adjustments were made to federal programs administered by the CD as a result of the eligibility changes; however, the MHD

has not made similar adjustments to the Medical Assistance Program and CHIP programs.

MHD personnel indicated because payments were made to providers in good faith while participants were determined to be eligible for benefits, the MHD does not believe it is reasonable to recoup these payments from the providers. Overpayments are typically recouped when false information has been provided on behalf of a participant. MHD personnel referred to 42 CFR 435.10, and 42 CFR 435, Subparts B and C, which state that a Medicaid agency must provide services to individuals who apply and are found eligible. While 42 CFR 435.1002 states federal financial participation is available for services provided to eligible participants, it does not include provisions for services that were provided in good faith to ineligible participants.

Since there were errors in eligibility made by the state, the federal program should not be charged for payments made on behalf of these ineligible participants. The ineligible payments made on behalf of the 122 participants with Medicaid or CHIP payments during the year ended June 30, 2012, totaled \$345,602. We question the federal share of the total payments or \$219,768 (63.59 percent).

C. The FSD did not obtain or maintain all documentation required to support eligibility for 6 of 60 (10 percent) cases reviewed. As a result, the DSS could not demonstrate these participants were eligible to receive benefits during the year ended June 30, 2012. The following issues and questioned costs were noted during our testing:

- A signed application was not obtained or retained for five participants reviewed. Federal regulation 42 CFR Section 435.907 requires a written application signed under penalty of perjury to ensure individuals meet the financial and categorical requirements for Medicaid. In addition, the CHIP State Plan requires applicants complete the same application as used for Medicaid. The application must include facts to support the agency's decision when determining an individual's eligibility. Payments totaling \$21,414 were made on behalf of these five participants during the year ended June 30, 2012. We question the federal share of the payments, or \$13,617 (63.59 percent).
- As similarly noted in the prior audit report, citizenship was not verified during determination of eligibility for one Medicaid participant reviewed. Federal regulation 42 CFR Sections 435.406 and 435.407 and the CHIP State Plan require applicants provide documentary evidence of citizenship or national status. If the applicant does not have proof of citizenship, the state may grant a grace period to furnish the documentation. This participant's grace period expired May 21, 2012, at which time the eligibility should have ended. When we brought this issue to management's attention in October 2012, management agreed the benefits should be closed and subsequently stopped benefits effective October 11, 2012. The ineligible payments made on behalf



of this participant after expiration of the grace period totaled \$326 during the year ended June 30, 2012. We question the federal share of the total payments or \$207 (63.59 percent).

Eligibility specialists are to obtain and document various information, including a signed application and citizenship verification, from applicants and enter it into the FAMIS. The FAMIS automates the application process and determines eligibility for Medicaid, CHIP and other DSS programs based on the information entered. If a case has missing information for which the applicant has been given a grace period to provide, there is no control to ensure this information is eventually received. While eligibility specialists can set their own system reminders, the system does not automatically set reminders. In addition, the FAMIS does not automatically close benefits if required documentation is not received.

Because the FSD did not obtain or maintain required case file documentation, it could not ensure or demonstrate compliance with federal requirements related to eligibility.

- D. The DSS did not ensure at least four monthly supervisory reviews of eligibility determinations were completed as required by internal policy for 4 of 60 (7 percent) eligibility specialists reviewed. These monthly case reviews are the primary control used to ensure information obtained to determine eligibility in compliance with federal regulations is properly and accurately entered into the FAMIS.

An internal memorandum, dated April 2006, established the policy requiring supervisors to perform a minimum of four monthly case reviews for each eligibility specialist and states management is responsible for ensuring mandatory supervisory case reviews are performed. However, this internal policy is not applied consistently across the state. For example, during our test we noted an eligibility specialist for whom case reviews were not completed for multiple months due to the supervisor being reassigned to other duties. During this time, other supervisors oversaw the daily work of the eligibility specialists, but did not perform the required case reviews. The internal memorandum does not include guidance for handling this type of situation. Clarifying the written policy regarding the completion of case reviews is necessary to ensure reviews are consistently performed.

**WE RECOMMEND** the DSS:

- A. Establish controls to ensure all participants transferred to the FAMIS are finalized in the system so annual redeterminations of eligibility will be automatically initiated. In addition, the DSS should resolve questioned costs with the grantor agency.

- B. Resolve questioned costs regarding payments for ineligible children with the grantor agency.
- C. Ensure all information required to determine participant eligibility is obtained, verified, and retained to ensure compliance with applicable federal requirements. In addition, the DSS should resolve questioned costs with the grantor agency.
- D. Ensure case reviews are performed as required by internal policy. In addition, the DSS should clarify written case review policies as needed to ensure case reviews are consistently and accurately completed.

### **AUDITEE'S RESPONSE**

*We partially agree with the auditor's findings. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the findings.*

**2012-19.**

#### **Report Reviews**

Federal Agency:	Department of Health and Human Services
Federal Program:	93.767 Children's Health Insurance Program
	2010 - 1005MO5021
	2011 - 1105MO5021
	93.778 Medical Assistance Program
	2011 - 1105MO5MAP and 1105MO5ADM
	2012 - 1205MO5MAP and 1205MO5ADM
State Agency:	Department of Social Services (DSS) - MO HealthNet Division (MHD)

The MHD does not have effective controls in place for the production and review of some reports necessary to ensure compliance with paid claim or participant enrollment requirements of the Medical Assistance Program. The Medical Assistance Program, also known as Medicaid, and the Children's Health Insurance Program (CHIP) are administered by the MHD.

- A. As noted in the prior audit report, the MHD did not review daily exception reports of Medicaid and CHIP claims requiring post-payment reviews during the year ended June 30, 2012.

Providers submit claims for payment through the state's Medicaid Management Information System (MMIS). Claims are processed through various edits in the system to ensure the data is valid and the billing of the services complies with DSS policies. The MMIS edits have various status codes, which identify a claim as paid, suspended, or denied. One status allows the claims to be paid, but posts the claims to a daily exception report to be reviewed further for possible

recoupment. This daily report only lists claims with exceptions for each specific day the report is run and is not a cumulative report. Therefore, each daily report would need to be reviewed to ensure all identified exceptions are properly evaluated. As an example, claims listed on the June 30, 2012, daily exception report totaled approximately \$4 million.

The DSS could provide no documentation the daily exception report had been reviewed in at least 2 and a half years. DSS personnel indicated the staff previously responsible for review of the report were transferred to a new unit in the DSS in January 2011. The report review duty was not re-assigned until January 2013 when it was given to personnel within the Clinical Program Development unit of MHD. No reviews of the report had yet occurred as of late January 2013. Without reviewing paid claims that have been identified as possible erroneous billings, there is less assurance abusive billing practices will be detected on a timely basis.

- B. Reports identifying participants shown as eligible to receive Medicaid and CHIP benefits in both Missouri and another state were generated incorrectly and were not fully reviewed by MHD personnel during the year ended June 30, 2012.

An interstate match report is produced quarterly and reviewed by MHD personnel to identify existing Missouri Medicaid and CHIP managed care program participants who were reported with overlapping periods of eligibility for benefits in another state. MHD personnel then contact the corresponding state to determine if eligibility for Missouri benefits should be ended. If necessary, MHD personnel will end a participant's eligibility when verification of out-of-state residence is acquired and recoup any payments made after the participant left Missouri. During the year ended June 30, 2012, there was an average of 2,440 participants listed on each quarterly report.

We reviewed 60 participants identified on the November 2011 and February 2012 quarterly interstate match reports to determine whether MHD took proper follow-up actions. MHD personnel did not investigate 2 of 60 (3 percent) interstate match report items reviewed. Personnel overlooked one of the test items and did not perform a review. The other test item was not reviewed because the eligibility dates on the report for Missouri Medicaid were not current. A programming error for the interstate match report caused reports to be incorrectly produced. The system properly identified participants receiving benefits in other states using the correct eligibility dates, but did not always reflect the correct dates on the report for Missouri managed care benefits when the participant had multiple periods of eligibility. For the participant in question, the report listed Missouri benefits stopping in 2007 even though benefits were not actually stopped until March 2012. The MHD has not taken steps to determine how much, if any, in improper claims were paid due to the programming error.

Without properly identifying and investigating participants who have been receiving benefits in another state, MHD may continue paying benefits unnecessarily. If items on the interstate match reports are not investigated, fees for services and monthly managed care payments might be made for up to a year before a scheduled reinvestigation of benefits to clarify the residency of the participant.

Federal regulation 42 CFR Section 435.403 defines the requirements for an individual to be considered a resident of the state and requires the state to provide Medicaid benefits to eligible residents. Federal regulations do not include requirements for a state to pay benefits for participants who reside in another state. Investigating entries on the interstate match reports ensures Medicaid payments are not made for participants residing in another state.

**WE RECOMMEND** the DSS:

- A. Review the report of claims that have been identified for post-payment reviews to ensure erroneous billings are properly recouped.
- B. Update programming for the interstate match report to ensure Missouri eligibility dates are displayed correctly. In addition, the MHD should determine the full extent of the issue and determine how much, if any, in improper claims were paid due to this programming error. The MHD should also ensure matches are properly investigated in the future.

**AUDITEE'S RESPONSE**

- A. *We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.*
- B. *We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.*

<b>2012-20.</b>	<b>Pharmacy Dispensing Fees</b>
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Federal Agency:	Department of Health and Human Services
Federal Program:	93.767 Children's Health Insurance Program
	2010 - 1005MO5021
	2011 - 1105MO5021
	93.778 Medical Assistance Program
	2011 - 1105MO5MAP and 1105MO5ADM
	2012 - 1205MO5MAP and 1205MO5ADM
State Agency:	Department of Social Services (DSS) - MO HealthNet Division (MHD)

Questioned Costs:     \$6,319,991

The MHD has periodically changed the rate paid pharmacies for dispensing prescription drugs under the Medical Assistance Program and the Children's Health Insurance Program (CHIP); however, the state regulation authorizing these dispensing fees has not been updated since 1988. In addition, the MHD does not have adequate documentation to support the determination of the current dispensing fee structure. The Medical Assistance Program, also known as Medicaid, and the CHIP are administered by the MHD under the federally approved Medicaid and CHIP State Plans.

In addition to paying pharmacies for the cost of each prescribed drug, the MHD also pays pharmacies a base fee of \$4.84 for dispensing each participant's prescription. However, this dispensing fee is higher than the amount established under 13 CSR 70-20.060(1), which states, "a dispensing fee of three dollars shall be added to the Medicaid Maximum allowable payment for each Missouri Medicaid reimbursable prescription filled or refilled by a pharmacy provider." In addition, in 1991 the DSS, as part of a settlement agreement, agreed to amend the Medicaid State Plan to increase the Medicaid pharmacy dispensing fee to \$4.09 per prescription. However, while the payment amount was increased as required by the agreement, neither the State Plan nor the CSRs were updated to reflect this amount. The State Plan was updated to add general wording indicating the state would pay the applicable fee at the time the prescription is filled, but again, no specific dollar amount was noted.

Federal regulation 42 CFR Section 431.10(b)(2) requires the state to establish the legal authority for the Medicaid agency to administer the Medicaid State Plan, including making rules and regulations to follow in administering the plan. In accordance with this CFR, the Medicaid State Plan lists the various statutes allowing the DSS to establish rules and regulations to administer the plan. The MHD has created CSRs, such as the one mentioned above, to administer the Medicaid program. However, failure to update the related regulations when fee structures are changed causes the MHD to be noncompliant with its own regulations in administering the Medicaid State Plan.

In addition, the MHD does not have adequate documentation to support the dispensing fee amounts currently paid. MHD personnel stated the dispensing fee is based on a 2007 national survey of pharmacy companies, which shows the median cost of dispensing prescription drugs nationwide. However, the MHD cannot demonstrate the amount used is reasonable for Missouri.

Federal regulations 42 CFR, Sections 447.203 and 457.238, indicate the Medicaid and CHIP agencies, respectively, must maintain documentation of payment rates. Further, 42 CFR Section 447.203, requires when payment rates are increased, the Medicaid agency must record, in state manuals or other official files, the various information to support the increases. This includes, "an estimate of the percentile of the range of customary charges ... and a description of the methods used to make the estimate," as well as, "an estimate of the composite average percentage increase of the revised payment rates over the preceding rates." Furthermore, the CHIP State Plan indicates, "the state assures that

services are provided in an effective and efficient manner through free and open competition or through basing rates on other public and private rates that are actuarially sound." Without ensuring the basis for the increased dispensing fee was properly documented or showing the new rates are actuarially sound, the MHD cannot demonstrate the increases in these fees are allowed under federal law.

The MHD paid pharmacies base dispensing fees totaling \$64,137,459 during the year ended June 30, 2012. Had the dispensing fees been paid in accordance with the 1991 settlement agreement, the fees would have totaled \$54,198,803, a difference of \$9,938,656. We question the federal share of the increased payments, or \$6,319,991 (63.59 percent).

A similar finding was included in our prior audit report and MHD personnel stated steps are being taken to update state regulations in response to our recommendation; however, MHD personnel would not provide documentation to support this statement.

**WE RECOMMEND** the MHD ensure state regulations related to administration of the Medicaid program and the CHIP are updated when changes are justified, and resolve questioned costs with the grantor agency. In addition, the MHD should ensure increases in payment rates are adequately supported and actuarially sound, as required by federal guidelines.

### **AUDITEE'S RESPONSE**

*We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.*

#### **2012-21.**

#### **Reporting**

Federal Agency: Federal Highway Administration  
Federal Program: 20.205 Highway Planning and Construction  
State Agency: Missouri Department of Transportation (MoDOT)

The MoDOT did not have adequate controls and procedures to ensure compliance with the Federal Funding Accountability and Transparency Act (FFATA), and as a result, subawards issued were not reported timely as required.

The FFATA requires the reporting of key data elements for certain subawards and subcontracts to promote the transparency and accountability over the use of non-ARRA federal financial awards, and requires such information be made available to the public through a single searchable website. The FFATA requirements relate to direct recipients of grants or cooperative agreements who make first-tier subawards and to contractors that award first-tier subcontracts. Reporting is required to be made by the end of the month following the month a subaward/subcontract greater than \$25,000 was made. According to the OMB Circular A-133 Compliance Supplement, due to the relative newness of the

FFATA, the recipient must at least demonstrate a good faith effort to comply with these requirements, and such effort must be adequately documented.

As of December 13, 2012, the MoDOT had not reported any subawards issued after November 2011. Less than 1 week after our inquiry, the MoDOT reported 174 subawards, totaling \$67.6 million, issued during the period December 2011 to October 2012, including 54 subawards totaling \$27.2 million issued during state fiscal year 2012. The MoDOT could provide no evidence a good faith effort had been taken to comply with FFATA requirements. MoDOT officials indicated due to staff shortages and turnover, Financial Services Division management had to prioritize responsibilities and FFATA reporting was not performed. Officials also indicated staff had collected the FFATA information, but had failed to stay current with data entry in the computer system. In addition, there was no supervisory review process in place to ensure the accuracy of the information reported. Financial Services Division management indicated since December 2012, subawards are being reported monthly in compliance with the FFATA, the employee responsible for FFATA reporting provides periodic reporting status updates to her supervisor, and reports are reviewed by the supervisor.

**WE RECOMMEND** the MoDOT continue performing the current FFATA reporting procedures to ensure subaward information is complete, accurate, and submitted timely; and to prevent future noncompliance with FFATA reporting requirements.

#### **AUDITEE'S RESPONSE**

*We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.*

**Additional State Auditor's Reports:**

The Missouri State Auditor's Office regularly issues audit reports on various programs, agencies, divisions, and departments of the state of Missouri. Audit reports may include issues relating to the administration of federal programs. Reports issued during fiscal year 2012 and through current were reviewed and the following reports relate to federal programs and were analyzed to determine if any issues noted in these reports were required to be reported in this Schedule of Findings and Questioned Costs in accordance with Section .510(a) of OMB Circular A-133.

<u>Report Number</u>	<u>Report Name</u>
2012-73	Administration/Information Technology Services Division
2012-117	Economic Development/Division of Business and Community Services

All reports are available on the Missouri State Auditor's Office website: <http://auditor.mo.gov>



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
IN ACCORDANCE WITH OMB CIRCULAR A-133

STATE OF MISSOURI  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
IN ACCORDANCE WITH OMB CIRCULAR A-133

Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all audit findings in the prior audit for the year ended June 30, 2011, and the findings from the prior audits for the years ended June 30, 2010, 2009, and 2008, except those that were listed as corrected, no longer valid, or not warranting further action. This section includes the Summary Schedule of Prior Audit Findings, which is prepared by the state's management.

Circular A-133 requires the auditor to follow-up on these prior audit findings; perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and report, as a current year finding, when the auditor concludes the Summary Schedule of Prior Audit Findings materially misrepresents the status of any prior audit findings.

The disposition of the findings from the year ended June 30, 2010, is as follows:

Findings numbered 1, 2B, 4A, 4B, 5, 8-12, 14B, 14C, 18A, 18B, 20, 22, 24A and 24B were corrected.

Findings numbered 2A, 3, 4C, 6, 7, 13A, 13B, 14A, 15, 16A, 16B, 17, 18C, 19, 21A-D, 23 and 25 are included in the Summary Schedule of Prior Audit Findings.

For the year ended June 30, 2009, all findings were corrected, no longer valid, or did not warrant further action, except for findings numbered 6A, 6B, 12, 15A and 18, which are included in the Summary Schedule of Prior Audit Findings.

For the year ended June 30, 2008, all findings were corrected, no longer valid, or did not warrant further action, except for findings numbered 2A, 2B and 9A, which are included in the Summary Schedule of Prior Audit Findings.

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### 2008-2A. Capital Assets

**Federal Agency:** Department of Defense  
**Federal Program:** 12.401 National Guard Military Operations and Maintenance Projects  
2007 - DAHA23-07-2-1000 and 2008 - DAHA23-08-2-1000  
**State Agency:** Department of Public Safety - Adjutant General (AG)

Some assets purchased during fiscal year 2008 were not properly accounted for in the AG's capital asset tracking system and were not assigned a property tag or capital asset number. In addition, the AG did not perform adequate periodic inventories to ensure capital assets were retained and used appropriately.

#### **Recommendation:**

The AG ensure all equipment is properly entered into the capital asset tracking system and assigned a property tag number. In addition, the AG should develop and implement a process to ensure capital assets are appropriately accounted for on the annual physical inventories. The inventories should be completed by someone without physical custody of the assets, or at a minimum, reviewed by someone independent.

#### **Status of Finding:**

Implemented.

**Contact Person:** Jill Delgado  
**Phone Number:** (573) 638-9574

### 2008-2B. Capital Assets

**Federal Agency:** Department of Defense  
**Federal Program:** 12.401 National Guard Military Operations and Maintenance Projects  
2007 - DAHA23-07-2-1000 and 2008 - DAHA23-08-2-1000  
**State Agency:** Department of Public Safety - Adjutant General (AG)

AG personnel did not complete a reconciliation between the expenditure and capital asset records in the SAM II system.

#### **Recommendation:**

The AG ensure the capital asset reconciliation is completed to identify all capital assets and ensure the capital asset records are accurate.

#### **Status of Finding:**

Implemented.

**Contact Person:** Jill Delgado  
**Phone Number:** (573) 638-9574

**2008-9A.**                      Vocational Rehabilitation Program

**Federal Agency:**        Department of Education  
**Federal Program:**      84.126 Rehabilitation Services - Vocational Rehabilitation Grants to  
   States  
   2007 - H126A0700372 and 2008 - H126A080037  
**State Agency:**        Department of Social Services - Family Support Division (FSD) -  
   Rehabilitation Services for the Blind (RSB)  
**Questioned Costs:**    \$3,444,779

The FSD did not establish procedures to ensure adequate supporting documentation was prepared for personnel costs charged to the Vocational Rehabilitation (VR) grant. Personnel costs charged to the VR grant during state fiscal year 2008 for which the supporting documentation was inadequate or not prepared totaled \$4,377,102 of which we questioned the federal share of costs totaling \$3,444,779.

**Recommendation:**

The FSD resolve the questioned costs with the grantor agency. In addition, the FSD should develop written policies and procedures to ensure salary certifications are prepared for all employees who work solely on a single program and personnel activity reports are prepared for employees who work on multiple federal awards or cost objectives in accordance with OMB Circular A-87.

**Status of Finding:**

The FSD/RSB has modified and implemented the processes to ensure compliance with regulations regarding personnel cost allocations effective July 1, 2009, with more recent modifications to improve the quality management and verification of accuracy. Where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards as dictated in regulations. The RSB and the Division of Finance and Administrative Services continue to meet on a regular basis to improve communications, ensure compliance with regulations and documentation for auditors.

**Status of Questioned Costs:**

This finding is the subject of continued discussion with the grantor agency, but no resolution has yet been finalized.

**Contact Person:** Mark Laird  
**Phone Number:** (573) 751-4249

**2009-6A.** Capital Assets

**Federal Agency:** Department of Defense  
**Federal Program:** 12.401 National Guard Military Operations and Maintenance Projects  
2008 - DAHA23-08-2-1000 and 2009 - DAHA23-09-2-1000  
**State Agency:** Department of Public Safety - Adjutant General (AG)

Some assets purchased during fiscal year 2009 had not been properly accounted for in the AG's internal capital asset tracking system or the SAM II accounting system's capital asset tracking system, and some assets had not received a property tag and asset number. In addition, the AG had not performed physical inventories during fiscal year 2009 at any of the offsite locations housing the assets.

**Recommendation:**

The AG ensure all equipment is properly assigned a property tag number and entered into both the internal and SAM II capital asset tracking systems. In addition, the AG should ensure annual physical inventories are performed and continue to investigate the backlog of untagged capital assets.

**Status of Finding:**

Implemented.

**Contact Person:** Jill Delgado  
**Phone Number:** (573) 638-9574

**2009-6B.** Capital Assets

**Federal Agency:** Department of Defense  
**Federal Program:** 12.401 National Guard Military Operations and Maintenance Projects  
2008 - DAHA23-08-2-1000 and 2009 - DAHA23-09-2-1000  
**State Agency:** Department of Public Safety - Adjutant General (AG)

AG personnel had not completed a reconciliation between the expenditure and capital asset records in the SAM II system. While a reconciliation was in progress, as of January 2010, approximately \$1.2 million of the \$3.8 million in capital asset expenditures from fiscal year 2002 through fiscal year 2009 had not been reconciled.

**Recommendation:**

The AG ensure the capital asset reconciliation is completed to identify all capital assets and ensure the capital asset records are accurate.

**Status of Finding:**

Digital information pertaining to FY2002-2007 fixed assets was lost during a state of Missouri software conversion making the reconciliation process difficult because it requires searching through records manually. We will continue to work the issue until the remaining difference of \$91,552.43 is corrected.

**Contact Person:** Jill Delgado

**Phone Number:** (573) 638-9574

**2009-12.**                      Cost Allocation Procedures

**Federal Agency:** Department of Health and Human Services

**Federal Program:** 93.558 Temporary Assistance for Needy Families

2007 - G0701MOTANF

2008 - G0801MOTANF

2009 - G0901MOTANF

93.658 Foster Care - Title IV-E

2008 - G0801MO1401 and 2009 - G0901MO1401

93.659 Adoption Assistance

2008 - G0801MO1407 and 2009 - G0901MO1407

93.778 Medical Assistance Program

2008 - 0805MO5028 and 0805MO5048

2009 - 0905MO5028 and 0905MO5048

**State Agency:** Department of Social Services (DSS) - Division of Finance and Administration (DFAS)

**Questioned Costs:** \$666,189

The DSS did not establish procedures to ensure all payments to Caring Communities partnerships were allowable and allocable to the various federal programs. Some of the costs associated with the partnerships were allocated through a cost pool based on the percentage of time worked by Children's Division employees on certain federal programs rather than based on actual services provided by the partnerships. As a result, we questioned \$666,189, which was the federal portion of the costs allocated to these programs through the Social Services cost pool during the year ended June 30, 2009.

**Recommendation:**

The DSS, through the DFAS, resolve the questioned costs with the grantor agency, and establish procedures to ensure all payments to the Caring Communities partnerships are allowable and allocable to the various federal programs in accordance with OMB Circular A-87.

**Status of Finding:**

The DSS is working in consultation with the Department of Health and Human Services (DHHS) to rewrite the cost allocation plan to better define its methodologies for allocating costs to various DHHS grants. The DSS has contracted with a third party to

help develop and implement a new cost allocation plan and system. The first phase/portion of the new cost allocation plan should be submitted and implemented by July 1, 2013. The plan will be tested and finalized by December 31, 2013. The remaining portion of the plan will be implemented after successful completion of phase one.

The DSS has also assigned a senior level staff person to manage the cost allocation plan. That person is responsible and accountable for updates/revisions to the plan.

**Status of the Questioned Costs:**

Questioned costs were partially settled on federal reports during the quarter ended December 31, 2011. Remaining questioned costs will be settled during the quarter ended March 31, 2013. The DSS is waiting on clearance from the grantor agency.

**Contact Person:** Patrick Luebbering  
**Phone Number:** (573) 751-2170

**2009-15A.**                      Vocational Rehabilitation Program

**Federal Agency:**        Department of Education

**Federal Program:**      84.126 Rehabilitation Services - Vocational Rehabilitation Grants to  
                                     States  
                                     2007 - H126A0070037  
                                     2008 - H126A0080037  
                                     2009 - H126A0090037

**State Agency:**        Department of Social Services (DSS) - Family Support Division (FSD) -  
                                     Rehabilitation Services for the Blind (RSB) and Division of Finance and  
                                     Administrative Services (DFAS)

**Questioned Costs:**    \$1,623,730

Adequate supporting documentation was not always prepared for personnel costs, which consisted of salaries and related fringe benefits and indirect costs, charged to the Vocational Rehabilitation (VR) grant for approximately 160 employees. Personnel costs were charged solely to the VR grant for some employees who performed duties related to other programs. Personnel costs charged to the VR grant during state fiscal year 2009 for which the supporting documentation was inadequate or not prepared totaled \$2,063,188, of which we questioned the federal share of costs totaling \$1,623,730 (78.7 percent).

**Recommendation:**

The DSS, through the FSD and DFAS, resolve the questioned costs with the grantor agency. In addition, the FSD should develop written policies and procedures to ensure salary certifications are prepared for all employees who work solely on a single program and personnel activity reports are prepared for employees who work on multiple federal awards or cost objectives in accordance with OMB Circular A-87.

**Status of Finding:**

To ensure compliance with OMB Circular A-87 to document personnel salaries and wages to the benefiting grant, and to verify that dollars intended for specific costs are in fact covering those and only those costs as dictated in relevant regulations, underlying formulas used to calculate the distribution of the salaries and wages to the appropriate grant on a monthly spreadsheet used by the designated state unit (RSB) have been corrected. The RSB has also implemented a monthly verification process of comparing each person's monthly salary and wages from the RSB monthly spreadsheet to a monthly payroll extraction report from the DFAS, addressing any inconsistencies. The RSB and the DFAS continue to meet on a regular basis to improve communications, ensure compliance with federal requirements for personnel cost allocations and allocable costs, and appropriate documentation for auditors.

**Status of Questioned Costs:**

This finding is the subject of continued discussion with the grantor agency, but no resolution has yet been finalized.

**Contact Person:** Mark Laird  
**Phone Number:** (573) 751-4249

**2009-18.                      Medical Assistance Program**

**Federal Agency:** Department of Health and Human Services  
**Federal Program:** 93.778 Medical Assistance Program  
                                    2008 - 0805MO5028 and 0805MO5048  
                                    2009 - 0905MO5028 and 0905MO5048  
                                    93.778 ARRA - Medical Assistance Program  
                                    2009 - 0905MOARRA  
**State Agency:** Department of Social Services (DSS) - Family Support Division (FSD)  
                                    and MO HealthNet Division  
**Questioned Costs:** \$1,428

A redetermination was not conducted timely to determine the eligibility of a recipient related to the Medical Assistance Program (Medicaid). The medical payments made on behalf of this client before the case was closed totaled \$1,924 during the year ended June 30, 2009. We questioned the federal share of these payments or \$1,428 (74.23 percent).

**Recommendation:**

The DSS through the FSD perform eligibility redeterminations when required to ensure compliance with applicable federal Medicaid program requirements. In addition, the FSD should resolve questioned costs with the grantor agency.

**Status of Finding:**

The FSD still considers timely eligibility reinvestigations a matter of priority and continues to strive for a 100 percent reinvestigation currency. As reported by the FSD



Income Maintenance Section, the reinvestigation currency percentage was 98.76 percent for state fiscal year 2012.

**Status of Questioned Costs:**

Questioned costs were adjusted on the September 30, 2010, and December 31, 2011, quarterly reports. The DSS is waiting on clearance from the grantor agency.

**Contact Person:** Emily Rowe

**Phone Number:** (573) 526-0607

**2010-2A.** School Improvement Grants

**Federal Agency:** Department of Education

**Federal Program:** 84.377 School Improvement Grants  
2009 - S377A080027 and 2010 - S377A090026  
84.388 ARRA - School Improvement Grants, Recovery Act  
2010 - S388A090026

**State Agency:** Department of Elementary and Secondary Education (DESE)

**Questioned Costs:** \$225,680

The DESE did not always ensure payments were made to subrecipients in accordance with approved budgets and DESE written policies, and budget amendments were not adequately documented. We questioned the federal share of payments made in excess of the documented approved budget category, or \$225,680 (100 percent).

**Recommendation:**

The DESE ensure all payments are made in accordance with the approved budget, federal guidelines, and written policies, and budget amendments are adequately documented. In addition, the DESE should resolve the questioned costs with the grantor agency.

**Status of Finding:**

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Implemented.

### Status of Questioned Costs:

The department received a determination letter indicating that the questioned costs have been resolved with no payback required.

**Contact Person:** Andrea Beck

**Phone Number:** (573) 751-8292

### 2010-3. Monitoring of Recovery Act Funds

**Federal Agency:** Department of Education

**Federal Program:** 84.386 ARRA - Education Technology State Grants, Recovery Act

2010 - S386A090025  
84.389 ARRA - Title I Grants to Local Educational Agencies,  
Recovery Act  
2010 - S389A090025  
84.391 ARRA - Special Education Grants to States, Recovery Act  
2010 - H391A090040  
84.394 ARRA - State Fiscal Stabilization Fund - Education State Grants,  
Recovery Act  
2010 - S394A090026  
84.397 ARRA - State Fiscal Stabilization Fund - Government  
Services, Recovery Act  
2010 - S397A090026

**State Agency:** Department of Elementary and Secondary Education (DESE)

The DESE did not monitor ARRA funds provided to school districts on a timely basis.

**Recommendation:**

The DESE develop additional monitoring procedures to ensure ARRA expenditures are in compliance with federal guidelines. In addition, these procedures should be performed on a timely basis.

**Status of Finding:**

Resolved with the federal agency. The Department of Education concluded that DESE followed its standard monitoring procedures in reviewing the ARRA funds and had procedures in place to perform the necessary monitoring and thus required no corrective action.

**Contact Person:** Andrea Beck  
**Phone Number:** (573) 751-8292

**2010-4C.** Section 1512 Reporting

**Federal Agency:** Department of Education  
**Federal Program:** 84.386 ARRA - Education Technology State Grants, Recovery Act  
2010 - S386A090025  
84.388 ARRA - School Improvement Grants, Recovery Act  
2010 - S388S090026  
84.389 ARRA - Title I Grants to Local Education Agencies, Recovery Act  
2010 - S389A090025  
84.391 ARRA - Special Education Grants to States, Recovery Act  
2010 - H391A090040  
84.392 ARRA - Special Education - Preschool Grants, Recovery Act  
2010 - H392A090103  
84.394 ARRA - State Fiscal Stabilization Fund - Education State Grants,  
Recovery Act

2010 - S394A090026  
84.397 ARRA - State Fiscal Stabilization Fund - Government Services  
Recovery Act  
2010 - S397A090026

**State Agency:** Department of Elementary and Secondary Education (DESE)

The DESE did not have a formal written plan in place to address the Section 1512 reporting process.

**Recommendation:**

The DESE establish a formal written plan for all programs that require Section 1512 reporting.

**Status of Finding:**

Resolved with the federal agency. The Department of Education (DE) determined that there was no basis to require the DESE to have a formal written plan for carrying out its Section 1512 reporting responsibilities. Therefore, the DE concluded that DESE had taken sufficient steps to ensure an accurate and complete report of Section 1512 data and required no further corrective action.

**Contact Person:** Andrea Beck  
**Phone Number:** (573) 751-8292

**2010-6.** Eligibility Reassessments

**Federal Agency:** Department of Health and Human Services  
**Federal Program:** 93.778 Medical Assistance Program  
2009 - 0905MO5028 and 0905MO5048  
2010 - 1005MO5MAP/XIX-MAP10 and  
1005MO5ADM/XIX-ADM10  
93.778 ARRA - Medical Assistance Program  
2009 - 0905MOARRA and 2010 - 1005MOARRA  
**State Agency:** Department of Health and Senior Services (DHSS)  
**Questioned Costs:** \$598,286

The DHSS did not have effective controls in place to ensure annual reassessments to determine the eligibility of recipients receiving State Plan Personal Care or Aged and Disabled Waiver services were conducted, as required. The DHSS did not perform annual reassessments of eligibility for 49 of 66 cases reviewed. The payments made on behalf of the recipients without annual reassessments during the year ended June 30, 2010, totaled \$806,967. We questioned the federal share of these payments or \$598,286 (74.14 percent).

**Recommendation:**

The DHSS establish effective controls to ensure the annual reassessments are conducted as required. In addition, the DHSS should resolve the questioned costs with the grantor agency.

**Status of Finding:**

The fiscal year 2013 state budget includes funding for Home and Community Based Services (HCBS) providers to conduct reassessments. Reassessments for level of care of current clients will be scheduled for completion based upon the anniversary date of the last assessment. DHSS staff will review and approve all reassessments submitted by HCBS providers.

**Status of Questioned Costs:**

DHSS staff has met with staff from the Centers for Medicare and Medicaid Services to discuss the issues raised in the audit. The meetings are ongoing, but there has been no resolution regarding the questioned costs.

**Contact Person:** Celesta Hartgraves

**Phone Number:** (573) 526-3626

**2010-7.                      Teacher Loan Forgiveness Payments**

**Federal Agency:**      Department of Education  
**Federal Program:**    84.032 Federal Family Education Loans  
**State Agency:**        Department of Higher Education (DHE)  
**Questioned Costs:**    \$1,408,723

The DHE did not make payments to lenders within 45 days as required by program regulations for teacher loan forgiveness (TLF) claims. During the year ended June 30, 2010, payments totaling approximately \$3.83 million were made for 558 TLF claims. The DHE identified 184 of these claims were paid untimely. We questioned the federal share of the 184 untimely claim payments, or \$1,408,723.

**Recommendation:**

The DHE continue monitoring to ensure TLF payments are made in a timely manner in accordance with federal regulations. In addition, the DHE should resolve the questioned costs with the grantor agency.

**Status of Finding:**

The DHE's loan servicer implemented procedures to ensure that eligible teacher loan forgiveness claims are paid within 45 days of receipt. In addition, the DHE updated its internal procedures and reviews all approved TLF claims monthly to verify the lender was paid within 45 days.

**Status of Questioned Costs:**

The DHE disagreed with the questioned costs. To date, the Department of Education has not followed up with the DHE on this audit finding or required any action relating to the questioned costs.

**Contact Person:** Carla Hancock

**Phone Number:** (573) 522-1363

**2010-13A.                    Section 1512 Reporting**

**Federal Agency:** Department of Energy

**Federal Program:** 81.042 ARRA - Weatherization Assistance for Low-Income Persons  
2009 - DE-EE0000151

**State Agency:** Department of Natural Resources (DNR)

The DNR needed to strengthen controls and procedures in place to provide assurance Section 1512 report information submitted by subrecipients of the Weatherization Assistance for Low-Income Persons (WAP) program was complete and accurate. For some elements submitted by subrecipients, DNR personnel reviewed information submitted for reasonableness and compared expenditure data to SAM II; however, the DNR relied on the accuracy and completeness of much of the other information submitted by subrecipients, such as jobs created and retained and vendor payments, for each quarterly report. Additionally, field visits did not include a review of documentation supporting the data submitted by subrecipients and relied on for Section 1512 reporting purposes.

**Recommendation:**

The DNR strengthen procedures for the WAP program to ensure the accuracy and completeness of data submitted by the subrecipients for Section 1512 reporting purposes.

**Status of Finding:**

We disagree with the auditor's finding. We assert our controls and procedures ensure Section 1512 report information submitted by subrecipients is complete and accurate. There were no instances noted of information being less than complete or accurate.

**Contact Person:** Joe Gassner

**Phone Number:** (573) 751-7657

**2010-13B.                    Section 1512 Reporting**

**Federal Agency:** Department of Energy

Environmental Protection Agency

**Federal Program:** 66.458 ARRA - Capitalization Grants for Clean Water State  
Revolving Funds

2009 - 2W977080-01  
66.468 ARRA - Capitalization Grants for Drinking Water State  
Revolving Funds  
2009 - 2F977082-01  
81.042 ARRA - Weatherization Assistance for Low-Income  
Persons  
2009 - DE-EE0000151

**State Agency:** Department of Natural Resources (DNR)

The DNR did not have a formal written plan in place for the Section 1512 reporting process for the Weatherization Assistance for Low-Income Persons, Clean Water State Revolving Fund, or Drinking Water State Revolving Fund programs.

**Recommendation:**

The DNR establish a formal written plan for all programs that require Section 1512 reporting.

**Status of Finding:**

We disagree with the auditor's finding. We assert the procedures in place do constitute a written plan. While procedures, processes, and staff assignments may not be in the format desired, we assert it is still a written plan. In addition, the Section 1512 federal requirements do not stipulate that state agencies must have procedures in a written plan. It should also be noted that there were no instances noted of information being less than complete or accurate using the plan in place. In addition, a letter from the Environmental Protection Agency (EPA) dated October 25, 2011, concurs with the DNR. The EPA believes procedures are adequate and no inaccuracies or errors were identified. In addition, a letter from the Department of Energy (DOE) dated March 5, 2012, states that the DOE has decided not to issue a management decision letter and has taken into consideration the stance of the EPA, which concurs with DNR that the procedures appear adequate.

**Contact Person:** John Madras  
**Phone Number:** (573) 522-9912

**2010-14A.** Capital Assets

**Federal Agency:** Department of Defense  
**Federal Program:** 12.401 National Guard Military Operations and Maintenance Projects  
2009 - DAHA23-09-2-1000 and 2010 - DAHA23-10-2-1000  
**State Agency:** Department of Public Safety - Adjutant General (AG)

Some assets purchased during state fiscal year 2010 had not been properly accounted for in the AG internal capital asset tracking system or the SAM II, Fixed Asset subsystem, and some assets had not received a property tag and asset number. Also, the AG had only

performed physical inventories during fiscal year 2010 for 2 of 56 different property books used to track assets purchased.

**Recommendation:**

The AG ensure all equipment is properly assigned a property tag number and entered into both the internal and SAM II capital asset tracking systems. In addition, the AG should ensure annual physical inventories are performed, and continue to investigate the backlog of untagged capital assets.

**Status of Finding:**

Implemented.

**Contact Person:** Jill Delgado

**Phone Number:** (573) 638-9574

**2010-15.** Cost Allocation Procedures

**Federal Agency:** Department of Health and Human Services

**Federal Program:** 93.558 Temporary Assistance for Needy Families  
2009 - G0901MOTANF and 2010 - G1002MOTANF

93.658 Foster Care - Title IV-E  
2009 - G0901MO1401 and 2010 - G1001MO1401

93.658 ARRA - Foster Care - Title IV-E  
2009 - G0901MO1402 and 2010 - G1001MO1402

93.659 Adoption Assistance  
2009 - G0901MO1407 and 2010 - G1001MO1407

93.674 Chafee Foster Care Independence Program  
2009 - G0901MO1420 and 2010 - G1001MO1420

93.778 Medical Assistance Program  
2009 - 0905MO5048 and 2010 - 1005MO5ADM

**State Agency:** Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)

**Questioned Costs:** \$2,168,919

DFAS controls and procedures over the quarterly allocation of costs to federal programs were not sufficient and as a result, numerous cost allocation errors were not prevented and/or detected. Our review of selected sections of state fiscal year 2010 Children's Division and Family Support Division cost allocation spreadsheets and supporting documentation identified overstatements totaling approximately \$3.3 million for 5 federal programs and understatements totaling approximately \$3.2 million for 11 federal programs due to spreadsheet formula and data entry errors. We questioned the federal share of costs related to the overstatements, or \$2,168,919.

**Recommendation:**

The DSS, through the DFAS, resolve the questioned costs with the grantor agency, and strengthen controls and procedures to ensure the accurate allocation of costs to federal programs. These procedures should include a detailed and documented supervisory review of cost allocation spreadsheets.

**Status of Finding:**

The DSS is working in consultation with the Department of Health and Human Services (DHHS) to rewrite the cost allocation plan to better define its methodologies for allocating costs to various DHHS grants. The DSS has contracted with a third party to help develop and implement a new cost allocation plan and system. The first phase/portion of the new cost allocation plan should be submitted and implemented by July 1, 2013. The plan will be tested and finalized by December 31, 2013. The remaining portion of the plan will be implemented after successful completion of phase one.

The DSS has also assigned a senior level staff person to manage the cost allocation plan. That person is responsible and accountable for updates/revisions to the plan.

**Status of Questioned Costs:**

Questioned costs were settled on quarter ending March 31, 2011, and quarter ending June 30, 2011, federal reports. The DSS is waiting on clearance from the grantor agency.

**Contact Person:** Patrick Luebbering

**Phone Number:** (573) 751-2170

**2010-16A.** Child Care Eligibility and Payments

**Federal Agency:** Department of Health and Human Services

<b>Federal Program:</b>	93.575 Child Care and Development Block Grant 2009 - G0901MOCCDF and 2010 - G1001MOCCDF
	93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund 2009 - G0901MOCCDF and 2010 - G1001MOCCDF
	93.713 ARRA - Child Care and Development Block Grant 2009 - 20091MOCCD7

**State Agency:** Department of Social Services (DSS) - Children's Division (CD) and Family Support Division (FSD)

**Questioned Costs:** \$73,315

Controls over eligibility and provider payments were not sufficient to prevent and/or detect payments on behalf of ineligible clients or improper payments to child care providers.

- Eligibility documentation such as a signed child care application or system-generated interview summary and/or income record(s) for 13 of 60 (22 percent)



cases reviewed could not be located by the DSS. For six of these cases, the DSS could not locate the eligibility file. We questioned the federal share of payments made on behalf of these children and siblings of these children, or \$70,092 (84 percent).

- For child care payments, 30 of 60 (50 percent) payments reviewed were not supported by adequate documentation and/or were not in compliance with DSS policies. Of these 30 payments, 11 were for cases which also lacked eligibility documentation and were included in the above questioned costs. Payments for the remaining 19 cases totaled an additional \$3,837. We questioned the federal share, or \$3,223 (84 percent).

**Recommendation:**

The DSS, through the CD and FSD, resolve the questioned costs with the grantor agency and review and strengthen policies and procedures regarding child care eligibility determinations, provider payments, and case record documentation and retention. These procedures should include sufficient monitoring of eligibility determinations and provider payments, and follow-up on errors identified.

**Status of Finding:**

Corrective actions that have been taken since the finding was issued follow:

*Case Adjustments* - Funds have been returned to the federal government or claims have been entered on either a parent or provider.

*Case Review Tool* - On July 27, 2011, the FSD presented to the CD a walkthrough of the base Case Review System (CRS) to which a child care component was added. A webinar providing detail on the child care component of the system was completed with the Rushmore Group (provider of current CRS) on August 11, 2011. On September 2, 2011, the Rushmore Group began coding child care into the existing CRS. In the spring of 2012, the CD trained 232 supervisors and program managers on the CRS. The CRS was implemented in March 2012. The CD is utilizing the output from the CRS to identify programmatic strengths and challenges and areas for policy, field and training improvement.

*Self-Employment Training* - Effective August 1, 2011, the FSD eligibility specialists (ES) and eligibility supervisors are required to complete the on-line Self-Employment Income Budgeting training course found in the Employee Learning Center. ES and eligibility supervisors were required to complete the training by December 31, 2011. The self-employment training is to assist in reducing the error rates for all income maintenance programs.

*FSD Workers Online Child Care Training* - The FSD administers the child care assistance program for income maintenance households. The majority of the families accessing child care receive services through their local FSD office. As of September 1, 2011, FSD frontline workers and supervisors were able to access online child care

*Casework Reference Guide* - The FSD Training Unit, in collaboration with Child Care Program and Policy staff, developed a Case Reference Guide (CRG) for FSD workers. The CRG is an informational tool that can be utilized by workers when processing applications and completing other case actions. The CRG does not replace the policy and forms manuals. It is intended to be an additional resource for workers. Workers are to use this guide in conjunction with the policy and forms manuals and memorandums.

*Child Care Steering Committee* - During the summer of 2012, the DSS formed a steering committee to address child care issues. The steering committee meets on a regular basis.

The questioned costs were adjusted on the federal report for quarter ended June 30, 2011. The DSS is waiting on clearance from the grantor agency.

Controls over eligibility for the newly established non-Temporary Assistance for Needy Families (TANF) client ARRA Child Care initiative were not sufficient to prevent and/or detect payments made on behalf of ineligible clients. As a result, 10 percent of payments

during the first month of operation were for ineligible clients. We noted 8 of 82 (10 percent) clients reviewed received TANF benefits, although the initiative provided that clients receiving TANF benefits were not eligible. We questioned the federal share of the payments made on behalf of these clients, or \$2,732 (100 percent).

**Recommendation:**

The DSS, through the CD and FSD, resolve the questioned costs with the grantor agency and improve controls to ensure payments under the non-TANF client ARRA Child Care initiative are made for eligible clients in accordance with the Child Care State Plan. In addition, the DSS should review fiscal year 2011 payments under this initiative, and recoup any additional payments improperly made from ARRA funds.

**Status of Finding:**

On April 29, 2011, memorandum CD11-41/OEC11-110 was sent to field staff to reinforce the use of the non-TANF job search. Along with the memo, a listing of TANF recipients who potentially received the non-TANF job search child care benefit anytime between May 2010 and March 2011 was issued to FSD eligibility staff. During the subsequent months in which the program was in effect, the CD issued to field staff a non-TANF job search list for review and potential cleanup. The non-TANF job search program ended August 2011. The CD worked with the FSD to identify cases with unallowable costs. The case reviews were completed and inappropriately claimed funds have been repaid.

**Status of Questioned Costs:**

Questioned costs were adjusted on the federal report for the quarter ended June 30, 2011. The DSS is waiting on clearance from the grantor agency.

**Contact Person:** Alicia Jenkins  
**Phone Number:** (573) 526-3899

**2010-17.** Performance Based Case Management Contracts

**Federal Agency:** Department of Health and Human Services  
**Federal Program:** 93.558 Temporary Assistance for Needy Families  
2009 - G0901MOTANF and 2010 - G1002MOTANF  
93.658 Foster Care - Title IV-E  
2009 - G0901MO1401 and 2010 - G1001MO1401  
93.659 Adoption Assistance  
2009 - G0901MO1407 and 2010 - G1001MO1407  
93.778 Medical Assistance Program  
2009 - 0905MO5048 and 2010 - 1005MO5ADM  
**State Agency:** Department of Social Services (DSS) - Children's Division (CD)

The DSS had not established procedures to ensure all payments to performance based case management contractors were properly allocated to federal programs. As a

result, some contractor payments were allocated to federal programs based on unrealistic budgeted expenditure categories rather than actual expenditures.

**Recommendation:**

The DSS, through the CD, establish procedures to ensure all payments to performance based case management contractors are allocated to federal programs in accordance with federal regulations.

**Status of Finding:**

The DSS believes that its current process for claiming performance based case management contractor payments is in accordance with federal regulations. However, to validate and improve our claiming process, the DSS awarded a work order to Public Consulting Group to review and recommend improvements to the cost allocation methodology for foster care case management claiming. The current projected completion date for activities under the work order is the summer of 2013.

**Contact Person:** Patrick Luebbering  
**Phone Number:** (573) 751-2170

**2010-18C.**                      Foster Care Eligibility and Assistance Payments

**Federal Agency:**        Department of Health and Human Services

**Federal Program:**      93.658 Foster Care - Title IV-E  
   2009 - G0901MO1401 and 2010 - G1001MO1401  
   93.658 ARRA - Foster Care - Title IV-E  
   2009 - G0901MO1402 and 2010 - G1001MO1402

**State Agency:**         Department of Social Services (DSS) - Children's Division (CD)

**Questioned Costs:**     \$5,596

Controls over maintenance payments were not sufficient; and as a result, some payments were not allowable or not supported by adequate documentation. For 17 of 60 (28 percent) cases reviewed, Foster Care maintenance payments were not allowable and/or not supported by adequate documentation. For these 17 cases, payments totaling \$7,951 were unallowable and/or unsupported by adequate documentation. We questioned the federal share, or \$5,596 (70.38 percent).

**Recommendation:**

The DSS, through the CD, resolve the questioned costs with the grantor agency, and ensure all Foster Care payments are allowable and supported by adequate documentation.

**Status of Finding:**

Effective August 1, 2010, the CD implemented a new payment system as the final component of its Statewide Automated Child Welfare Information System (SACWIS), along with new business practices and controls for processing Foster Care eligibility and assistance payments. Under the new payment system, an internal control structure was

implemented requiring Central Office Payment Unit approval, in addition to local county office approval, for all clothing, transportation and many other foster care payments. Filing of the final payment documentation is now maintained by the Central Office Payment Unit. Also, effective August 1, 2010, the CD implemented a new system and business practices for child care assistance payments for protective services clients. Under the new system, additional edits are in place to ensure child care payments are made on behalf of eligible children.

Department of Health and Human Services, Administration for Children and Families (ACF) staff responsible for oversight of the SACWIS was onsite during the week of March 29, 2011, to conduct a preliminary review of the system and to make recommendations to improve the system. The CD understood from ACF feedback that its SACWIS eligibility and payment components were strong points in the system design. The ACF did make recommendations to the DSS to improve systems design and operation. The recommendations have been taken under advisement as the DSS continues to enhance the SACWIS to ensure the system complies with federal requirements.

The CD issued a practice point to staff reminding them of the policies around payment documentation, retention and filing (dated May 11, 2011). In August 2011, the Central Office Payment Unit was transferred to the Division of Financial and Administrative Services to further segregate payment duties and provide enhanced oversight of fiscal responsibilities.

**Status of Questioned Costs:**

Questioned costs were adjusted on the quarter ended June 30 and December 31, 2011, federal reports. The DSS is waiting on clearance from the grantor agency.

**Contact Person:** Sheila Tannehill  
**Phone Number:** (573) 751-8962

**2010-19.**                      Residential Facility Training Reimbursements

**Federal Agency:**        Department of Health and Human Services  
**Federal Program:**      93.658 Foster Care - Title IV-E  
   2009 - G0901MO1401 and 2010 - G1001MO1401  
**State Agency:**        Department of Social Services (DSS) - Children's Division (CD)  
**Questioned Costs:**     \$19,467

The CD had not established sufficient procedures to review residential facility training reimbursements. As a result, reimbursements to these facilities were not always supported by sufficient documentation that training costs were allowable, and some reimbursed training costs appeared unallowable. Of the \$30,656 in training reimbursements reviewed, payments totaling \$25,957 (85 percent) were unsupported and/or unallowable, of which we questioned \$19,467 claimed as the federal share.

### Recommendation:

The DSS, through the CD, strengthen residential facility training reimbursement review procedures to ensure training activities reimbursed are for allowable activities outlined in federal regulations and are adequately supported. In addition, the DSS should resolve the questioned costs with the grantor agency.

**Status of Finding:**

On May 3, 2011, the CD issued to residential treatment providers reimbursed for training costs a letter outlining enhanced procedures that will ensure there is adequate documentation to support claiming those costs for Title IV-E training reimbursement. Residential treatment providers are now required to code the training course to one of a list of Title IV-E allowable topics and to provide a rationale/justification for Title IV-E reimbursement of the course costs. Additionally, the Division of Finance and Administrative Services has strengthened department quality assurance and compliance functions to provide enhanced monitoring of programs and technical assistance to staff with fiscal responsibilities.

**Status of Questioned Costs:**

Questioned costs have not been resolved with the grantor agency.

**Contact Person:** Sheila Tannehill

**Phone Number:** (573) 751-8962

## 2010-21A. Unallowable Costs and Maintenance of Effort

**Federal Agency:** Department of Health and Human Services

**Federal Program:** 93.558 Temporary Assistance for Needy Families  
2009 - G0901MOTANF and 2010 - G1002MOTANF

**State Agency:** Department of Social Services (DSS) - Family Support Division (FSD)

**Questioned Costs:** \$29,638,870

The DSS charged unallowable state foster care, adoption assistance, and subsidized guardianship costs to the Temporary Assistance for Needy Families (TANF) program. The foster care, adoption assistance, and subsidized guardianship costs charged included non-emergency assistance, and the costs charged for emergency assistance were not separately identified; therefore all costs were unallowable. We questioned all state fiscal year 2010 costs for foster care, adoption assistance, and subsidized guardianship charged to the TANF program, totaling \$29,638,870 (100 percent federal share).

### Recommendation:

The DSS ensure prior approved program costs charged to the TANF program comply with federal regulations. In addition, the DSS should resolve the questioned costs with the grantor agency.

**Status of Finding:**

The DSS disagreed with this finding. The DSS's previous response to the finding is unchanged. The DSS is using a manual, developed with the assistance of a third party, to evaluate whether costs are allowable under TANF and/or TANF maintenance of effort (MOE). This desk manual will help the DSS ensure that it has appropriately categorized costs as TANF or TANF MOE as the definitions of allowable costs vary between the two. The desk manual was finished December 2012 and was submitted on January 24, 2013, to our grantor agency for review.

**Status of Questioned Costs:**

The status is still under discussion with the grantor agency.

**Contact Person:** Patrick Luebbering

**Phone Number:** (573) 751-2170

**2010-21B.                      Unallowable Costs and Maintenance of Effort**

**Federal Agency:**      Department of Health and Human Services

**Federal Program:**    93.558 Temporary Assistance for Needy Families  
   2009 - G0901MOTANF and 2010 - G1002MOTANF

**State Agency:**        Department of Social Services (DSS) - Family Support Division (FSD)

The DSS included unallowable educational program costs as qualifying under the maintenance of effort (MOE) requirement for the Temporary Assistance for Needy Families (TANF) program and, as a result, the DSS failed to meet the MOE funding requirements by at least \$30.9 million.

**Recommendation:**

The DSS ensure expenditures claimed as MOE are allowable and resolve the potential penalty with the grantor agency.

**Status of Finding:**

The DSS disagreed with this finding. The DSS's previous response to the finding is unchanged. The DSS is using a manual, developed with the assistance of a third party, to evaluate whether costs are allowable under TANF and/or TANF MOE. This desk manual will help the DSS ensure that it has appropriately categorized costs as TANF or TANF MOE as the definitions of allowable costs vary between the two. The desk manual was finished December 2012 and was submitted on January 24, 2013, to our grantor agency for review.

Additionally, during this process, the third party validated the allowability of the claim in question, citing 1999 TANF Final Rule (page 17825), which supports the DSS's contention that it claimed these funds correctly.

We would like to point out that federal TANF funds may also be used to pay for “nonassistance” activities (such as those identified in this finding) that meet the purposes of the program as given in Sections 401(a)(1)-(4) of the Social Security Act (Act) and 45 CFR Section 260.20. Federal TANF funds may also be used for activities that benefit non-needy families in some cases, e.g., activities that meet the purpose of either Section 401(a)(3) or (a)(4) of the Act. In this respect, there may be more flexibility in the expenditures that are allowable uses of federal funds than those that are allowable for MOE purposes. This is because federally funded services or benefits do not necessitate a determination of financial eligibility (need) if they do not meet the definition of assistance. Thus, states may use federal TANF funds (in accordance with Section 404 of the Act) to provide “nonassistance” services or benefits to eligible individuals who meet the state’s other, nonfinancial, objective criteria for the delivery of such benefits.

The DSS has changed its claiming process to claim these funds as TANF, instead of TANF MOE to align its claiming with the above information.

The status is still under discussion with the grantor agency.

**Contact Person:** Patrick Luebbering  
**Phone Number:** (573) 751-2170

**2010-21C.**                    Unallowable Costs and Maintenance of Effort

**Federal Agency:**     Department of Health and Human Services  
**Federal Program:**    93.558 Temporary Assistance for Needy Families  
   2009 - G0901MOTANF and 2010 - G1002MOTANF  
**State Agency:**        Department of Social Services (DSS) - Family Support Division (FSD)

For the quarter ended September 30, 2010, the DSS charged costs to the Temporary Assistance for Needy Families (TANF) program, totaling \$18,493,665, relating to three scholarship programs: A+ Schools, Bright Flight Scholarships, and Ross-Barnett Scholarships; however, the DSS had not determined and documented whether there was any correlation between these programs and the four purposes of the TANF program. As a result, these scholarship program costs charged to the TANF program in state fiscal year 2011 did not appear allowable.

**Recommendation:**

The DSS ensure program costs charged to the TANF program for state fiscal year 2011 comply with federal regulations.

**Status of Finding:**

The DSS disagreed with this finding. The DSS’s previous response to the finding is unchanged. The DSS is using a manual, developed with the assistance of a third party, to evaluate whether costs are allowable under TANF and/or TANF maintenance of effort



(MOE). This desk manual will help the DSS ensure that it has appropriately categorized costs as TANF or TANF MOE as the definitions of allowable costs vary between the two. The desk manual was finished December 2012 and was submitted on January 24, 2013 to our grantor agency for review. The status is still under discussion with the grantor agency.

**Contact Person:** Patrick Luebbering  
**Phone Number:** (573) 751-2170

**2010-21D.** Unallowable Costs and Maintenance of Effort

**Federal Agency:** Department of Health and Human Services  
**Federal Program:** 93.558 Temporary Assistance for Needy Families  
2009 - G0901MOTANF and 2010 - G1002MOTANF  
**State Agency:** Department of Social Services (DSS) - Family Support Division (FSD)

The DSS control system was not effective in ensuring the types of costs charged to the TANF program or recorded as TANF maintenance of effort (MOE) met all federal regulatory and grant requirements, resulting in unallowable costs and unqualified sources of MOE claimed against the federal TANF grant.

**Recommendation:**

The DSS establish a formal control system to ensure the types of costs charged to the TANF program or recorded as TANF MOE meet all federal regulatory and grant requirements.

**Status of Finding:**

The DSS disagreed with this finding. The DSS's previous response to the finding is unchanged. The DSS is using a manual, developed with the assistance of a third party, to evaluate whether costs are allowable under TANF and/or TANF MOE. This desk manual will help the DSS ensure that it has appropriately categorized costs as TANF or TANF MOE as the definitions of allowable costs vary between the two. The desk manual was finished December 2012 and was submitted on January 24, 2013, to our grantor agency for review. The status is still under discussion with the grantor agency.

**Contact Person:** Patrick Luebbering  
**Phone Number:** (573) 751-2170

**2010-23.** Salary Certifications

**Federal Agency:** Department of Health and Human Services  
**Federal Program:** 93.563 Child Support Enforcement  
2009 - G0904MO4004 and 2010 - G1004MO4004

**State Agency:** Department of Social Services (DSS) - Family Support Division (FSD) - Child Support Enforcement (CSE) and Division of Finance and Administrative Services (DFAS)

**Questioned Costs:** \$83,289

The FSD did not always prepare required salary certifications for employees working solely on the CSE program. Salary certifications were not prepared for 15 of about 870 FSD employees whose personnel costs were charged 100 percent to the CSE program for the period of July 2009 to September 2009. Personnel costs charged to the CSE grant for these 15 employees totaled \$126,196, of which we questioned the federal share of costs totaling \$83,289 (66 percent).

**Recommendation:**

The DSS through the FSD and DFAS resolve the questioned costs with the grantor agency.

**Status of Finding:**

Although DSS disagreed with the finding, after a similar finding in 2009, DSS through the FSD reviewed the salary certification process and enhanced written policies and procedures, in accordance with OMB Circular A-87, to ensure salary certifications were completed for all employees who are 100 percent claimed to a specific grant. These enhancements were effective April 2010. Under Missouri's current procedures, twice a year the supervisor/administrator receives and verifies a comprehensive electronic listing of all employees working solely on a grant so that salary certifications are complete. The Department of Health and Human Services (DHHS), Administration for Children and Families (ACF) decision issued July 30, 2012, concurred with the finding and recommendation, did not sustain the questioned costs and noted that Missouri's corrective actions sufficiently addressed the finding and prevent its recurrence.

**Status of Questioned Costs:**

The DHHS - ACF did not sustain the questioned costs.

**Contact Person:** Patrick Luebbering

**Phone Number:** (573) 751-2170

**2010-25.** Provider Eligibility and Improper Payments

**Federal Agency:** Department of Health and Human Services  
93.778 Medical Assistance Program  
2009 - 0905MO5028 and 0905MO5048  
2010 - 1005MO5MAP/XIX-MAP10 and  
1005MO5ADM/XIX- ADM10  
93.778 ARRA - Medical Assistance Program  
2009 - 0905MOARRA and 2010 - 1005MOARRA

**State Agency:** Department of Social Services (DSS) - MO HealthNet Division (MHD)

**Questioned Costs:   \$122**

The MHD had not established controls to detect expired Medicaid provider licenses or to prevent, detect, and correct payments to providers who were deceased prior to the date the reimbursement claim indicated medical services were provided. As a result, the MHD improperly paid \$164 during the year ended June 30, 2010, for three claims submitted for one Medicaid provider who was deceased prior to the reported date of service. We questioned the federal share of the three claims paid for which the reported dates of services were after the provider's date of death, or \$122 (74.43 percent). In addition, the MHD had not established controls to ensure providers continually meet federal requirements for disclosure of convictions of criminal offenses against Medicare, Medicaid, or the Title XX service program.

**Recommendation:**

The MHD develop procedures to ensure providers meet required criteria to be eligible Medicaid providers, including periodically verifying provider licenses, obtaining updated provider disclosures, and ensuring timely detection of deceased providers, to aid in the prevention and correction of improper claims paid. In addition, the MHD should resolve the questioned costs with the grantor agency.

**Status of Finding:**

The DSS corrective action plan includes addressing the provider's date of death issue through the current fraud, waste and abuse contract with Thomson Reuters. The contractor purchased a license for the Social Security Master Death file and monthly updates. Additionally, the contractor provided the information for this match and planned on assessing a monthly charge for ongoing services. However, it was determined by the DSS it would not be cost effective to pay for this information given the limited effectiveness gained from this enhancement.

Thus, the DSS addressed the provider's required criteria for eligibility in the Request for Proposal for the Provider Enrollment/Case Management system, section 2.3.29, which states "The solution shall provide ongoing monitoring of provider eligibility by automated matching against external databases for exclusions, licenses, death records, criminal records, National Provider Identifier deactivations, sanctions, and suspensions. Suspicious data and non-matches shall generate alerts for the end user for review and possible corrective action." The collection of social security numbers from providers will make validation through an external database of death records feasible through the provider enrollment system. The promulgation of regulations to address the new contract requirements should be effective by June 2013.

The DSS corrective action plan also includes addressing the controls to ensure providers continually meet federal requirements for disclosure of convictions of criminal offense against Medicare, Medicaid, or Title XX service programs. Currently, the state of Missouri is working on a new provider enrollment system. However, forms have been updated manually to require this information from all new initial applications. Additionally, 42 CFR Section 424.514 (effective March 25, 2011) requires prospective

institutional providers submitting an initial application or currently enrolled institutional providers submitting an application establishing a new practice location to submit enrollment credentials, which includes disclosure information.

**Status of Questioned Costs:**

An adjustment was made on the December 31, 2011, quarterly report. The DSS is waiting for clearance from the grantor agency.

**Contact Person:** Mark Cicka

**Phone Number:** (573) 751-6967

**2011-2.** Cash Management

**Federal Agency:** Department of Education

**Federal Program:** 84.010 Title I Grants to Local Educational Agencies  
2010 - S010A090025 and 2011 - S010A100025  
84.389 ARRA - Title I Grants to Local Educational Agencies,  
Recovery Act  
2010 - S389A090025  
84.027 Special Education - Grants to States  
2010 - H027A090040 and 2011 - H027A100040  
84.391 ARRA - Special Education - Grants to States, Recovery Act  
2010 - H391A090040  
84.394 ARRA - State Fiscal Stabilization Fund - Education State  
Grants, Recovery Act  
2010 - S394A090026  
84.397 ARRA - State Fiscal Stabilization Fund - Government  
Services, Recovery Act  
2010 - S397A090026  
84.410 ARRA - Education Jobs Fund  
2011 - S410A100026

**State Agency:** Department of Elementary and Secondary Education (DESE)

The DESE did not always ensure subrecipients spent grant funds received within 3 days of receipt as required.

**Recommendation:**

The DESE utilize the problems identified during monitoring visits to provide feedback and additional guidance to all schools receiving funding. The DESE should consider additional targeted monitoring procedures or other alternatives to ensure school districts expend funds received within the required time-frame.

**Status of Finding:**

Implemented.

**Contact Person:** Andrea Beck  
**Phone Number:** (573) 751-8292

**2011-3A.**                      Subrecipient Monitoring

**Federal Agency:**      Department of Education  
**Federal Program:**    84.388 ARRA - School Improvement Grants, Recovery Act  
   2010 - S388A090026  
**State Agency:**        Department of Elementary and Secondary Education (DESE)

The DESE did not monitor the School Improvement Grant (SIG) monies provided to school districts on a timely basis to ensure compliance with federal guidelines. Although the DESE began expending fiscal year 2011 ARRA SIG monies in October 2010, the DESE did not perform a risk analysis of these funds or begin monitoring procedures until November 2011. Additionally, the DESE could have improved controls and procedures to ensure ARRA Section 1512 reports were complete and accurate for the SIG program. Due to timing of SIG program expenditures and the DESE's current monitoring process, some reporting elements for the SIG program had not been reviewed for accuracy and completeness.

**Recommendation:**

The DESE perform subrecipient monitoring procedures of SIG ARRA expenditures and pertinent Section 1512 reporting data elements on a timely basis and utilize the problems identified during monitoring visits to provide feedback and additional guidance to all the school districts receiving funding.

**Status of Finding:**

Resolved with the federal agency. The Department of Education (DE) has determined that the DESE has followed its normal monitoring procedures which have been found compliant. In addition, because neither ARRA legislation nor program guidance published by the DE required additional monitoring specifically for ARRA funds, it was concluded that DESE performed the necessary monitoring of ARRA funds and required no corrective action.

**Contact Person:** Andrea Beck  
**Phone Number:** (573) 751-8292

**2011-3B.**                      Subrecipient Monitoring

**Federal Agency:**      Department of Education  
**Federal Program:**    84.010 Title I Grants to Local Educational Agencies  
   2010 - S010A090025 and 2011 - S010A100025  
   84.389 ARRA - Title I Grants to Local Educational Agencies,  
   Recovery Act

2010 - S389A090025  
84.027 Special Education - Grants to States  
2010 - H027A090040 and 2011 - H027A100040  
84.391 ARRA - Special Education - Grants to States, Recovery Act  
2010 - H391A090040

**State Agency:** Department of Elementary and Secondary Education (DESE)

The DESE could have improved policies and procedures in place to ensure a sufficient number and amount of expenditures were reviewed and could have better ensured actual expenditures reviewed during on-site visits were adequately documented.

**Recommendation:**

The DESE update on-site monitoring policies and procedures related to expenditure selection methodology and documentation.

**Status of Finding:**

Resolved with the federal agency. The Department of Education (DE) determined that DESE had followed its standard monitoring procedures which were determined to be compliant. Neither ARRA legislation nor program guidance published by the DE required additional monitoring procedures specifically for ARRA funds. Further, regulations and guidance do not prescribe the details a state must include in its monitoring methodology. Thus, it was concluded that the DESE performed the necessary monitoring and required no corrective action.

**Contact Person:** Andrea Beck

**Phone Number:** (573) 751-8292

**2011-4A.** Medicaid Home and Community Based Services

**Federal Agency:** Department of Health and Human Services

**Federal Program:** 93.778 Medical Assistance Program  
2010 - 1005MO5MAP and 1005MO5ADM  
2011 - 1105MO5MAP and 1105MO5ADM  
93.778 ARRA - Medical Assistance Program  
2009 - 0905MOARRA  
2010 - 1005MOARRA  
2011 - 1105MOARRA  
2011 - 1105MOEXTN

**State Agency:** Department of Health and Senior Services (DHSS) - Division of Senior and Disability Services (DSDS)

**Questioned Costs:** \$387,576

The DSDS did not have effective controls in place to ensure annual reassessments were performed, as required, to determine continued need of services of Home and Community Based Services (HCBS) recipients. The DSDS did not perform annual reassessments of

eligibility for 46 of 59 (78 percent) recipients reviewed. The payments for State Plan Personal Care and Aged and Disabled Waiver services provided to these recipients without annual reassessments during the year totaled \$534,219. We questioned the federal share of \$387,576 (72.55 percent).

**Recommendation:**

The DHSS, through the DSDS, resolve the questioned costs with the grantor agency and establish effective controls to ensure the annual reassessments are performed as required. Such controls should include diligent monitoring of reassessments, if any, performed by HCBS providers.

**Status of Finding:**

The fiscal year 2013 state budget includes funding for HCBS providers to conduct reassessments. Reassessments for level of care of current clients will be scheduled for completion based upon the anniversary date of the last assessment. DHSS staff will review and approve all reassessments submitted by HCBS providers.

**Status of Questioned Costs:**

DHSS staff has met with staff from the Centers for Medicare and Medicaid Services to discuss the issues raised in the audit. The meetings are ongoing, but there has been no resolution regarding the questioned costs.

**Contact Person:** Celesta Hartgraves

**Phone Number:** (573) 526-3626

**2011-4B.**                      Medicaid Home and Community Based Services

**Federal Agency:** Department of Health and Human Services

**Federal Program:** 93.778 Medical Assistance Program  
                                    2010 - 1005MO5MAP and 1005MO5ADM  
                                    2011 - 1105MO5MAP and 1105MO5ADM  
93.778 ARRA - Medical Assistance Program  
                                    2009 - 0905MOARRA  
                                    2010 - 1005MOARRA  
                                    2011 - 1105MOARRA  
                                    2011 - 1105MOEXTN

**State Agency:** Department of Health and Senior Services (DHSS) - Division of Senior and Disability Services (DSDS)

**Questioned Costs:** \$4,483

The DSDS could not locate the case file with documentation supporting the authorization of services provided to 1 of 60 (2 percent) Home and Community Based Services (HCBS) recipients tested. Payments totaling \$6,179 were made to State Plan Personal Care and Aged and Disabled Waiver providers on behalf of this recipient during the year ended June 30, 2011. We questioned the federal share of \$4,483 (72.55 percent).

**Recommendation:**

The DHSS, through the DSDS, resolve the questioned costs with the grantor agency and ensure case files are maintained for all HCBS recipients.

**Status of Finding:**

HCBS case records are transitioning to a web-based electronic system (WebTool). Doing so will safeguard records, simplify/accelerate record retrieval, and reduce the amount of paper files that must be maintained.

**Status of Questioned Costs:**

DHSS staff has met with staff from the Centers for Medicare and Medicaid Services to discuss the issues raised in the audit. The meetings are ongoing, but there has been no resolution regarding the questioned costs.

**Contact Person:** Celesta Hartgraves

**Phone Number:** (573) 526-3626

**2011-5.                      State Fiscal Stabilization Fund**

**Federal Agency:**      Department of Education

**Federal Program:**    84.394 ARRA - State Fiscal Stabilization Fund - Education State  
                                 Grants, Recovery Act  
                                 2010 - S394A090026

**State Agency:**        Department of Higher Education (DHE)

Subrecipient monitoring of the State Fiscal Stabilization Fund (SFSF) program was not adequate. While the DHE made improvements since the fiscal year 2010 audit by contracting with a firm to monitor subrecipients, the DHE did not ensure corrective action was taken by Institutions of Higher Education (institutions) on issues noted during subrecipient monitoring reviews.

**Recommendation:**

The DHE follow-up with institutions and request corrective action on any findings noted during subrecipient monitoring reviews. In addition, the DHE should issue a management decision on any findings identified in Single Audits of the institutions relating to the SFSF program.

**Status of Finding:**

The DHE confirmed with the institutions that were requested to implement corrective action that all deficiencies identified were corrected in accordance with OMB Circular A-133. In addition, the DHE issued a management decision letter dated June 25, 2012, that addressed that no further action needs to be done.

**Contact Person:** William R. Thornton

**Phone Number:** (573) 526-1577



**2011-6.**                      Benefit Payments

**Federal Agency:**        Department of Labor

**Federal Program:**     17.225 Unemployment Insurance  
                                 2010 - UI-19592-10-55-A-29  
                                 2011 - UI-21109-11-55-A-29  
                                 17.225 ARRA - Unemployment Insurance  
                                 2010 - UI-19592-10-55-A-29

**State Agency:**         Department of Labor and Industrial Relations (DLIR)

**Questioned Costs:**    \$189,423

Controls and procedures used to manage unemployment benefits were not adequate, resulting in errors in benefits paid.

- Due to a programming error, the computer system did not accurately calculate the maximum benefits amount for 2 of 42 claimants tested, resulting in the overpayment of benefits. We questioned the federal share of \$73 for the errors noted during our review.
- Due to additional programming errors, the computer system generated Federal Additional Compensation (FAC) program benefit payments to some claimants after eligibility for the program ended. We questioned the federal share of \$189,350 for the errors noted during our audit.

**Recommendation:**

The DLIR resolve questioned costs with the grantor agency, and work with the Office of Administration Information Technology Services Division (ITSD) to reanalyze all changes made recently to the computer programming to determine if there are other issues affecting payments to claimants. In addition, the DLIR should work with the ITSD to ensure programming changes are properly tested and accurate and continue efforts to recover overpayments caused by the programming errors.

**Status of Finding:**

The DLIR resolved the questioned costs with the Department of Labor (DOL) in August 2012. The DOL accepted the corrective actions that were completed. The following information was provided to the DOL and summarizes the corrective actions taken by the DLIR:

- The ITSD staff implemented new programming on February 14, 2012, to correct the calculation of the maximum benefit amount (MBA) on all Emergency Unemployment Compensation (EUC) claims. ITSD staff identified and generated a listing of all improperly calculated MBAs on EUC claims. The DLIR staff reviewed the list of improper MBA calculations and took corrective action on each EUC claim. The corrective actions included making additional payments to claimants who were underpaid and pursuing collection activities on claimants who were overpaid according to state and federal law.

The DLIR staff use the following methods and tools to collect improperly paid unemployment benefits:

- Send monthly billing notices
- Establish pay plans
- Accept credit card payments
- Intercept state income tax refunds
- Intercept state lottery winnings
- Offset weekly Unemployment Insurance/EUC benefits at 100 percent
- Missouri participates in Interstate Reciprocal Overpayment Recovery Arrangement (IRORA), so other participating states offset weekly benefits to repay Missouri overpayments
- Garnish wages on delinquent pay plans

In addition, the DLIR is in the process of implementing the Treasury Offset Program. The DLIR plans to have its program operational by December 2012.

The listing of all EUC claims with improperly calculated MBAs was provided to the DOL for review. DOL staff selected five claimants for further review. For those claimants, the DLIR provided copies of notices and computer system screen prints along with handwritten notations made by DLIR employees. In addition, the dates and amounts of overpayment recoveries were noted on the documentation provided to the DOL.

Due to the DLIR's archaic computer system, DLIR employees are continually making hand adjustments to EUC claims to accommodate special situations. If there were another problem with the MBA calculation, staff would notice it while making hand adjustments to EUC claims. A copy of the Instructions for Correcting Underpayments and Overpayments - EUC and Extended Benefit MBA Calculations was provided to the DOL.

Effective September 2012, the weeks and percentages changed for EUC Tiers I and III. At that time, the DLIR thoroughly tested the computer system to ensure the proper MBA is being calculated on all EUC claims and issued revised instructions to staff.

- All improperly paid FAC benefit payments were identified by DLIR staff in June 2010, November 2010, and December 2010. As of April 16, 2011, overpayments were established on each of the improper FAC payments. DLIR staff are continuing collection activities on these overpayments according to state and federal law. An example FAC overpayment file, including claimant notice, computer system screen prints and documentation of overpayment recovery, was provided to the DOL for review.

In response to the recommendation to reanalyze all recent changes made to the computer programming, when any type of error is detected by DLIR staff, a request is made to the

ITSD to both correct the error and review files to ascertain if any other claims are affected by the problem(s). The DLIR will continue to work with the ITSD to identify all recent changes to the computer programming and to identify any other issues that may affect payment of benefits. In addition, the Division of Employment Security has hired a contractor to document the mainframe system to be able to better track changes that are made and to make changes if an error is discovered.

All corrective actions were completed in May 2012, except the recovery of overpayments which is ongoing.

**Status of Questioned Costs:**

The DOL has allowed all questioned costs.

**Contact Person:** Carol Luecke

**Phone Number:** (573) 751-4012

**2011-7A.** Allowable Costs and Activities

**Federal Agency:** Department of Homeland Security  
Department of Justice

**Federal Program:** 16.738 Edward Byrne Memorial Justice Assistance Grant Program  
2007 - DJ-BX-0051  
2008 - DJ-BX-0731 and DJ-BX-0027  
2009 - DJ-BX-0090  
2010 - DJ-BX-0066  
16.803 ARRA - Edward Byrne Memorial Justice Assistance Grant  
Program/Grants to States and Territories  
2009 - SU-B9-0032  
97.067 Homeland Security Grant Program  
2006 - GE-T6-0067  
2007 - GE-T7-0034  
2008 - GE-T8-0014  
2009 - SS-T9-0062  
2010 - SS-T0-0039

**State Agency:** Department of Public Safety - Office of the Director (OD)

**Questioned Costs:** \$740,054

The OD did not ensure personnel related expenditures were properly supported by salary certifications and approved activity reports for the Homeland Security or the Justice Assistance Grant (JAG) programs. Salary certifications were not prepared for the eight employees working solely on the Homeland Security program or the eight employees working solely on the JAG program during the year ended June 30, 2011. We questioned the federal share of the salary costs for these 16 employees, or \$671,287 (100 percent). In addition, the OD did not ensure the personnel activity reported for the 23 employees working on multiple programs was approved by the employee or the employee's

supervisor. We questioned the federal share of salary costs for these employees for the month reviewed, or \$68,767 (100 percent).

**Recommendation:**

The OD resolve the questioned costs with the grantor agency, and ensure salary certifications are prepared and approved for all employees who work solely on a single program and activities reported by employees working on multiple programs are approved as required.

**Status of Finding:**

The OD, Office of Homeland Security (OHS), has since updated and revised time and accounting sheets to capture the salary certifications.

**Status of Questioned Costs:**

The OHS has since provided certifications of time reported on the months in question. We are currently working towards ensuring all employees' time is certified by someone in their chain of command, normally their immediate supervisor. Our federal grant agency has not contacted us regarding the questioned cost as cited by the Auditor.

**Contact Person:** Bruce Clemonds

**Phone Number:** (573) 522-6125

**2011-7B.**                      Allowable Costs and Activities

**Federal Agency:**      Department of Homeland Security

Department of Justice

**Federal Program:**    16.738 Edward Byrne Memorial Justice Assistance Grant Program

2007 - DJ-BX-0051

2008 - DJ-BX-0731 and DJ-BX-0027

2009 - DJ-BX-0090

2010 - DJ-BX-0066

16.803 ARRA - Edward Byrne Memorial Justice Assistance Grant  
Program/Grants to States and Territories

2009 - SU-B9-0032

97.067 Homeland Security Grant Program

2006 - GE-T6-0067

2007 - GE-T7-0034

2008 - GE-T8-0014

2009 - SS-T9-0062

2010 - SS-T0-0039

**State Agency:**              Department of Public Safety - Office of the Director (OD)

Expenditure processing and approval duties were not adequately segregated. The OD had two employees with access to both enter and approve their own procurement transactions in the state accounting system.

**Recommendation:**

The OD segregate incompatible duties and implement independent reviews to ensure all transactions are proper.

**Status of Finding:**

The SAM II security settings for both employees have been edited so that they cannot enter and approve their own documents.

**Contact Person:** Carol Willhite

**Phone Number:** (573) 522-9576

**2011-8A.**                      Subrecipient Monitoring

**Federal Agency:**      Department of Homeland Security  
**Federal Program:**    97.067 Homeland Security Grant Program  
                                 2006 - GE-T6-0067  
                                 2007 - GE-T7-0034  
                                 2008 - GE-T8-0014  
                                 2009 - SS-T9-0062  
                                 2010 - SS-T0-0039

**State Agency:**              Department of Public Safety - Office of the Director (OD)

A formal subrecipient monitoring policy for the Homeland Security program was not implemented until March 2011 and monitoring procedures could have been improved. The delay in implementing the policy resulted in the OD not performing desk monitoring reviews for the majority of subrecipients during fiscal year 2011. Additionally, the monitoring policy required the OD to perform site visits at two subrecipients per year; however, the OD had not adequately documented the criteria and methodology for selecting Homeland Security subrecipients for a site visit, or specific procedures to be performed during each site visit.

**Recommendation:**

The OD establish and implement policies and procedures to ensure subrecipients are adequately monitored.

**Status of Finding:**

The Office of Homeland Security has since hired a 1,000 hour employee to perform site visits on the selected recipients. Monitoring of subrecipients is occurring and a schedule of monitoring has been developed. We have implemented a new site monitoring report. We will select subrecipients for monitoring as stipulated in our policy on monitoring subrecipients, recordkeeping, and internal operation and accounting control system, Information Bulletin OHS-GT-2012-001, April 15, 2012, as approved by our grant agency.

**Contact Person:** Bruce Clemonds  
**Phone Number:** (573) 522-6125

**2011-8B.**                    Subrecipient Monitoring

**Federal Agency:**     Department of Justice  
**Federal Program:**   16.738 Edward Byrne Memorial Justice Assistance Grant Program  
                                 2007 - DJ-BX-0051  
                                 2008 - DJ-BX-0731 and DJ-BX-0027  
                                 2009 - DJ-BX-0090  
                                 2010 - DJ-BX-0066  
                                 16.803 ARRA - Edward Byrne Memorial Justice Assistance Grant  
                                 Program/Grants to States and Territories  
                                 2009 - SU-B9-0032  
**State Agency:**       Department of Public Safety (DPS) - Office of the Director (OD)

The OD had not established a formal subrecipient monitoring policy for the Justice Assistance Grant program and could have better ensured actual expenditures reviewed during on-site visits were adequately documented.

**Recommendation:**

The OD establish and implement policies and procedures to ensure subrecipients are adequately monitored.

**Status of Finding:**

Site monitoring policies and procedures were put in place to provide consistent policy and procedures for Criminal Justice/Law Enforcement (CJ/LE) staff with site monitoring procedures. The policies and procedures are used as a foundation for all monitoring of funded projects of the DPS CJ/LE Unit.

**Contact Person:** Eric Shepherd  
**Phone Number:** (573) 751-5997

**2011-8C.**                    Subrecipient Monitoring

**Federal Agency:**     Department of Homeland Security  
                                 Department of Justice  
**Federal Program:**   16.738 Edward Byrne Memorial Justice Assistance Grant Program  
                                 2007 - DJ-BX-0051  
                                 2008 - DJ-BX-0731 and DJ-BX-0027  
                                 2009 - DJ-BX-0090  
                                 2010 - DJ-BX-0066  
                                 16.803 ARRA - Edward Byrne Memorial Justice Assistance Grant  
                                 Program/Grants to States and Territories

2009 - SU-B9-0032  
97.067 Homeland Security Grant Program  
2006 - GE-T6-0067  
2007 - GE-T7-0034  
2008 - GE-T8-0014  
2009 - SS-T9-0062  
2010 - SS-T0-0039

**State Agency:** Department of Public Safety - Office of the Director (OD)

The OD had not established an audit tracking system or ensured Homeland Security and Justice Assistance Grant (JAG) program subrecipients expending \$500,000 or more in federal funds obtained independent Single Audits as required. In addition the OD had not documented that Single Audit reports received were reviewed.

**Recommendation:**

The OD establish a system to track Single Audit reports expected and received from applicable subrecipients. In addition, the OD should document its review and follow-up of all subrecipient Single Audit reports received.

**Status of Finding:**

As it relates to the JAG program, a Single Audit report system has been put into place wherein audits are scanned and added to our grant management system, and we have tracking in place to show audits have been received, reviewed, and can track follow-up required.

We have incorporated into our Homeland Security program application an Audit Certification Form to ensure compliance with the A-133 Single Audit requirements. Once we receive the application we check the audit form to see when the last audit was conducted. We then check the Federal Clearinghouse website to ensure the results of the audit are there. If not, we request a hard copy of the last audit from the applicant. Moving forward, all applicable subrecipient audits will be reviewed for compliance issues. If issues/findings are discovered, we will contact the respective subrecipients and request the current status of the issues/findings. At this time, we will request written documentation as to the current status of their corrective action plan and provide a management decision in relation to our award and the status of their findings. Single Audit requirements will also be reviewed for compliance during monitoring.

As of October 2012, we are working to fully implement the Office of Homeland Security's monitoring policy which includes reviewing reports and providing written follow-up to actionable items. We will develop a schedule of monitoring, on-site and desktop, and ensure that all subrecipients receive monitoring action within any calendar year. Additionally, a tracking system will be put in place to ensure all subrecipients are monitored.

**Contact Person:** Carol Willhite  
**Phone Number:** (573) 522-9576

**2011-9.**                      Reporting

**Federal Agency:**      Department of Justice  
**Federal Program:**    16.738 Edward Byrne Memorial Justice Assistance Grant Program  
                                 2007 - DJ-BX-0051  
                                 2008 - DJ-BX-0731 and DJ-BX-0027  
                                 2009 - DJ-BX-0090  
                                 2010 - DJ-BX-0066  
                                 16.803 ARRA - Edward Byrne Memorial Justice Assistance Grant  
                                 Program/Grants to States and Territories  
                                 2009 - SU-B9-0032  
**State Agency:**        Department of Public Safety - Office of the Director (OD)

The OD did not have adequate controls and procedures over the preparation of the Federal Financial Report (SF-425) or the Schedule of Expenditures of Federal Awards (SEFA), and as a result, errors were not prevented and/or detected.

**Recommendation:**

The OD establish procedures to ensure the SEFA and SF-425 reports are complete and accurate.

**Status of Finding:**

Procedures are now in place where in the SF-425 and the SEFA are prepared and expenses are compared using expenditure reports from our WebGrant grant management system, the Drawdown Transaction Report from Department of Justice Grant Payment Request System, and web interface reports from SAM II to complete the quarterly SF-425 and yearly SEFA reports.

**Contact Person:** Carol Willhite  
**Phone Number:** (573) 522-9576

**2011-10.**                      Cash Management

**Federal Agency:**      Department of Homeland Security  
**Federal Program:**    97.067 Homeland Security Grant Program  
                                 2006 - GE-T6-0067  
                                 2007 - GE-T7-0034  
                                 2008 - GE-T8-0014  
                                 2009 - SS-T9-0062  
                                 2010 - SS-T0-0039  
**State Agency:**        Department of Public Safety - Office of the Director (OD)

The OD did not always ensure the time elapsed between the receipt of federal funds and subsequent disbursement to vendors and subrecipients was minimized.



**Recommendation:**

The OD follow established cash management procedures to ensure cash advances are limited to the minimum amounts needed, timed with the actual, immediate cash requirements. Monies received should be disbursed timely.

**Status of Finding:**

The Office of Homeland Security will ensure procedures are followed and funds disbursed in a timely manner. If for some reason cash advances are needed for a period of time in excess of what is recommended, we will seek approval from our granting agency for the exception.

**Contact Person:** Bruce Clemonds  
**Phone Number:** (573) 522-6125

**2011-11A.                    Social Services Block Grant**

**Federal Agency:** Department of Health and Human Services  
**Federal Program:** 93.667 Social Services Block Grant  
2010 and 2009 - 0901MOSOS2  
**State Agency:** Department of Public Safety - State Emergency Management Agency  
(SEMA)  
**Questioned Costs:** \$2,507,444

The SEMA did not have adequate controls and procedures in place to ensure the Social Services Block Grant (SSBG) disaster funds were used for allowable costs and activities.

- 1) Documentation was not adequate to support the allowability of disbursements made for a relocation buyout program. We questioned the federal share of all payments made for the buyout, or \$1,751,588 (100 percent). In addition, the SEMA did not have a written agreement with a regional planning commission documenting the funding to be provided and the responsibilities of each party.
- 2) Documentation was not adequate to support the allowability of payments made for 2 of 17 individual assistance projects reviewed. We questioned the federal share of the payments, or \$213,949 (100 percent). In addition, several project files lacked some other required documentation.
- 3) Documentation was not reviewed by the SEMA to ensure payments made to a regional planning commission for individual assistance projects were allowable. We questioned the federal share of these payments, or \$541,907 (100 percent).

**Recommendation:**

The SEMA review payments made to ensure they were adequately supported and an allowable use of the SSBG Disaster funds. In addition, the SEMA should resolve the questioned costs with the grantor agency.

**Status of Finding:**

The SEMA has dedicated staff to resolve the questioned costs. That staff is continuing to work on the project to ensure all documentation is filed correctly in the SEMA files and any missing paperwork is located.

**Status of Questioned Costs:**

The SEMA is continuing to work with all partners on this grant project to ensure the necessary paperwork is in place to satisfy the concerns that led to the questioned costs. Once the project review is completed, the SEMA feels the questioned costs will be determined as eligible, allocable, necessary and reasonable within the grant guidelines.

**Contact Person:** Dante Gliniecki  
**Phone Number:** (573) 526-9132

**2011-11B.                      Social Services Block Grant**

**Federal Agency:** Department of Health and Human Services

**Federal Program:** 93.667 Social Services Block Grant  
2010 and 2009 - 0901MOSOS2

**State Agency:** Department of Public Safety - State Emergency Management Agency  
(SEMA)

The SEMA did not have monitoring procedures in place to ensure subrecipients were in compliance with applicable grant and project requirements and that project performance goals were achieved.

**Recommendation:**

The SEMA implement subrecipient monitoring policies and procedures for all monies paid to subrecipients, as required.

**Status of Finding:**

The SEMA has completed the recommended action. The SEMA reviewed existing guidance established for this grant to determine items necessary for file compliance and vendor payment. Additionally, the SEMA reviewed the approved nature of projects granted to subrecipients. The SEMA then sent staff on-site to review subrecipient files and processes to determine if proper procedures were followed, sufficient documentation was retained, and only allowed projects were completed.

**Contact Person:** Tracy Farris  
**Phone Number:** (573) 526-9106

**2011-12.**                      Disaster Assistance Subrecipient Monitoring

**Federal Agency:** Department of Homeland Security  
**Federal Program:** 97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)  
2006 - FEMA-DR-1631-MO and FEMA-DR-1635-MO  
2007 - FEMA-DR-1673-MO, FEMA-DR-1676-MO, FEMA-DR-1708-MO, and FEMA-DR-1728-MO  
2008 - FEMA-DR-1736-MO, FEMA-DR-1742-MO, FEMA-DR-1748-MO, FEMA-DR-1749-MO, and FEMA-DR-1773-MO  
2009 - FEMA-DR-1809-MO, FEMA-DR-1822-MO, and FEMA-DR-1847-MO  
2010 - FEMA-DR-1934-MO  
2011 - FEMA-DR-1961-MO and FEMA-DR-1980-MO  
**State Agency:** Department of Public Safety - State Emergency Management Agency (SEMA)

The SEMA did not adequately track subrecipients to ensure an independent Single Audit had been completed, when required, and submitted to the SEMA on a timely basis.

**Recommendation:**

The SEMA develop procedures to ensure subrecipients obtain and submit independent Single Audits when required.

**Status of Finding:**

The SEMA has developed a monitoring plan to include annual certifications for A-133 compliance by our local subrecipients, on-site monitoring visits, and review of hard copy audits from local subrecipients in conjunction with review of electronic audit status' from the federal audit clearinghouse. The plan is for the annual certification letters to be mailed to subrecipients in January 2013.

**Contact Person:** Tracy Farris  
**Phone Number:** (573) 526-9106

**2011-13.**                      Schedule of Expenditure of Federal Awards

**Federal Agency:** Department of Agriculture  
Department of Health and Human Services  
**Federal Program:** 10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program  
2010 - 2010IS251443, 2010IE251843, 20108E251843, and 2010IS252043  
2011 - 2011IS251443, 2011IS252043, and 2011IY810543  
93.558 Temporary Assistance for Needy Families

2010 - G1002MOTANF and 2011 - G1102MOTANF  
 93.714 ARRA - Emergency Contingency Fund for Temporary  
 Assistance for Needy Families State Program  
 2009 - G0901MOTAN2 and 2010 - G1001MOTAN2  
 93.575 Child Care and Development Block Grant  
 2010 - G1001MOCCDF and 2011 - G1101MOCCDF  
 93.596 Child Care Mandatory and Matching Funds of the Child Care and  
 Development Fund  
 2010 - G1001MOCCDF and 2011 - G1101MOCCDF  
 93.713 ARRA - Child Care and Development Block Grant  
 2009 - G0901MOCCD7  
 93.658 Foster Care - Title IV-E  
 2010 - G1001MO1401 and 2011 - G1101MO1401  
 93.658 ARRA - Foster Care - Title IV-E  
 2010 - G1001MO1402  
 2011 - G1101MO1402 and G1101MO1404  
 93.659 Adoption Assistance  
 2010 - G1001MO1407 and 2011 - G1101MO1407  
 93.659 ARRA - Adoption Assistance  
 2010 - G1001MO1403  
 2011 - G1101MO1403 and G1101MO1405  
 93.667 Social Services Block Grant  
 2009 - 0901MOSOS2,  
 2010 - G1001MOSOSR  
 2011 - G1101MOSOSR  
 93.767 Children's Health Insurance Program  
 2010 - 1005MO05021  
 93.778 Medical Assistance Program  
 2010 - 1005MO5MAP and 1005MO5ADM  
 2011 - 1105MO5MAP and 1105MO5ADM  
 93.778 ARRA - Medical Assistance Program  
 2009 - 0905MOARRA and 0905MOMDSH  
 2010 - 1005MOARRA, 1005MOHITA, and 1005MOQUAL  
 2011 - 1105MOARRA, 1105MOEXTN, 1105MOHIMP, and  
 1105MOQUAL

**State Agency:** Department of Social Services (DSS) - Division of Finance and  
 Administrative Services (DFAS)

DFAS controls and procedures over the preparation of the Schedule of Expenditures of  
 Federal Awards (SEFA) were not sufficient, and as a result, errors on the SEFA were not  
 prevented and/or detected.

**Recommendation:**

The DSS through the DFAS, implement procedures to ensure the SEFA is complete and  
 accurate.

**Status of Finding:**

The DSS continues to implement procedures to ensure the SEFA is complete and accurate. The division updates the SEFA quarterly, instead of annually. The DFAS assigned a staff person outside of the Grants Management section to assist with the creation of the SEFA and to review the SEFA, before a final review and approval by the Deputy Director over Grants Management. This finding has been cleared with the grantor agency.

**Contact Person:** Patrick Luebbering

**Phone Number:** (573) 751-2170

**2011-14A.**                      Eligibility and Child Care Payments

**Federal Agency:** Department of Health and Human Services

**Federal Program:** 93.575 Child Care and Development Block Grant  
2010 - G1001MOCCDF and 2011 - G1101MOCCDF  
93.596 Child Care Mandatory and Matching Funds of the Child Care  
and Development Fund  
2010 - G1001MOCCDF and 2011 - G1101MOCCDF  
93.713 ARRA - Child Care and Development Block Grant  
2009 - G0901MOCCD7

**State Agency:** Department of Social Services (DSS) - Children's Division (CD)  
and Family Support Division (FSD)

**Questioned Costs:** \$42,204

Controls over eligibility and provider payments were not sufficient to prevent and/or detect payments made on behalf of ineligible clients or improper payments to child care providers.

- The DSS could not locate the eligibility file for 6 of 60 cases reviewed. Child care payments made on behalf of these children and their siblings during the year ended June 30, 2011, totaled \$46,466. We questioned the federal share of \$37,637 (81 percent).
- Eligibility documentation was not sufficient to support a valid need for child care for 3 of 60 cases reviewed. Payments totaling \$4,610, made on behalf of these children and their siblings, were unallowable and/or unsupported by adequate documentation. We questioned the federal share of \$3,734 (81 percent).
- For child care payments, 13 of 60 payments reviewed were not supported by adequate documentation and/or were not in compliance with DSS policies. Of these 13 payments, 2 were for cases which also lacked eligibility documentation and were included in the above questioned costs. Payments for the remaining 11 cases totaled an additional \$1,028. We questioned the federal share of \$833 (81 percent).

**Recommendation:**

The DSS, through the CD and FSD, resolve the questioned costs with the grantor agency and review and strengthen policies and procedures regarding child care eligibility determinations, provider payments, and case record documentation and retention. These procedures should include sufficient monitoring of eligibility determinations and provider payments, and follow-up on errors identified.

**Status of Finding:**

Corrective actions that have been taken since the finding was issued follow:

*Case Adjustments* - Funds have been returned to the federal government or claims have been entered on either a parent or provider.

*Case Review Tool* - On July 27, 2011, the FSD presented to the CD a walkthrough of the base Case Review System (CRS) to which a child care component was added. A webinar providing detail on the child care component of the system was completed with the Rushmore Group (provider of current CRS) on August 11, 2011. On September 2, 2011, the Rushmore Group began coding child care into the existing CRS. In the spring of 2012, the CD trained 232 supervisors and program managers on the CRS. The CRS was implemented in March 2012. The CD is utilizing the output from the CRS to identify programmatic strengths and challenges and areas for policy, field and training improvement.

*Self-Employment Training* - Effective August 1, 2011, the FSD eligibility specialists (ES) and eligibility supervisors are required to complete the on-line Self-Employment Income Budgeting training course found in the Employee Learning Center. ES and eligibility supervisors were required to complete the training by December 31, 2011. The self-employment training is to assist in reducing the error rates for all income maintenance programs.

*FSD Workers Online Child Care Training* - The FSD administers the child care assistance program for income maintenance households. The majority of the families accessing child care receive services through their local FSD office. As of September 1, 2011, FSD frontline workers and supervisors were able to access online child care training through the FSD Training Unit intranet page. New FSD employees are required to complete the online training with a 70 percent accuracy rate or above prior to enrolling in the in-person Basic Child Care Orientation training. New staff access and complete the training through the DSS Employee Learning Center with the online assessment component.

*Casework Reference Guide* - The FSD Training Unit, in collaboration with Child Care Program and Policy staff, developed a Case Reference Guide (CRG) for FSD workers. The CRG is an informational tool that can be utilized by workers when processing applications and completing other case actions. The CRG does not replace the policy and forms manuals. It is intended to be an additional resource for workers. Workers are to use this guide in conjunction with the policy and forms manuals and memorandums.

*Child Care Manual Revisions* - The CD continues to review and revise its child care manual. Several manual revisions are forthcoming that will support program integrity and accountability. Also, both FSD and CD staff receive support through Practice Points and Practice Alerts, as needed, to enforce and clarify program policy.

*Child Care Steering Committee* - During the summer of 2012, the DSS formed a steering committee to address child care issues. The steering committee meets on a regular basis.

**Status of Questioned Costs:**

The DSS recovered some of the questioned costs via processing claims against parents or providers. The DSS completed the remaining adjustments on the March 31, 2012, quarterly report. The DSS is waiting on clearance from the grantor agency.

**Contact Person:** Alicia Jenkins  
**Phone Number:** (573) 526-3899

**2011-14B.** Eligibility and Child Care Payments

**Federal Agency:** Department of Health and Human Services  
**Federal Program:** 93.575 Child Care and Development Block Grant  
2010 - G1001MOCCDF and 2011 - G1101MOCCDF  
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund  
2010 - G1001MOCCDF and 2011 - G1101MOCCDF  
93.713 ARRA - Child Care and Development Block Grant  
2009 - G0901MOCCD7  
**State Agency:** Department of Social Services (DSS) - Children's Division (CD) and Family Support Division (FSD)  
**Questioned Costs:** \$16,011

Payments were made on behalf of clients ineligible for an ARRA Child Care Initiative. We noted 9 of 49 clients reviewed were receiving Temporary Assistance for Needy Family (TANF) benefits, although the initiative provides that clients receiving TANF benefits were not eligible. We questioned the federal share of the payments made on behalf of these clients, or \$16,011 (100 percent).

**Recommendation:**

The DSS, through the CD and FSD, resolve the questioned costs with the grantor agency and revise its methodology for identifying clients who were ineligible for non-TANF ARRA Child Care Initiative benefits and recoup any improper payments identified.

**Status of Finding:**

On April 29, 2011, memorandum CD11-41/OEC11-110 was sent to field staff to reinforce the use of the non-TANF job search. Along with the memo, a listing of TANF recipients who potentially received the non-TANF job search child care benefit anytime

between May 2010 and March 2011 was issued to FSD eligibility staff. During the subsequent months in which the program was in effect, the CD issued to field staff a non-TANF job search list for review and potential cleanup. The non-TANF job search program ended August 2011. The CD worked with the FSD to identify cases with unallowable costs. The case reviews were completed and inappropriately claimed funds have been repaid.

**Status of Questioned Costs:**

The DSS recovered a portion of the questioned costs via claims against parents or providers. The DSS is in discussions with the grantor agency on how to adjust for remaining questioned costs since the ARRA grant has expired.

**Contact Person:** Alicia Jenkins  
**Phone Number:** (573) 526-3899

**2011-15A&B.**      Eligibility and Adoption Assistance Payments

**Federal Agency:** Department of Health and Human Services  
**Federal Program:** 93.659 Adoption Assistance  
                                    2010 - G1001MO1407 and 2011 - G1101MO1407  
                                    93.659 ARRA - Adoption Assistance  
                                    2010 - G1001MO1403  
                                    2011 - G1101MO1403 and G1101MO1405  
**State Agency:** Department of Social Services (DSS) - Children's Division (CD)  
**Questioned Costs:** \$12,367

- A. Payments were made on behalf of ineligible children. For 2 of 60 cases tested, payments were made on behalf of children ineligible for Adoption Assistance benefits because the adoption subsidy agreement was not signed and in effect before or at the date of adoption. Payments totaling \$7,452 were made on behalf of these ineligible children during the year ended June 30, 2011. We questioned the federal share of \$5,119 (68.7 percent). Cumulative payments, totaling \$30,357 and \$27,330, for these two cases were charged to the Adoption Assistance program during fiscal year 2011 and before.
- B. Some subsidy payments appeared to have been backdated. For 3 of 60 cases tested, the subsidy agreements were not signed and in effect prior to or at the date of the adoption decree because the CD Director's signature date was apparently backdated. For these three cases, payments totaling \$10,548 were made during the year ended June 30, 2011. We questioned the federal share of \$7,248 (68.7 percent). Cumulative payments, totaling \$44,689, \$17,169, and \$40,130, for these three cases were charged to the Adoption Assistance program during fiscal year 2011 and before.



**Recommendation:**

The DSS, through the CD, resolve the questioned costs with the grantor agency, and ensure all adoption subsidy agreements are signed and effective prior to the adoption. In addition, the CD should refund the federal share of cumulative overpayments.

**Status of Finding:**

The CD Family and Child Electronic System (FACES) was fully implemented on July 31, 2010. This system now has in place edits which integrate information from the contract system and the children's eligibility system. Thus, when contracts are signed after the adoption finalization occurs, federal dollars cannot be accessed as the child would be determined ineligible for federal Title IV-E funding.

For the five children listed in the finding, the DSS has not yet completed all recoupments for payments made prior to fiscal year 2011 but is in the process of completing these recoupments. The DSS has changed the fund code so that future payments for these children will not be charged federally.

**Status of Questioned Costs:**

An adjustment for the questioned cost amount was completed on the March 31, 2012, quarterly report. The DSS is waiting on clearance from the grantor agency.

**Contact Person:** Amy Martin

**Phone Number:** (573) 526-8040

**2011-15C.                      Eligibility and Adoption Assistance Payments**

**Federal Agency:** Department of Health and Human Services

**Federal Program:** 93.659 Adoption Assistance  
                                    2010 - G1001MO1407 and 2011 - G1101MO1407  
                                    93.659 ARRA - Adoption Assistance  
                                    2010 - G1001MO1403  
                                    2011 - G1101MO1403 and G1101MO1405

**State Agency:** Department of Social Services (DSS) - Children's Division (CD)

**Questioned Costs:** \$28,315

The DSS claimed reimbursement for non-recurring adoption expenditures in excess of allowable federal limits, and did not comply with federal guidance prohibiting the limitation of nonrecurring expenditures by category. The DSS paid nonrecurring expenses in excess of the \$2,000 limit for 49 children during fiscal year 2011, totaling \$56,630. We questioned the federal share of these payments, or \$28,315 (50 percent).

**Recommendation:**

The DSS, through the CD, resolve the questioned costs with the grantor agency, and implement procedures to ensure payment of nonrecurring adoption expenditure payments are compliant with federal regulations.

**Status of Finding:**

The CD has worked with DSS Research and Evaluation staff to produce a quarterly report identifying any nonrecurring adoption expenses in excess of \$2,000 paid from federal funds. These amounts are monitored and recouped to state only funds on a quarterly basis.

**Status of Questioned Costs:**

An adjustment was completed on the March 31, 2012, quarterly report. The DSS is waiting on clearance from the grantor agency.

**Contact Person:** Amy Martin

**Phone Number:** (573) 526-8040

**2011-16.                      Cost Allocation Procedures**

**Federal Agency:** Department of Health and Human Services

**Federal Program:** 93.667 Social Services Block Grant

2010 - G1001MOSOSR and 2011 - G1101MOSOSR

**State Agency:** Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)

DFAS controls and procedures over the allocation of costs to the Social Services Block Grant program were not sufficient and as a result, cost allocation errors were not prevented and/or detected.

**Recommendation:**

The DSS, through the DFAS, strengthen controls and procedures to ensure the accurate allocation of costs to the Social Services Block Grant. These procedures should include a detailed and documented supervisory review of cost allocation spreadsheets.

**Status of Finding:**

The DSS is working in consultation with the Department of Health and Human Services (DHHS) to rewrite the cost allocation plan to better define its methodologies for allocating costs to various DHHS grants. The DSS has contracted with a third party to help develop and implement a new cost allocation plan and system. The first phase/portion of the new cost allocation plan should be submitted and implemented by July 1, 2013. The plan will be tested and finalized by December 31, 2013. The remaining portion of the plan will be implemented after successful completion of phase one.

The DSS has also assigned a senior level staff person to manage the cost allocation plan. That person is responsible and accountable for updates/revisions to the plan.

**Contact Person:** Patrick Luebbering

**Phone Number:** (573) 751-2170

<b>Federal Agency:</b>	Department of Health and Human Services
<b>Federal Program:</b>	93.667 Social Services Block Grant 2010 - G1001MOSOSR and 2011 - G1101MOSOSR
<b>State Agency:</b>	Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)
<b>Questioned Costs:</b>	\$6,461,316

**Recommendation:**

**Status of Finding:**

**Status of Questioned Costs:**

This finding is the subject of continued discussion with the grantor agency, but no resolution has yet been finalized. Questioned costs have not been resolved with the grantor agency.

**Contact Person:** Patrick Luebbering  
**Phone Number:** (573) 751-2170

**Federal Agency:** Department of Health and Human Services  
**Federal Program:** 93.558 Temporary Assistance for Needy Families

2010 - G1002MOTANF and 2011 - G1102MOTANF  
93.714 ARRA - Emergency Contingency Fund for Temporary Assistance  
for Needy Families State Program  
2009 - G0901MOTAN2 and 2010 - G1001MOTAN2

**State Agency:** Department of Social Services (DSS) - Family Support Division (FSD)  
**Questioned Costs:** \$15,070

The FSD paid Temporary Assistance for Needy Family (TANF) benefits to some recipients who may not have been eligible or were ineligible for the full amount of TANF payments received.

- For 4 of 60 recipients tested, the eligibility specialist did not act on information timely when quarterly wage matches between various federal and state databases and the TANF case management system showed significant unresolved differences in income earned during state fiscal year 2011. The FSD determined these four recipients received overpayments totaling \$4,246, for which we questioned the entire amount (100 percent federal share).
- For 3 of 60 recipients tested, the FSD did not maintain adequate eligibility documentation to support payments made. Payments made for these three cases during the year ended June 30, 2011, totaled \$10,824, of which we questioned the entire amount (100 percent federal share).

**Recommendation:**

The FSD resolve the questioned costs with the grantor agency and strengthen controls to ensure income information is reviewed periodically and proper and timely action is taken regarding the updated income information, including case sanctions, case closures and recoupment of overpayments, if warranted. In addition, the FSD should maintain required eligibility documentation in all case files.

**Status of Finding:**

The FSD continues to ensure cases are thoroughly reviewed and acted upon in a timely manner for reported household income changes, at points of assistance application and identified at scheduled continued eligibility reviews. The FSD Income Maintenance (IM) staff and Family Assistance Management Information System staff are in the process of developing a Quarterly Wage Match (QWM) report for staff. IM Memo #53 (6/25/12) was issued to staff with detailed steps to process QWM reports within 15 days of receipt. The FSD Program and Policy unit continues to work with training staff to develop "Take 10" training on resolving QWM report information to be available through the Employee Learning Center. The FSD Program and Policy unit reiterated, via memo, to staff that the hard-copy signed application or interview summary shall be maintained in the physical case file. The memo also reminded staff of both the importance and necessity of diligently striving to keep the case file (electronic and physical record) updated with information to support the eligibility determination and benefit amount.

**Status of Questioned Costs:**

Questioned costs were adjusted on the March 31, 2012, and September 30, 2012 quarterly reports. The DSS is waiting on clearance from the grantor agency.

**Contact Person:** Jeannie Olson

**Phone Number:** (573) 751-3178

**2011-18B.                    Eligibility and TANF Assistance Payments**

**Federal Agency:** Department of Health and Human Services

**Federal Program:** 93.558 Temporary Assistance for Needy Families  
2010 - G1002MOTANF and 2011 - G1102MOTANF  
93.714 ARRA - Emergency Contingency Fund for Temporary Assistance  
for Needy Families State Program  
2009 - G0901MOTAN2 and 2010 - G1001MOTAN2

**State Agency:** Department of Social Services (DSS) - Family Support Division (FSD)

**Questioned Costs:** \$1,258

The FSD did not act upon some notices of non-cooperation from the Child Support Enforcement Unit to sanction Temporary Assistance for Needy Family (TANF) recipients. For 7 of 47 recipients reviewed, the FSD did not sanction the recipient when notified. The FSD identified overpayments totaling \$1,258 were made to these recipients during the year ended June 30, 2011. We questioned the federal share of these costs totaling \$1,258 (100 percent).

**Recommendation:**

The FSD resolve the questioned costs with the grantor agency and develop additional controls to ensure sanctions are imposed on TANF recipients who fail to cooperate with child support enforcement program requirements.

**Status of Finding:**

The FSD Income Maintenance (IM) section continues to work closely with the FSD Child Support (CS) section to further ensure non-cooperation notifications from the CS section are promptly reviewed by IM staff for potential sanctions, and subsequently imposed as warranted. The FSD-IM section implemented, with IM Memo #55 (July 3, 2012), a log to track the non-cooperation notifications received from CS to ensure IM staff process the requests in a timely manner. The electronic database, which will replace the paper log, is still in development.

**Status of Questioned Costs:**

Questioned costs were adjusted on the March 31, 2012, and September 30, 2012, quarterly reports. The DSS is waiting on clearance from the grantor agency.

**Contact Person:** Jeannie Olson

**Phone Number:** (573) 751-3178

<b>Federal Agency:</b>	Department of Health and Human Services
<b>Federal Program:</b>	93.558 Temporary Assistance for Needy Families 2010 - G1002MOTANF and 2011 - G1102MOTANF 93.714 ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families State Program 2009 - G0901MOTAN2 and 2010 - G1001MOTAN2
<b>State Agency:</b>	Department of Social Services (DSS) - Family Support Division (FSD)
<b>Questioned Costs:</b>	\$25,810,891

**Recommendation:**

**Status of Finding:**

**Status of Questioned Costs:**

**Contact Person:** Ami Patel  
**Phone Number:** (573) 751-7302

**State Agency:** Department of Social Services (DSS) - Family Support Division (FSD)

The DSS included unallowable educational expenditures totaling \$19,034,632 in the amounts reported for the annual maintenance of effort (MOE) requirement for the Temporary Assistance for Needy Families (TANF) program.

**Recommendation:**

The DSS ensure expenditures claimed as MOE are allowable.

**Status of Finding:**

The DSS disagreed with this finding. The DSS's previous response to the finding is unchanged. The DSS is using a manual, developed with the assistance of a third party, to evaluate whether costs are allowable under TANF and/or TANF MOE. This desk manual will help the DSS ensure that it has appropriately categorized costs as TANF or TANF MOE as the definitions of allowable costs vary between the two. The desk manual was finished December 2012 and was submitted on January 24, 2013, to our grantor agency for review.

Additionally, during this process, the third party validated the allowability of the claim in question, citing 1999 TANF Final Rule (page 17825), which supports the DSS's contention that it claimed these funds correctly.

We would like to point out that federal TANF funds may also be used to pay for "nonassistance" activities (such as those identified in this finding) that meet the purposes of the program as given in Section 401(a)(1)–(4) of the Social Security Act (Act) and 45 CFR Section 260.20. Federal TANF funds may also be used for activities that benefit non-needy families in some cases, e.g., activities that meet the purpose of either Section 401(a)(3) or (a)(4) of the Act. In this respect, there may be more flexibility in the expenditures that are allowable uses of federal funds than those that are allowable for MOE purposes. This is because federally funded services or benefits do not necessitate a determination of financial eligibility (need) if they do not meet the definition of assistance. Thus, states may use federal TANF funds (in accordance with Section 404 of the Act) to provide "nonassistance" services or benefits to eligible individuals who meet the state's other, nonfinancial, objective criteria for the delivery of such benefits.

The DSS has changed its claiming process to claim these funds as TANF, instead of TANF MOE to align its claiming with the above information.

The status is still under discussion with the grantor agency.

**Contact Person:** Ami Patel

**Phone Number:** (573) 751-7302

<b>Federal Agency:</b>	Department of Health and Human Services
<b>Federal Program:</b>	93.558 Temporary Assistance for Needy Families 2010 - G1002MOTANF and 2011 - G1102MOTANF 93.714 ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families State Program 2009 - G0901MOTAN2 and 2010 - G1001MOTAN2
<b>State Agency:</b>	Department of Social Services (DSS) - Family Support Division (FSD)
<b>Questioned Costs:</b>	\$18,493,665

**Recommendation:**

**Status of Finding:**

**Status of Questioned Costs:**

**Contact Person:** Ami Patel  
**Phone Number:** (573) 751-7302

**Federal Agency:** Department of Health and Human Services  
**Federal Program:** 93.558 Temporary Assistance for Needy Families  
 2010 - G1002MOTANF and 2011 - G1102MOTANF  
 93.714 ARRA - Emergency Contingency Fund for Temporary  
 Assistance for Needy Families State Program



2009 - G0901MOTAN2 and 2010 - G1001MOTAN2

**State Agency:** Department of Social Services (DSS) - Family Support Division (FSD)

The DSS control system was not effective in ensuring the types of costs claimed under the Temporary Assistance for Needy Families (TANF) program or recorded as TANF maintenance of effort (MOE) met all federal regulatory and grant requirements, resulting in unallowable costs and unqualified sources of MOE claimed against the federal TANF grant.

**Recommendation:**

The DSS establish a formal control system to ensure the types of costs claimed under the TANF program or recorded as TANF MOE meet all federal regulatory and grant requirements.

**Status of Finding:**

The DSS disagreed with this finding. The DSS's previous response to the finding is unchanged. The DSS is using a manual, developed with the assistance of a third party, to evaluate whether costs are allowable under TANF and/or TANF MOE. This desk manual will help the DSS ensure that it has appropriately categorized costs as TANF or TANF MOE as the definitions of allowable costs vary between the two. The desk manual was finished December 2012 and was submitted on January 24, 2013, to our grantor agency for review. The status is still under discussion with the grantor agency.

**Contact Person:** Ami Patel

**Phone Number:** (573) 751-7302

**2011-20A.** Work Participation and Sanctions

**Federal Agency:** Department of Health and Human Services

**Federal Program:** 93.558 Temporary Assistance for Needy Families

2010 - G1002MOTANF and 2011 - G1102MOTANF

93.714 ARRA - Emergency Contingency Fund For Temporary Assistance  
For Needy Families State Program

2009 - G0901MOTAN2 and 2010 - G1001MOTAN2

**State Agency:** Department of Social Services - Family Support Division (FSD)

The FSD was not in compliance with certain work activity reporting requirements contained in the Temporary Assistance for Needy Families Work Verification Plan in effect for state fiscal year 2011. We noted for 17 of 60 cases tested, the work participation hours were either not documented, not verified, and/or not reported correctly in accordance with the Work Verification Plan.

**Recommendation:**

The FSD develop additional controls to ensure work activities are adequately documented, verified, and reported in accordance with the FSD Work Verification Plan.

**Status of Finding:**

The Missouri Work Assistance (MWA) Case Management system was available for data entry June 28, 2011, and entries ceased in the Toolbox system on June 23, 2011. Inquiry access to Toolbox has continued to ensure necessary data was converted from Toolbox to the MWA System.

A case review form was developed for use by all MWA coordinators to provide consistency when reviewing data entries and physical files of MWA participants each contractor is serving. This tool is used by all MWA coordinators effective July 1, 2011.

A Case Review Guide was written and shared with MWA staff August 2011 (and upgraded December 2011) to ensure the MWA coordinators understand where policies regarding the form are located in the policy manual and the request for proposal to assist contractors with any incorrect findings. This guide and the case review form have also been shared with MWA contractors for use when reviewing their staff case files.

Effective August 1, 2011, MWA coordinators report to the FSD Program Manager responsible for the MWA program (before that time coordinators reported to regional FSD staff). The change in supervision ensures that positions are dedicated to the MWA program and coordinator accountability for assigned work by the MWA FSD Program Manager. With this change, four teams have been designated to further develop the MWA program. These teams are:

- MWA System and Data - user guides, system enhancements, reports;
- MWA Policy and Training - policy manual updates, training materials;
- MWA Contracts and Monitoring - monitoring tools, compliance; and
- Special Projects and Research - MWA webpage, research to improve the work participation rates.

Tools developed by these teams will provide contractors with information to ensure participation activities meet work verification standards and are supported with adequate documentation. Resources developed will also serve to increase the work participation rate for the state and provide performance measures to the contractors.

MWA staff completed targeted case file reviews in March 2012 for individuals participating in vocational education as an activity. The review was conducted to ensure contractors were obtaining actual attendance sheets (work verification) for this activity rather than entering hours based on a class schedule. This review in conjunction with regular case file reviews examine if work verification standards are met.

**Contact Person:** Jennifer Roberts  
**Phone Number:** (573) 526-5444

**2011-20B.**                      Work Participation and Sanctions

**Federal Agency:**      Department of Health and Human Services  
**Federal Program:**    93.558 Temporary Assistance for Needy Families  
                                        2010 - G1002MOTANF and 2011 - G1102MOTANF  
                                        93.714 ARRA - Emergency Contingency Fund For Temporary Assistance  
                                        For Needy Families State Program  
                                        2009 - G0901MOTAN2 and 2010 - G1001MOTAN2  
**State Agency:**        Department of Social Services - Family Support Division (FSD)  
**Questioned Costs:**    \$1,134

The FSD did not have adequate procedures in place to ensure contractors notified the FSD when Temporary Assistance for Needy Families (TANF) recipients failed to meet work participation requirements. As a result, many TANF recipients who failed to meet work participation requirements were not sanctioned. We noted 18 of 55 recipients tested were not appropriately sanctioned for non-compliance with work participation requirements. We questioned the amount of the sanctions that were not imposed for these recipients for the month reviewed, which totaled \$1,134 (100 percent federal share). In addition, the FSD did not ensure TANF recipients referred to Missouri Work Assistance contractors were assigned case managers.

**Recommendation:**

The FSD develop additional controls to ensure TANF recipients failing to meet work participation requirements are sanctioned as required. In addition, the FSD should resolve the questioned costs with the grantor agency.

**Status of Finding:**

The FSD continues to perform the following activities to evaluate contractor compliance with notification requirements to ensure TANF recipients are sanctioned according to policy and procedure.

The case review form includes an evaluation of the conciliation and sanction referral process. This tool continues to determine appropriate and timely actions of the MWA contractors should TANF recipients fail to meet the work participation requirements.

The MWA field managers and coordinators review the mass participation screens for case managers in each office to identify those individuals that are not participating in an activity and work with the contractors to identify those that should be placed in conciliation and possibly sanctioned.

Quarterly, the MWA coordinators review a sample of participants that have no hours of participation, no conciliation activity, or no sanction in place. Individuals identified are shared with the contractor for immediate contact and initiation of the conciliation and sanctioning process to ensure participants failing to meet the work participation requirement are sanctioned as required.

**Status of Questioned Costs:**

An adjustment was made to the March 31, 2012, quarterly report. The DSS is waiting on clearance from the grantor agency.

**Contact Person:** Jennifer Roberts

**Phone Number:** (573) 526-5444

**2011-21.                      Low-Income Home Energy Assistance Program**

**Federal Agency:** Department of Health and Human Services

**Federal Program:** 93.568 Low-Income Home Energy Assistance  
2010 - G10B1MOLIEA and 2011 - G11B1MOLIEA

**State Agency:** Department of Social Services (DSS) - Family Support Division (FSD) -  
Low-Income Home Energy Assistance Program (LIHEAP) Unit

The Human Development Corporation of Metropolitan St. Louis (HDC), a DSS subrecipient, misused at least \$669,704 of LIHEAP funds, according to DSS personnel. The HDC did not remit the funding to an energy supplier on behalf of the LIHEAP clients as required. DSS personnel indicated they took possession of HDC documents and planned to conduct a review to determine whether other federal funds provided the HDC were properly expended. The DSS issued payments totaling \$669,704 from state funds to satisfy amounts due the energy supplier.

**Recommendation:**

The DSS complete the planned grant close out reviews, report the results of those reviews to federal and state officials, and seek recovery of all improperly used funds. In addition, the DSS should review its monitoring efforts at the HDC to ensure established procedures were followed and determine if improvements in those procedures are needed.

**Status of Finding:**

Effective October 29, 2011, the HDC relinquished its Community Action Agency (CAA) designation status. The DSS completed the closeout review and sent a claim to the Attorney General's office on August 29, 2012.

The DSS is continuing to strengthen monitoring efforts for all CAAs by the development of a monitoring plan and partnership between the Division of Finance and Administrative Services (DFAS) Compliance and Quality Control Unit (CQC) and the FSD. The DFAS-CQC has developed and implemented extensive monitoring tools and processes for the fiscal review of all CAAs.

**Contact Person:** Kimberley Sprenger

**Phone Number:** (573) 522-6299

**2011-22A.**                    Medicaid Management Information System

**Federal Agency:**     Department of Health and Human Services  
**Federal Program:**   93.767 Children's Health Insurance Program

                                 2010 - 1005MO05021  
93.778 Medical Assistance Program  
                                 2010 - 1005MO5MAP and 1005MO5ADM  
                                 2011 - 1105MO5MAP and 1105MO5ADM  
93.778 ARRA - Medical Assistance Program  
                                 2009 - 0905MOARRA  
                                 2010 - 1005MOARRA  
                                 2011 - 1105MOARRA and 1105MOEXTN

**State Agency:**        Department of Social Services (DSS) - MO HealthNet Division (MHD)

**Questioned Costs:**   \$45

Medicaid Management Information System edit override documentation was not properly completed or approved by MHD personnel for 2 of 60 override actions reviewed. The payments related to these overrides totaled \$63. We questioned the federal share of the total payments, or \$45 (71.61 percent).

**Recommendation:**

The MHD ensure the override authorizations are properly completed and approved by appropriate employees. In addition, the MHD should resolve questioned costs with the grantor agency.

**Status of Finding:**

On March 1, 2012, the MHD notified the fiscal agent's claims manager of the errors with instructions to return any future override claims to the MHD if the reason for override or the authorized signature was missing. Each MHD unit is responsible for monitoring and logging override requests submitted by their staff. Notification is sent to the MHD units with a reminder to ensure requests have been signed by an authorized person and indicate the reason for the override.

**Status of Questioned Costs:**

A decreasing adjustment will be completed pending information on funds recouped.

**Contact Person:**   Todd Meyer

**Phone Number:**   (573) 751-7996

**2011-22B.**                    Medicaid Management Information System

**Federal Agency:**     Department of Health and Human Services  
**Federal Program:**   93.767 Children's Health Insurance Program

                                 2010 - 1005MO05021  
93.778 Medical Assistance Program

2010 - 1005MO5MAP and 1005MO5ADM  
2011 - 1105MO5MAP and 1105MO5ADM  
93.778 ARRA - Medical Assistance Program  
2009 - 0905MOARRA  
2010 - 1005MOARRA  
2011 - 1105MOARRA and 1105MOEXTN

**State Agency:** Department of Social Services (DSS) - MO HealthNet Division (MHD)

The MHD did not ensure some department personnel with access to the Medicaid Management Information System (MMIS) were approved for such access.

**Recommendation:**

The MHD ensure the proper completion and authorization of the Security Access Request forms for employees obtaining or changing access in the MMIS.

**Status of Finding:**

The MHD Security Officer now reviews access requests more closely, ensures the reason for access is stated on the form, and ensures appropriate signatures are on the form. Access request forms are filed as soon as they are completed in order to be located easily.

**Contact Person:** Todd Meyer

**Phone Number:** (573) 751-7996

**2011-22C.** Medicaid Management Information System

**Federal Agency:** Department of Health and Human Services

**Federal Program:** 93.767 Children's Health Insurance Program

2010 - 1005MO05021  
93.778 Medical Assistance Program  
2010 - 1005MO5MAP and 1005MO5ADM  
2011 - 1105MO5MAP and 1105MO5ADM  
93.778 ARRA - Medical Assistance Program  
2009 - 0905MOARRA  
2010 - 1005MOARRA  
2011 - 1105MOARRA and 1105MOEXTN

**State Agency:** Department of Social Services (DSS) - MO HealthNet Division (MHD)

**Questioned Costs:** \$78

The Medicaid Management Information System did not properly process certain spend down claims, allowing some participants with medical claims that extended between 2 or more calendar months to receive benefits without meeting spend down requirements in any of the months. Of nine claims reviewed for spend down participants, we noted one paid claim where the participant had not met the required monthly spend down amount. The payments related to the claim tested totaled \$109. We questioned the federal share of the total payments, or \$78 (71.61 percent).

**Recommendation:**

The MHD identify and resolve questioned costs with the grantor agency related to spend down participant claims paid in error.

**Status of Finding:**

The MHD identified spend down claims with dates of service extending across two or more months that did not process correctly. The claims will be reviewed and appropriate action taken as necessary.

**Status of Questioned Costs:**

Any action that results in an adjustment to the claim payment amount will be reflected on future CMS 64 reports based upon the quarter for when the adjustment is completed.

**Contact Person:** Todd Meyer

**Phone Number:** (573) 751-7996

**2011-23.                      Participant Eligibility**

**Federal Agency:** Department of Health and Human Services

**Federal Program:** 93.767 Children's Health Insurance Program

2010 - 1005MO05021

93.778 Medical Assistance Program

2010 - 1005MO5MAP and 1005MO5ADM

2011 - 1105MO5MAP and 1105MO5ADM

93.778 ARRA - Medical Assistance Program

2009 - 0905MOARRA

2010 - 1005MOARRA

2011 - 1105MOARRA and 1105MOEXTN

**State Agency:** Department of Social Services (DSS) - Family Support Division (FSD)  
and MO HealthNet Division (MHD)

**Questioned Costs:** \$2,620

Adequate controls were not in place to ensure all required documentation was obtained and maintained supporting eligibility of participants related to the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP). The FSD did not obtain or maintain all documentation required for eligibility for 3 of 60 Medicaid and CHIP participants reviewed. The ineligible payments made on behalf of these participants totaled \$3,717 during the year ended June 30, 2011. We questioned the federal share or \$2,620 (70.49 percent).

**Recommendation:**

The DSS ensure all information required to determine participant eligibility is obtained, verified, and retained to ensure compliance with applicable federal requirements. In addition, the DSS should resolve questioned costs with the grantor agency.

**Status of Finding:**

The DSS has taken steps to ensure staff is following existing policy for obtaining verified Social Security Numbers, verifying citizenship, and exploring potential income sources when approving assistance applications and conducting periodic reviews. To enhance measures already in place and to continue to ensure correct case results, the corrective actions include the following:

- The MHD Program and Policy unit has released a memorandum, IM-93 on November 27, 2012, reminding staff of required verification of citizenship, identification, and income when determining eligibility for MHD programs, IM-46 on June 1, 2012, to remind staff of the policies on citizenship and immigrant status and to apply policies appropriately, and IM-49 on August 25, 2011, to clarify reasonable opportunity to present documentary evidence of citizenship for MHD programs.
- When an applicant applies and declares to be a citizen or national, the Eligibility Specialist must follow policy as outlined in Income Maintenance Manual Policy Section 0110.020.02. The FSD Quality Control unit started reviewing as of November 2011, a random sampling of MO HealthNet for Families (MHF), MO HealthNet for Kids (MHK), MO HealthNet for The Aged, Blind, and Disabled (MHABD), and MO HealthNet for Pregnant Women (MPW) applications through the Payment Error Rate Measurement Reviews (PERM). If while reviewing a case for PERM, it is found that the case file does not contain the necessary documentation to verify citizenship, Quality Assurance/Quality Control will verify citizenship if possible, then forward the verification to the field office to update the case record. PERM review summaries are distributed to county of origin for follow up and corrective action. Also, FSD supervisors conduct random case readings of MHF, MHK, MHABD, and MPW cases identified on reports available on the Managed Reporting System to measure eligibility specialists' performance in determining eligibility and providing correct benefits.
- A request for automation of adverse actions when citizenship or ID verification has not been received within 90 days has been submitted to the Family and Medical Information System for inclusion on a list of planned systems enhancements.

**Status of Questioned Costs:**

A decreasing adjustment will be completed pending information on funds recouped.

**Contact Person:** Jeannie Olson

**Phone Number:** (573) 751-3178

**2011-24.** Pharmacy Dispensing Fees

**Federal Agency:** Department of Health and Human Services  
**Federal Program:** 93.767 Children's Health Insurance Program  
2010 - 1005MO05021



93.778 Medical Assistance Program  
2010 - 1005MO5MAP and 1005MO5ADM  
2011 - 1105MO5MAP and 1105MO5ADM  
93.778 ARRA - Medical Assistance Program  
2009 - 0905MOARRA  
2010 - 1005MOARRA  
2011 - 1105MOARRA and 1105MOEXTN

**State Agency:** Department of Social Services (DSS) - MO HealthNet Division (MHD)  
**Questioned Costs:** \$6,909,934

The MHD periodically changed the rate paid pharmacies for dispensing prescription drugs under the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP); however, the state regulation authorizing these dispensing fees had not been updated since 1988 and the current rate paid exceeded a 1991 settlement agreement that increased the pharmacy dispensing fee. The MHD did not have adequate documentation to support the determination of the current dispensing fee structure. The MHD paid pharmacies base dispensing fees totaling \$62,331,717 during the year ended June 30, 2011. Had the dispensing fees been paid in accordance with the 1991 settlement agreement, the fees would have totaled \$52,672,877, a difference of \$9,658,840. We questioned the federal share of the difference, or \$6,909,934 (71.54 percent).

**Recommendation:**

The MHD ensure state regulations related to administration of the Medicaid program and the CHIP are updated when changes are justified, and resolve questioned costs with the grantor agency. In addition, the MHD should ensure increases in payment rates are adequately supported and actuarially sound, as required by federal guidelines.

**Status of Finding:**

The MHD disagreed with the finding. The MHD makes payments in accordance with the Centers for Medicare and Medicaid Services approved state plan. Furthermore, pharmacy dispensing fees paid under Title XIX and CHIP are communicated in documents during the budget process and authorized by the General Assembly through the appropriations process.

The MHD will work with the grantor agency to resolve any questioned costs and is in the process of amending the pertinent state regulation.

**Status of Questioned Costs:**

This finding is the subject of future discussions with the grantor agency, but no resolution has yet been finalized.

**Contact Person:** Rhonda Driver  
**Phone Number:** (573) 522-9879

**2011-25A.**                    Report Reviews

**Federal Agency:**     Department of Health and Human Services  
**Federal Program:**    93.767 Children's Health Insurance Program  
                                 2010 - 1005MO05021  
                                 93.778 Medical Assistance Program  
                                 2010 - 1005MO5MAP and 1005MO5ADM  
                                 2011 - 1105MO5MAP and 1105MO5ADM  
                                 93.778 ARRA - Medical Assistance Program  
                                 2009 - 0905MOARRA  
                                 2010 - 1005MOARRA  
                                 2011 - 1105MOARRA and 1105MOEXTN  
**State Agency:**        Department of Social Services (DSS) - MO HealthNet Division (MHD)

The MHD identified Medical Assistance Program and Children's Health Insurance Program claims requiring post-payment reviews and generated daily exception reports; however, these reports were not reviewed during the year ended June 30, 2011.

**Recommendation:**

The MHD review the report of claims that have been identified for post-payment reviews to ensure erroneous billings are properly recouped.

**Status of Finding:**

The daily exception report (Status 4 - Pay But Report) was worked by the Program Integrity Unit within the MHD. During the first quarter of 2011, the Program Integrity Unit was transferred from the MHD as a separate authority under the DSS. The responsibility for reviewing the daily exception report was retained by the MHD but not reassigned. The MHD Management will perform an analysis of the report and staff resources for the most appropriate reassignment.

**Contact Person:** Julie Creach  
**Phone Number:** (573) 751-8985

**2011-25B.**                    Report Reviews

**Federal Agency:**     Department of Health and Human Services  
**Federal Program:**    93.767 Children's Health Insurance Program  
                                 2010 - 1005MO05021  
                                 93.778 Medical Assistance Program  
                                 2010 - 1005MO5MAP and 1005MO5ADM  
                                 2011 - 1105MO5MAP and 1105MO5ADM  
                                 93.778 ARRA - Medical Assistance Program  
                                 2009 - 0905MOARRA  
                                 2010 - 1005MOARRA  
                                 2011 - 1105MOARRA and 1105MOEXTN

**State Agency:** Department of Social Services (DSS) - MO HealthNet Division (MHD)

The MHD could not ensure all Medical Assistance Program (Medicaid) participants who also qualified for Medicare were properly enrolled or removed from the Medicare Buy-In program because some reports necessary to identify these participants were not generated and/or reviewed during the year ended June 30, 2011.

**Recommendation:**

The MHD ensure the production and review of all reports related to enrolling and removing Medicaid participants from the Medicare Buy-In program to ensure compliance with federal requirements.

**Status of Finding:**

The implementation of the Family Assistance Management Information System (FAMIS) system affected the eligibility report reviewed by the Medicare Buy-In unit. Due to the significant increase, the Medicare Buy-In unit implemented a new approach in December 2011 to identify and update participant's eligibility and buy-in, if applicable. On a quarterly basis, the Third Party Liability vendor performs a data match with the Medicare Eligibility Database and the MHD eligibility database to identify Medicare eligibility not found in the Medicaid Management Information System. By focusing resources on this data match, the eligibility system is being more timely updated and buy-ins are being more timely processed.

The second report in question was produced during state fiscal year 2011. However, in July of 2010, the Medicare Buy-In staff discovered that the information reflected on the report was inaccurate. During a meeting held in June of 2012, which was attended by staff from the Office of Administration - Information Technology Services Division, the MHD and FAMIS personnel, it was determined that only a portion of the data reflected on the report was erroneous; not the data utilized by the Medicare Buy-In staff. At that time, the decision was made to review the reports produced during state fiscal year 2012. Review of the reports produced during state fiscal year 2011 would have been duplicative of actions already taken by the Medicare Buy-In staff during state fiscal year 2012. The report is still being produced and reviewed as part of the normal activities of the Medicare Buy-In unit.

**Contact Person:** Julie Creach

**Phone Number:** (573) 751-8985

**2011-25C.** Report Reviews

**Federal Agency:** Department of Health and Human Services

**Federal Program:** 93.767 Children's Health Insurance Program  
2010 - 1005MO05021

93.778 Medical Assistance Program  
2010 - 1005MO5MAP and 1005MO5ADM

2011 - 1105MO5MAP and 1105MO5ADM  
93.778 ARRA - Medical Assistance Program  
2009 - 0905MOARRA  
2010 - 1005MOARRA  
2011 - 1105MOARRA and 1105MOEXTN

**State Agency:** Department of Social Services (DSS) - MO HealthNet Division (MHD)

Various monthly Managed Care eligibility reports were not retained for the year ended June 30, 2011.

**Recommendation:**

The MHD ensure the production and retention of all reports related to enrollment in the Managed Care program to demonstrate compliance with federal requirements.

**Status of Finding:**

In 2010, in an effort to streamline procedures, the Managed Care Operations unit updated procedures to stop retaining paper copies of Managed Care Operations enrollment related reports because these reports were also stored electronically in the MOBIUS system. At that time, it was the understanding of the Managed Care Operations unit that reports that no longer appeared on the MOBIUS online screens could be retrieved. However, through the audit process, it was discovered that the reports aged out of the MOBIUS system and were not retrievable. In order to ensure the production and retention of all reports related to enrollment in the Managed Care program to demonstrate compliance with federal requirements, the Managed Care Operations unit requested that all Managed Care Reports retained in MOBIUS be stored for 24 months. This change was implemented February 8, 2012. If required, the MHD can provide a listing of the Managed Care reports retained in MOBIUS and are now available for retrieval in MOBIUS system for 24 months. The DSS is waiting on clearance from the grantor agency.

**Contact Person:** Julie Creach  
**Phone Number:** (573) 751-8985

**2011-26.** Spend Down

**Federal Agency:** Department of Health and Human Services  
**Federal Program:** 93.778 Medical Assistance Program  
2010 - 1005MO5MAP and 1005MO5ADM  
2011 - 1105MO5MAP and 1105MO5ADM  
93.778 ARRA - Medical Assistance Program  
2009 - 0905MOARRA  
2010 - 1005MOARRA  
2011 - 1105MOARRA and 1105MOEXTN

**State Agency:** Department of Social Services (DSS) - Family Support Division (FSD)  
and MO HealthNet Division (MHD)

FSD caseworkers did not always properly determine eligible expenses to count toward participant spend down requirements, causing some participants to be considered eligible for Medical Assistance Program benefits before they had actually met their spend down amount. This may have caused participants to receive Medical Assistance Program coverage for which they were not eligible.

**Recommendation:**

The DSS work with the grantor agency to resolve this issue to ensure the correct application of the spend down requirements.

**Status of Finding:**

The corrective actions taken include the following:

- The DSS/FSD held stakeholder meetings on December 14, 2011, and January 10, 2012.
- The FSD established specific eligibility specialists statewide to manage the processing of spend down cases using incurred expenses to meet spend down.
- The FSD provided intensive scenario-based training from January 19, 2012 - January 31, 2012, to staff managing spend down cases using incurred expenses.
- The FSD released Income Maintenance Memorandums IM-#8 and IM-#9 on January 24, 2012, providing additional guidance for correct application of regulation.
- The FSD revised spend down related forms used by eligibility specialists including the Notification of Spend Down (IM-29 SPDN), MO HealthNet Spend Down Program Pamphlet (IM-4 Spend down), and Out of Pocket Expense Form (IM-29 OPE) January 24, 2012 - February 22, 2012.
- The FSD held a spend down stakeholder subgroup meeting on January 30, 2012, to discuss provider input on spend down models.
- The FSD began communicating with impacted spend down recipients on February 1, 2012, to advise them of spend down policy and how it affects them.
- The FSD filed an administrative rule on March 1, 2012, enhancing existing regulations by codifying the spend down process.
- The FSD held a spend down stakeholder subgroup meeting on March 9, 2012, to get further input on spend down models.
- The FSD held a spend down stakeholder meeting on May 4, 2012, to report on the work of the sub-group, inform them of rule filing, and discuss the provider form.

- The FSD sent Important Reminder for Medicaid Spend Down Participants to all participants that met spend down with incurred expenses in November and/or December 2011. The reminder was mailed May 31, 2012.
- The FSD sent Revised Important Reminder for Medicaid Spend Down Participants to inform of new options of carryover and partial pay for spend down. The revised reminder was mailed on June 15, and July 2, 2012.
- The FSD provided training to staff managing spend down cases using incurred expenses on the new options for meeting spend down from July 9 - July 24, 2012.
- The FSD issued Income Maintenance memorandums: clarifying incurred expense to meet spend down IM-#27 and IM-#28 on March 16, 2012; new options to meet spend down with incurred expense IM-#56 on July 2, 2012; clarification of third party liability IM-#58 on July 6, 2012; introduction of the provider form IM-#59 July 6, 2012; MHD spend down discussion checklist and instructions revised IM-#60 July 12, 2012; and introduction of the final spend down regulation IM-#88 November 2, 2012.
- The FSD held a spend down stakeholder meeting on September 6, 2012, to review the new options for spend down.
- The FSD has developed spend down tips which are emailed to FSD staff to ensure consistent processing of spend down charges and information provided to our customers. The first hot tip was sent October 4, 2012.
- The FSD established Regional Spend Down units (SDU) whose purpose is to review medical expense documentation and determine allowable spend down expenses. The creation of the SDU will allow the FSD to efficiently, accurately, and consistently process spend down expenses throughout the state. The SDU started processing expense documentation in November 2012.
- The FSD provided training for all managers, supervisors and eligibility specialists assigned to the SDU on November 26-28, 2012.
- The FSD has transitioned the processing of spend down expenses to the SDU as of December 1, 2012.
- The FSD will continue discussions with the Centers for Medicare and Medicaid Services to resolve this issue and ensure the correct application of spend down requirements.

**Contact Person:** Kim O'Hara  
**Phone Number:** (573) 751-8980



**Thomas A. Schweich**  
Missouri State Auditor

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# General Assembly And Supporting Functions

## House of Representatives

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**March 2013**

**Report No. 2013-025**



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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the General Assembly and Supporting Functions, House of Representatives

Personnel Policies	The House of Representatives (House) provided pay raises to member and administrative staff that were not provided to Senate or other state employees. These raises totaled approximately \$425,000, representing approximately a 5 percent increase to employees, and were in addition to the 2 percent cost of living adjustment provided to all state employees paid less than \$70,000 per year. The House also allows its employees more generous annual leave benefits than those allowed to most other state employees.
Operating Policies and Procedures	The Committee on Administration and Accounts does not maintain formal written meeting minutes, as required by state law. The House lacks a formal written policy regarding the use and retention of e-mail correspondence and asserts that the Sunshine Law does not apply to records of individual members, but the law related to this matter is ambiguous. The House needs to obtain and retain adequate documentation for items identified as stolen. In May 2012, three laptops and two printers, totaling \$4,952, were identified as stolen and deleted from the general capital asset listing, but neither of the two representatives reporting the assets as stolen provided a police report and/or an affidavit stating the circumstances surrounding the theft.
Contingency Plan	The House has not reviewed and/or tested its contingency plan for resuming normal business operations and recovering computer systems and data in the event of a disaster or other disruptive event since 2007.

In the areas audited, the overall performance of this entity was **Good**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The General Assembly and Supporting Functions, House of Representatives did not receive any federal stimulus monies during the audited time period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.



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# General Assembly and Supporting Functions, House of Representatives

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Members of the General Assembly, House of Representatives  
Jefferson City, Missouri

We have audited certain operations of the General Assembly and Supporting Functions, House of Representatives, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2012 and 2011. The objectives of our audit were to:

1. Evaluate the House of Representatives' internal controls over significant management and financial functions.
2. Evaluate the House of Representatives' compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the House of Representatives; analysis of comparative data obtained from external and/or internal sources; reviewing contracts specific to the House of Representatives' operations and significant within the context of the audit objectives; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the House of Representatives' management and was not subjected to the procedures applied in our audit of the House of Representatives.

For the areas audited, we identified (1) deficiencies in internal controls (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the General Assembly and Supporting Functions, House of Representatives.



Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
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Audit Manager:	Toni M. Crabtree, CPA
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# General Assembly and Supporting Functions, House of Representatives

## Management Advisory Report - State Auditor's Findings

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### **1. Personnel Policies**

The House of Representatives (House) granted pay increases to employees which were not given to other state employees, and provided annual leave benefits greater than those allowed other state employees.

#### **1.1 Salary increases**

The House provided pay raises to member and administrative staff that were not provided to Senate or other state employees. These raises occurred in November 2011 and August 2012, totaled approximately \$425,000, and represented approximately a 5 percent increase to employees. The House also provided a 2 percent cost of living adjustment (COLA) in July 2012, an increase that was provided to all state employees paid less than \$70,000 per year.

According to House management, the House cut costs and found efficiencies to generate savings with which to pay the salary increases. Although Chapter 21, RSMo, grants the House the authority to establish employee compensation, given the recent state budget constraints and that other state employees have generally not received such pay increases, the House should re-evaluate the reasonableness and necessity for these salary increases.

#### **1.2 Annual leave**

The House allows annual leave benefits that are more generous than those allowed to most other state employees. House policy provides that its employees earn 10 hours of annual leave benefits per month during the first 5 years of service. After 5 years, employees earn annual leave at a rate of 14 hours per month. Most state employees earn 10 hours of annual leave per month during the first 10 years of service, with that rate increasing to 12 hour per month after 10 years of service, and to 14 hours per month after 15 years of service.

There appears to be no basis for the House to provide annual leave benefits to its employees that are more generous than those provided to most other state employees. In addition, the additional annual leave benefits provided to House employees results in increased cost to the state.

A similar condition was reported in previous audits of the House of Representatives.

### **Recommendations**

The House of Representatives:

- 1.1 Discontinue providing pay increases over and above those provided to other state employees in the future.
- 1.2 Reduce the annual leave benefits provided to employees to an amount equal to those provided to most other state employees.



## Auditee's Response

1.1 *The adjustments implemented in 2012 were executed under the direction of the previous Speaker's administration and the previous Chair of the Committee on Administration and Accounts. Neither of these individuals now serves in the House of Representatives. Current House administration agrees that a fundamental responsibility for good fiscal stewardship exists by management on behalf of all taxpayers, and will review this finding and take appropriate action as necessary.*

*During the audit period, the House increased minimum work requirements for all employees by 12.5% from a 35 hour work week to a 40 hour work week for full compensation, as recommended in previous audits. New technologies and process refinements have been enacted that substantially reduced administrative costs and increased transparency in the legislative process. The House has reduced administrative staff positions and implemented a Legislator Assistant sharing program to reduce personnel and cut costs to taxpayers.*

*These reductions allowed for House administration to re-invest a portion of savings in staff employees as one tool aimed at providing for long-term employee retention and development. These re-investments occurred even as the House returned more than \$700,000 in taxpayer funds. Prior to executing these decisions, previous House administration reviewed similar salary adjustments within other state agencies, and found salary adjustments made by management in those agencies as well.*

*While the Auditor expresses concern that the House's adjustments were done not as promotions, but as step adjustments, it is important to note that 60% of House employees are classified within one broad-banded "Legislator Assistant" position and do not have established classified positions into which they may be promoted. Therefore, these employees – whose average salary after the adjustments is \$27,459 – received step adjustments rather than promotions.*

1.2 *Current House administration will review this finding and take appropriate action as necessary.*

## 2. Operating Policies and Procedures

The Committee on Administration and Accounts does not maintain adequate documentation of its meetings. The House has not established a policy regarding e-mail use and retention, does not believe the Sunshine Law (Chapter 610, RSMo) applies to records of individual members, and does not adequately investigate instances of assets reported as stolen.



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General Assembly and Supporting Functions,  
House of Representatives  
Management Advisory Report - State Auditor's Finding

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## 2.1 Meeting minutes

The minutes of meetings of the Committee on Administration and Accounts are not adequate. Formal written minutes are not maintained for meetings. Typically, staff notes, agendas, and e-mails are maintained to support meetings.

Section 610.020.7, RSMo, requires minutes of open and closed meetings to be taken and retained by all governmental bodies including, but not limited to, the date, time, place, members present, members absent, and a record of votes taken. In addition, this committee generally has sole and complete control of all financial obligations and business affairs of the House, including prescribing rules governing the allotment of funds to individual members for the operation of their office and assigning all offices, chamber seats, and parking spaces for members. To provide complete transparency and full disclosure to the public, complete and accurate written minutes of the committee proceedings and decisions should be prepared and retained.

## 2.2 E-mail policy and retention

The House has not established a formal written policy regarding the use and retention of e-mail correspondence. Currently, the House does not require e-mail correspondence to be archived.

An e-mail policy needs to clearly define a record or specifically indicate that e-mail records are covered. While the legislature is exempted under Section 109.290, RSMo, and 15 CSR 30-45.010 from following the Secretary of State's Guidelines, Managing E-mail Records, the guidelines provide specific guidance regarding the definition of an electronic record and the need to retain such records. Without clear, specific, and adequate guidance, there may be inconsistencies in the understanding and implementation regarding records retention. Also, without archiving e-mail, either on the state or an in-house archiving system, the House has little assurance that applicable e-mail will be available if needed.

## 2.3 Open records

While it is the House's position that the Sunshine Law does not apply to records of individual members, the law related to this matter is ambiguous and no Missouri court has ruled on this specific issue.

Section 610.010(4), RSMo, defines a "public governmental body", in part, as, any legislative, administrative or governmental entity created by the Missouri Constitution or statutes of the state. The Sunshine Law defines a "public record", in part, as, any record whether written or electronically stored, retained by or of any public governmental body including any report, memorandum, or other document. Section 610.025, RSMo, also provides that any message relating to public business by electronic means should be concurrently transmitted to either the member's public office computer or the custodian of records in the same format.



General Assembly and Supporting Functions,  
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Management Advisory Report - State Auditor's Finding

We are cognizant of the need to keep certain records confidential. For example, to protect the interests of private citizens records related to whistleblower complaints and allegations of improprieties should be exempted from public disclosure. However, other correspondence clearly relating to the conduct of public business should be subject to public scrutiny. Section 610.011, RSMo, states it is public policy that Chapter 610 should be liberally construed. Currently, legislation is pending that expands the requirements of the Sunshine Law. It is a double standard for the legislature to impose additional requirements on other public governmental bodies while enjoying a blanket exemption from the Sunshine Law. The legislature should take this opportunity to bring individual members under the umbrella of the law while carving out legitimate and necessary exceptions to public disclosure.

## 2.4 Missing assets

The House needs to obtain and retain adequate documentation for items identified as stolen.

In May 2012, the House deleted three laptops, totaling \$4,311, and two printers, totaling \$641, which had been identified as stolen, from the general capital asset listing. Two representatives had previously reported to House personnel that these assets were stolen from their respective district offices. Although House personnel requested these members to furnish a copy of a police report and/or an affidavit stating the circumstances surrounding the theft, neither representative submitted the requested information and no further follow-up action was taken by House personnel.

To ensure capital assets are properly safeguarded, the House should ensure adequate documentation is obtained and maintained for items identified as stolen, including documentation regarding any follow-up action taken.

A similar condition was reported in our prior audit report.

## Recommendations

The House of Representatives:

- 2.1 Ensure the Committee on Administration and Accounts maintains formal written meeting minutes.
- 2.2 Establish an e-mail policy and archiving system.
- 2.3 Amend the Sunshine Law so that it clearly applies to individual members while carving out legitimate and necessary exceptions to public disclosure.
- 2.4 Ensure adequate documentation is obtained and maintained to support removing capital assets identified as stolen from the general capital asset listing.



General Assembly and Supporting Functions,  
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Management Advisory Report - State Auditor's Finding

## Auditee's Response

- 2.1 *Current House administration agrees that documentation of the actions and decisions of the Committee on Administration and Accounts should provide the public with clear, organized and concise information as to the managerial decisions of the Committee.*
- 2.2 *Current House administration will review this finding and take appropriate action as necessary.*
- 2.3 *The House of Representatives recognizes the expressed concerns and continues to follow the established statutory and case law on this matter.*
- 2.4 *Current House administration agrees with the recommendation and will review the process and procedures for documenting stolen assets.*

## 3. Contingency Plan

Since 2007, the House has not reviewed and/or tested its contingency plan for resuming normal business operations and recovering computer systems and data in the event of a disaster or other disruptive event.

The House relies on its computer system for various activities, including, but not limited to, bill tracking, hearing schedules, distribution of notices, timekeeping, and capital asset tracking. According to the Director of Information Systems, the contingency plan has not been periodically tested because there have been no significant changes, until recently, in the architecture or infrastructure of the computer system. However, since the House upgraded its computer system in the past year, reviewing and testing the contingency plan is planned after the 2013 legislative session.

According to accepted standards<sup>1</sup>, contingency planning for information systems is part of an overall organizational program for achieving continuity of operations for mission/business operations. Contingency planning addresses both information system restoration and implementation of alternative mission/business processes when systems are comprised.

A formal, written contingency plan should be prepared, periodically tested, and updated as needed, to specify actions required to re-establish critical business functions and computer systems. In the case of a disaster or other disruptive event, such documentation can reduce confusion and provide a framework for the uninterrupted continuance of operation.

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<sup>1</sup> "NIST Special Publication 800-53 Revision 3, Recommended Security Controls for Federal Information Systems and Organizations," <<http://csrc.nist.gov/publications/PubsSPs.html>>, accessed April 12, 2012





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General Assembly and Supporting Functions,  
House of Representatives  
Management Advisory Report - State Auditor's Finding

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## Recommendation

The House periodically test, evaluate, and update its contingency plan as needed.

## Auditee's Response

*Current House administration agrees that contingency planning should be periodically tested and evaluated. A complete test of our disaster recovery plan relies on the availability of servers and network equipment which duplicate our production environment. Beginning in 2007 the House has utilized retired, end of life cycle network and server equipment for this purpose. Since the cost to duplicate our production environment was prohibitive, and no significant changes to our environment planned until the 2013 legislative session, the decision was made to forestall a complete test of our disaster recovery plan until the end of the 2013 legislative session.*

*The House has implemented a substantially re-developed and highly-integrated technology system to eliminate redundant and inefficient processes, reducing on-going costs and increasing transparency. At each new phase of implementation, we tested our ability to backup and restore mission critical data. Additionally, we periodically load backups of our production data into our test environment to ensure data integrity.*

*The House continually reviews requirements for saving and restoring data and modifies our backup strategy accordingly. With the final discontinuation of our legacy AS/400 Bill Tracking system, and the installation of a new VOIP phone system occurring in 2012, current House administration is planning to initiate a full contingency planning review and exercise upon the conclusion of the 2013 legislative session.*

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# General Assembly and Supporting Functions, House of Representatives Organization and Statistical Information

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Legislative power in Missouri is vested by Article III, Section 1, Missouri Constitution, in the General Assembly, more commonly known as the legislature, composed of the Senate and the House of Representatives (House).

The House consists of 163 members elected for 2-year terms at each general election. A representative must be at least 24 years of age, a qualified voter of the state for 2 years, and of the district he/she represents for 1 year. The speaker of the House is the presiding officer. The House convenes annually on the first Wednesday following the first Monday in January and adjourns on May 30, with no consideration of bills after 6:00 P.M. on the first Friday after the second Monday in May.

Top House leadership positions include the speaker, speaker pro tem, majority floor leader, and minority floor leader. The speaker and speaker pro tem are allowed to hire a chief of staff and the majority floor leader is allowed to hire an additional administrative assistant.

For the 2 years ended June 30, 2012, Representatives received the following compensation:

Position	Year Ended June 30,	
	2012	2011
Speaker of the House	\$ 38,415	38,415
Speaker pro tem and floor leaders	37,415	37,415
All remaining representatives	35,915	35,915

Each representative is paid a per diem each day the House is in attendance at the legislative session. In addition, representatives are reimbursed for each mile traveled when commuting to and from Jefferson City for each week the legislature is in session. For the 2 years ended June 30, 2012, Representatives were authorized the following per diem and mileage reimbursement:

Effective Dates	Per Diems	Mileage Rate
July 2010 to September 2010	\$ 103.20	.37
October 2010 to September 2011	98.40	.37
October 2011 to June 2012	104.00	.37

For the 2 years ended June 30, 2012, representatives also received a \$700 monthly allowance to be utilized in the performance of their official duties. These allowance are subject to the limitations imposed by the appropriation authorizing these expenditures, and may be used for items including, but not limited to, office furniture and equipment; office supplies; postage; non-



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General Assembly and Supporting Functions,  
House of Representatives  
Organization and Statistical Information

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session travel expenses; and district office rent, utilities, and staff compensation.

The House determines its own rules and procedures and rules may not be dispensed with, except by unanimous consent or concurrence by a constitutional majority, and the House is required to keep a daily journal (or record) of its proceedings.

The House is presided over by the speaker, chosen by the members, and in the absence of the speaker by the speaker pro tem. The speaker has general supervision and control over all employees of the House. Former Representative Ron Richard served as speaker from January 2009 to December 2010, Former Representative Steven Tilley served as speaker from January 2011 to August 2012. Representative Timothy Jones has served as Speaker since September 2012.

The speaker also appoints and approves members to the Administration and Accounts Committee which controls the financial obligations and business affairs of the House. The committee also prescribes rules governing the expenditure of funds allotted to individual members for the operation of their offices. Former Representative Kenny Jones served as Chairman of the Administration and Accounts Committee from July 2010 until January 2011. Representative Mike McGhee has served as Chairman of the committee since January 2011.

The chief clerk is elected by House members and serves as the chief administrator of the House. He is responsible for maintaining the financial records of the House and overseeing its operations. Adam Crumbliss has served as Chief Clerk since July 2006.

The House is organized into seven divisions consisting of: administration, appropriations, communications, information systems, operations, procedures, and research. At June 30, 2012, the House had 90 full-time employees, 135 legislative assistants, and 23 part-time and session employees.

American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)

The House of Representatives did not receive any federal stimulus monies during the 2 years ended June 30, 2012.

## Appendix A

### General Assembly and Supporting Functions

#### House of Representatives

#### House of Representatives Revolving Fund

#### Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

	Year Ended June 30,	
	2012	2011
RECEIPTS		
Vendor refunds	\$ 120	0
Recovery costs	12,473	17,247
Total Receipts	12,593	17,247
DISBURSEMENTS		
Supplies	117	52
Professional services	886	9,615
Miscellaneous expense	12,171	11,188
Refunds	0	93
Transfers to General Revenue Fund	2,068	0
Total Disbursements	15,242	20,948
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,649)	(3,701)
CASH AND INVESTMENTS, JULY 1	7,068	10,769
CASH AND INVESTMENTS, JUNE 30	\$ 4,419	7,068

Appendix B

General Assembly and Supporting Functions  
House of Representatives  
Comparative Statement of Appropriations and Expenditures

Year Ended June 30,						
2012			2011			
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND						
House contingent expenses	\$ 10,657,028	10,341,170	315,858	10,977,028	10,625,655	351,373
Representatives' expense vouchers	1,369,200	990,886	378,314	1,369,200	1,291,227	77,973
Representatives' salaries	5,861,145	5,779,706	81,439	5,861,145	5,801,717	59,428
Representatives' mileage	395,491	395,491	0	440,491	338,284	102,207
Representatives' per diem	1,290,960	1,290,960	0	1,290,960	1,142,834	148,126
Total General Revenue Fund	<u>19,573,824</u>	<u>18,798,213</u>	<u>775,611</u>	<u>19,938,824</u>	<u>19,199,717</u>	<u>739,107</u>
HOUSE OF REPRESENTATIVES REVOLVING FUND						
Contingent expenses	45,000	13,174	31,826	45,000	20,948	24,052
Total All Funds	<u>\$ 19,618,824</u>	<u>18,811,387</u>	<u>807,437</u>	<u>19,983,824</u>	<u>19,220,665</u>	<u>763,159</u>

## Appendix C

### General Assembly and Supporting Functions

#### House of Representatives

#### Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2012	2011	2010	2009	2008
Salaries and wages	\$ 14,523,612	14,720,068	14,991,878	14,546,462	13,870,507
Legislative daily travel allowance	1,347,054	1,142,834	1,151,248	988,499	998,942
Travel, in state	569,478	535,648	665,461	727,906	730,159
Travel, out-of-state	7,209	16,008	44,363	73,109	78,359
Supplies	546,555	1,148,653	1,232,238	847,167	775,694
Professional development	44,252	40,122	69,283	69,183	86,476
Communication services and supplies	198,067	208,097	248,928	315,820	329,656
Services:					
Professional services	670,226	714,308	843,163	1,013,402	952,564
Housekeeping and janitorial	125,942	133,494	133,288	92,444	120,164
Maintenance and repair	308,580	93,096	111,480	122,428	89,282
Equipment:					
Computer equipment	344,644	364,788	568,308	390,451	376,969
Motorized equipment	0	0	0	16,502	0
Office equipment	16,741	22,844	35,652	67,066	50,133
Other equipment	24,162	956	7,936	2,432	3,116
Property and improvements	30,257	18,321	13,509	35,934	18,703
Debt service	2,252	0	0	0	0
Building lease payments	0	7,998	11,292	11,292	11,292
Equipment rental and leases	0	0	250	250	0
Agency provided food	10,904	14,580	10,168	11,604	10,518
Miscellaneous	41,452	38,757	47,490	57,929	55,360
Refunds	0	93	0	0	150
Total	\$ <u>18,811,387</u>	<u>19,220,665</u>	<u>20,185,935</u>	<u>19,389,880</u>	<u>18,558,044</u>

## Appendix D

### General Assembly and Supporting Functions House of Representatives Statement of Changes in General Capital Assets

	<u>Equipment</u>	<u>Vehicles</u>	<u>Software</u>	<u>Total</u>
Balance, July 1, 2010	\$ 1,397,098	20,760	0	1,417,858
Additions	238,152	0	34,294	272,446
Dispositions	<u>(118,154)</u>	<u>0</u>	<u>0</u>	<u>(118,154)</u>
Balance, June 30, 2011	1,517,096	20,760	34,294	1,572,150
Additions	132,104	0	42,000	174,104
Dispositions	<u>(117,214)</u>	<u>0</u>	<u>0</u>	<u>(117,214)</u>
Balance, June 30, 2012	<u>\$ 1,531,986</u>	<u>20,760</u>	<u>76,294</u>	<u>1,629,040</u>



**Thomas A. Schweich**  
Missouri State Auditor

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# General Assembly And Supporting Functions

## Senate



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**March 2013**  
**Report No. 2013-026**

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<http://auditor.mo.gov>





**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the General Assembly and Supporting Functions, Senate

Senate Administrator's Fund	The Senate solicited contributions from lobbyists during fiscal year 2011 for the Senate Administrator's Fund and used the Fund to pay various questionable costs. During the 2 years ended June 30, 2012, the Senate spent \$8,689 from the Senate Administrator's Fund for a Senator retirement dinner and retirement gifts, expenditures that would not be allowable for state agencies. As noted in our prior audit report, Article IV, Section 15, of the Missouri Constitution and Section 30.240, RSMo, requires state funds to be held and disbursed by the state treasurer, but the Senate continues to hold the Senate Administrator's Fund bank account outside the state treasury.
Operating Policies and Procedures	Timesheets are not standardized, and employees and supervisors do not always sign timesheets. The Senate lacks a formal written policy regarding the use and retention of e-mail correspondence and asserts that the Sunshine Law does not apply to records of individual members, but the law related to this matter is ambiguous.
NCSL Report	The Senate paid the National Conference of State Legislatures \$21,647 to conduct a review of Senate operations but has not implemented the recommendations contained in the November 2009 report.
Contingency Plan	The Senate has not developed a formal, written contingency plan for resuming normal business operations and recovering computer systems and data in the event of a disaster or other disruptive event.

In the areas audited, the overall performance of this entity was **Good**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The Senate did not receive any federal stimulus monies during the audited time period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: <http://auditor.mo.gov>

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# General Assembly and Supporting Functions, Senate

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Members of the General Assembly, Senate  
Jefferson City, Missouri

We have audited certain operations of the General Assembly and Supporting Functions, Senate, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2012, and 2011. The objectives of our audit were to:

1. Evaluate the Senate's internal controls over significant management and financial functions.
2. Evaluate the Senate's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the Senate; analysis of comparative data obtained from external and/or internal sources; reviewing contracts specific to the Senate's operations and significant within the context of the audit objectives; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Senate's management and was not subjected to the procedures applied in our audit of the Senate.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the General Assembly and Supporting Functions, Senate.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
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Audit Staff:	Emily Bias, MSL
	Peter Studer
	Tessa Oates

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# General Assembly and Supporting Functions, Senate

## Management Advisory Report

### State Auditor's Findings

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#### **1. Senate Administrator's Fund**

The Senate solicited contributions from lobbyists for the Senate Administrator's Fund and used the Fund to pay various questionable costs. This situation gives the appearance of, and may result in, a conflict of interest. In addition, no authority exists to maintain the account outside the state treasury.

During the 2 years ended June 30, 2012, the Senate Administrator's Fund receipts and disbursements totaled \$10,305 and \$12,744, respectively.

##### **1.1 Lobbyist contributions**

Senate officials solicited contributions from lobbyists in fiscal year 2011, and used the contributions to pay for meals when Senators and senate employees worked late during legislative sessions and for retirement dinners and gifts for outgoing Senators. Contributions were not solicited during fiscal year 2012. Senate personnel indicated that a decision has not been made regarding soliciting contributions in future years.

Actively soliciting contributions from lobbyists gives the appearance of, and may result in, a conflict of interest.

A similar condition was reported in our prior audit report.

##### **1.2 Questionable expenses**

The Senate made expenditures from the Senate Administrator's Fund that would not be allowable for state agencies. During the 2 years ended June 30, 2012, the following expenses were paid from the fund:

Expenditure	Year Ended June 30,	
	2012	2011
Senator retirement dinner	\$ 0	4,426
Senator retirement gifts	0	4,263
Senator and staff meals	2,983	1,072
Total	\$ 2,983	9,761

The retirement dinner for outgoing Senators was held in September 2010 at a local Jefferson City restaurant. The expenses included food and bar set-up and bartender fees for approximately 100 people.

Retirement gifts have traditionally been given to outgoing Senators. The outgoing Senators may chose a retirement gift of either a 14 karat gold pin or a silver plated tray (framed if wanted) engraved with the Senator's name and years of service. During the year ended June 30, 2011, the Senate provided 11 gifts, at an average cost of approximately \$390, to outgoing Senators. According to House of Representatives (House) personnel, the House does not pay for retirement dinners or gifts. However, the House purchases lapel pins, costing approximately \$30, for each member.



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General Assembly and Supporting Functions,  
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During session, the Senate periodically provided meals for Senators and senate employees who were working late. The Office of Administration (OA) administrative policy, SP-5, allows state agencies to provide food and/or beverage to promote the efficient conduct of business, if there is a substantial business reason for doing so. However, the expenditures for the retirement dinner and gifts are not allowable expenses for state agencies. Also, while light refreshments, such as cake and punch may be provided for employee retirement receptions, with costs at a nominal charge per person, state agencies may not pay for banquets for employee retirement events. In addition, OA administrative policy, B-37, limits retirement gifts to \$3 times the employee years of service, not to exceed \$100.

While it appears the Senate is not subject to some policies and restrictions that apply to state agencies, the expenditures for the retirement dinner and gifts do not appear to be a necessary or reasonable use of funds. The Senate should ensure funds are used only for items necessary and beneficial to senate functions.

A similar condition was reported in our prior audit report.

### 1.3 Bank account

Senate personnel could not provide statutory or other authority to hold the bank account for the Senator Administrator's Fund outside the state treasury. This fund is controlled and administered exclusively by senate personnel.

Article IV, Section 15, Missouri Constitution, and Section 30.240, RSMo, require state funds to be held and disbursed by the state treasurer.

A similar condition was reported in our prior audit report.

## Recommendations

The Senate discontinue the practice of soliciting contributions from lobbyists, ensure future expenditures are reasonable and necessary, and direct the Senate Administrator to close the account and communicate with the State Treasurer's office regarding the proper disposition of remaining funds.

## Auditee's Response

*The use of the Senate Administrator's account saves taxpayer resources and if eliminated would increase state expenditures from taxpayer resources (General Revenue). The Senate Administrator's account was established to provide a convenient and efficient means of paying for state reimbursable meal expenses incurred during late evening Senate sessions. The account maintains a minimal cash balance and is used in lieu of taxpayer resources. All account activities are transparent and subject to enhanced internal controls including segregation of duties by those responsible for account transactions. Each dollar received and expended is clearly detailed and documented.*



General Assembly and Supporting Functions,  
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*The Senate agrees that alcohol related expenses and excessive retirement gifts are not an appropriate use of taxpayer resources. As stated previously, the funds deposited into the Senate Administrator's Fund are **not** taxpayer generated. The account is comprised solely of donations for designated purposes. The designated donations are reportable by the donor to the Missouri Ethics Commission for transparency purposes and to ensure that conflicts of interest, if any would occur, are identified and addressed.*

*The Senate agrees to review future uses of the account to ensure that funds continue to be used for items necessary and beneficial to Senate functions.*

## 2. Operating Policies and Procedures

The Senate does not utilize standardized timesheets, employees do not always sign timesheets, and supervisors do not always document approval of the timesheets. The Senate has not established a policy regarding e-mail use and retention, and does not believe the Sunshine Law (Chapter 610, RSMo) applies to records of individual members.

### 2.1 Timesheets

The Senate has not developed a single comprehensive timesheet for all employees. Timesheets are not always signed by the employee, and some timesheets do not have supervisory approval.

#### Non-standardized timesheets

Senate employees prepare manual timesheets which are not standardized.

The form of the timesheet and information recorded differs depending upon the Senate division/department, and it is unclear why different timesheets are necessary. In addition, the actual time worked is not recorded on most timesheets. Annual and/or sick leave used, compensatory time earned and/or used, and holiday time is typically recorded on timesheets. Without a record of actual time worked, it is difficult to determine if compensatory time (time worked over 40 hours per week) claimed as earned and/or used is appropriate.

Accurate time records of actual time worked and leave taken are necessary to document hours worked, substantiate payroll disbursements, and provide the Senate with a method to monitor individual attendance. A standardized timesheet would help ensure all mandatory and needed time information is properly recorded.

#### Approval

Employees do not always sign their timesheets to document the hours worked and/or leave taken. For five of ten (50 percent) timesheets tested, the employee did not sign his/her timesheet. In addition, for one of these timesheets, the supervisor did not sign the timesheet to document approval of the subordinate's timesheet.



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General Assembly and Supporting Functions,  
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To ensure proper control over payroll, employees should be required to sign their timesheet and supervisory employees should be required to review and approve timesheets of those employees they are responsible for supervising.

A similar condition was reported in our prior audit report.

## 2.2 E-mail policy and retention

The Senate has not established a formal written policy regarding the use and retention of e-mail correspondence. Currently, the Senate does not require e-mail correspondence to be archived.

An e-mail policy needs to clearly define a record or specifically indicate that e-mail records are covered. While the legislature is exempted under Section 109.290, RSMo, and 15 CSR 30-45.010 from following the Secretary of State's Guideline, Managing E-mail Records, the guidelines provide specific guidance regarding the definition of an electronic record and the need to retain such records. Without clear, specific, and adequate guidance, there may be inconsistencies in the understanding and implementation regarding records retention. Also, without archiving e-mail, either on the state or an in-house archiving system, the Senate has little assurance that applicable e-mail will be available if needed.

## 2.3 Open records

While it is the Senate's position that the Sunshine Law does not apply to records of individual members, the law related to this matter is ambiguous and no Missouri court has ruled on this specific issue.

Section 610.010(4), RSMo, defines a "public governmental body", in part, as, any legislative, administrative or governmental entity created by the Missouri Constitution or statutes of the state. The Sunshine Law defines a "public record", in part, as, any record whether written or electronically stored, retained by or of any public governmental body including any report, memorandum, or other document. Section 610.025, RSMo, also provides that any message relating to public business by electronic means should be concurrently transmitted to either the member's public office computer or the custodian of records in the same format.

We are cognizant of the need to keep certain records confidential. For example, to protect the interests of private citizens records related to whistleblower complaints and allegations of improprieties should be exempted from public disclosure. However, other correspondence clearly relating to the conduct of public business should be subject to public scrutiny. Section 610.011, RSMo, states it is public policy that Chapter 610 should be liberally construed. Currently, legislation is pending that expands the requirements of the Sunshine Law. It is a double standard for the legislature to impose additional requirements on other public governmental bodies while enjoying a blanket exemption from the Sunshine Law. The legislature should take this opportunity to bring individual members under





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the umbrella of the law while carving out legitimate and necessary exceptions to public disclosure.

## Recommendations

The Senate:

- 2.1 Develop a standardized timesheet which provides all relevant information including actual time worked, leave used, and compensatory time earned and used. The Senate should also require employees to sign their timesheet and supervisory employees to review and approve timesheets of their subordinates.
- 2.2 Establish an e-mail policy and archiving system.
- 2.3 Amend the Sunshine Law so that it clearly applies to individual members while carving out legitimate and necessary exceptions to public disclosure.

## Auditee's Response

- 2.1 *The Senate is in the process of implementing a single comprehensive timesheet for employees. The Research, Appropriations, and Accounting offices are testing the new timesheet with an anticipated full phase-in by the beginning of FY 2014. The Senate will review timesheet signature and approval processes to ensure timesheets are appropriately signed and approved.*
- 2.2 *The Senate will consider establishing an e-mail correspondence policy and will review the need for an archiving system.*
- 2.3 *The Senate agrees that records maintained by the Senate Administrator and other Senate support staff are subject to the Sunshine Law. These records are the official records of the Senate and are produced when requested. Individual Senators are not considered a "public governmental body" so their records are not subject to Sunshine Law requests.*

## 3. NCSL Report

The Senate has not implemented recommendations from a National Conference of State Legislatures (NCSL) report, issued in November 2009.

The Senate contracted with the NCSL to conduct a review of Senate operations, such as staff structure, compensation, employee policies and practices, and overall effectiveness of services in meeting the needs of the Senators. The Senate paid \$21,647 for the NCSL review and report.

Because new members would be appointed to the Senate Administrative Committee in January 2010, the committee did not act upon the



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recommendations when the report was received. As of August 2012, this committee still had not addressed the report recommendations.

Some report recommendations are:

- Develop job descriptions for the Senators' office staff.
- Hold training for all Senators on staff personnel policies and best practices.
- Update the employee handbook to clearly state which policies cover all staff and which exceptions apply to Senators' office and caucus staff, if any, and to the extent possible, apply policies to all staff equally.
- Include in the employee handbook policies related to at-will employment, nepotism, conflict of interest, and grievance procedures for grievances other than harassment (which is in the handbook).

The NCSL report recommendations appear reasonable, and would help enhance senate operations and policies/procedures, and ensure senate policies are fairly and consistently applied to all senate employees.

## Recommendation

The Senate reconsider the NCSL recommendations and implement the recommendations to the extent possible.

## Auditee's Response

*The NCSL study was an independent assessment of Senate operations. The study reviewed staff structure, compensation, employee policies/practices and overall effectiveness of services. The NCSL team concluded that the operations and staff structures of the Missouri Senate are sound and consistent with generally accepted practices found in effective state legislatures.*

*Members of the Administration Committee considered the NCSL report recommendations. The report was also used by the Senate Administrator as a tool to determine the effectiveness of the Senate and to make changes to Senate operations to better serve Missouri taxpayers. Report recommendations positively impacted Senate operations. However, because of this finding, Senate staff will review the report to see if other recommendations should be implemented.*



General Assembly and Supporting Functions,  
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Management Advisory Report - State Auditor's Finding

## 4. Contingency Plan

The Senate has not developed a formal, written contingency plan for resuming normal business operations and recovering computer systems and data in the event of a disaster or other disruptive event.

The Senate relies on its computer system for various activities including, but not limited to, bill tracking, constituent management, and capital asset tracking. According to the Director of Computer Information Systems, the various databases and website information is backed-up several times a day, and the back-up data is tested several times a week. The Director also stated that her department is working on a contingency plan.

According to accepted standards<sup>1</sup>, contingency planning for information systems is part of an overall organizational program for achieving continuity of operations for mission/business operations. Contingency planning addresses both information system restoration and implementation of alternative mission/business processes when systems are comprised.

A formal, written contingency plan should be prepared to specify actions required to re-establish critical business functions and computer systems. In the case of a disaster or other disruptive event, such documentation can reduce confusion and provide a framework for the uninterrupted continuance of operation.

A similar condition was reported in our prior audit report.

### Recommendation

The Senate develop a formal written contingency plan which is periodically tested, evaluated, and updated as needed.

### Auditee's Response

*The Senate has developed a formal written contingency plan that is and will continue to be tested, evaluated, and updated.*

<sup>1</sup> "NIST Special Publication 800-53 Revision 3, Recommended Security Controls for Federal Information Systems and Organizations," <<http://csrc.nist.gov/publications/PubsSPs.html>>, accessed April 12, 2012

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# General Assembly and Supporting Functions,

## Senate

### Organization and Statistical Information

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Legislative power in Missouri is vested by Article III, Section I, Missouri Constitution, in the General Assembly, more commonly known as the legislature, composed of the Senate and the House of Representatives.

The Senate consists of 34 members who are elected for 4-year terms. Senators from odd-numbered districts are elected in Presidential election years. Senators from even-numbered districts are chosen in the "off-year" elections. Each senator must be at least 30 years of age, and a qualified voter of the state for 3 years and the district he or she represents for 1 year. The Lieutenant Governor is president and presiding officer of the Senate. In his absence, the president pro tem, who is elected by the Senate members, presides. The Senate convenes annually on the first Wednesday following the first Monday in January and adjourns on May 30, with no considerations of bills after 6:00 P.M., on the first Friday after the second Monday in May.

Senate leadership positions are classified as either a leadership or committee chairman. Senators in leadership positions include the president pro tem and the majority and minority floor leaders. The Senator occupying the position of assistant minority floor leader receives the same allowance as a committee chairman position. In addition to their normal clerical hires, the president pro tem, majority floor leader, minority floor leader, and chairman of the Appropriations Committee are allowed to hire an administrative assistant. The president pro tem is authorized to hire a secretary for his administrative assistant, or an additional administrative assistant. The president pro tem and minority floor leader, at their option, may hire legal counsel in lieu of one administrative assistant.

For the 2 years ended June 30, 2012, Senators received the following compensation:

Position	Year Ended June 30,	
	2012	2011
President pro tem	\$ 38,415	38,415
Floor leaders	37,415	37,415
All remaining senators	35,915	35,915

Each senator is paid a per diem each day the senator is in attendance at the legislative session. In addition, senators are reimbursed for each mile traveled when commuting to and from Jefferson City for each week the legislature is in session.

For the 2 years ended June 30, 2012, Senators were authorized the following per diem and mileage reimbursement:



General Assembly and Supporting Functions,  
Senate  
Organization and Statistical Information

Effective Dates	Per Diems	Mileage Rate
July 2010 to September 2010	\$ 103.20	.37
October 2010 to September 2011	98.40	.37
October 2011 to June 2012	104.00	.37

Senators also receive various annual allowances to be utilized in the performance of their official duties. These allowances are established by the Administration Committee and are subject to the limitations imposed by the appropriation authorizing these expenditures. Maximum allowances have been set by category of expense with the provision that total expenditures for each senator do not exceed the maximum total allowance. In addition, with approval of the Administration Committee, senators may spend over the maximum allowance by category and carry unused allowances not exceeding 10 percent of the total allowance to subsequent years.

The annual maximum allowances, by category, for the 2 years ended December 31, 2012, were:

Maximum Allowance	Leadership Positions	Committee Chairman Positions	All Remaining Senators
Personal service	\$ 121,004	108,954	100,198
District office	7,200	7,200	7,200
Postage	27,500	27,500	27,500
Travel	1,200	1,200	1,200
Office expense	2,000	2,000	2,000
Total	\$ 160,304	148,257	139,498

The personal service allowance is used to pay the salaries of the senators' capitol and district staff. Expenses to maintain a district office, such as rent and telephone charges, are charged against the district office allowance. The postage allowance is used to pay the cost of mailing information related to official state business. Travel expenses incurred in connection with the duties of a state senator are reimbursable from the travel allowance. The travel allowance is determined at the beginning of each biennial assembly utilizing a formula which considers a senator's round-trip mileage between their residence and the Capitol and the size of their district in square miles. Each senator is allowed to make office purchases of \$2,000 per year without being cleared through the Administration Committee.

The Senate determines its own rules and procedures and rules may not be dispensed without at least one day's notice and only by a vote of at least a majority of the Senate. However, a rule may be suspended for a special purpose by a vote of two-thirds majority of the members. This suspension



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General Assembly and Supporting Functions,  
Senate  
Organization and Statistical Information

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shall remain only until the Senate proceeds to the consideration of business other than that for which the rule was suspended. The Senate is required to keep a daily journal (or record) of its proceedings.

Five members of the Senate are appointed by the president pro tem to serve on the Administration Committee, with the president pro tem serving as the ex-officio chairman of the committee. This committee has sole control of all financial obligations and business affairs of the Senate. Senator Charlie Shields served as Chairman of the Administration Committee from January 2009 until January 2011. In January 2011, Senator Robert Mayer was appointed chairman of the committee and served until January 2013 when Senator Tom Dempsey was appointed to this position. The committee employs a senate administrator who acts as the chief executive officer of the Senate, and has general supervisory responsibilities over employees who prepare the senate budget, maintain the accounting records, acquire equipment and supplies, control inventory, maintain the physical plant, prepare the payroll, coordinate renovation projects, pay bills, and provide objective, nonpartisan research to all members of the Senate. The senate functions reporting directly to the senate administrator include secretary of the senate, appropriations, research, chief financial officer, computer information systems, operations, and communications. Jim Howerton has served as Senate Administrator since January 2005 and continues in that position.

At June 30, 2012, the Senate had 177 full-time employees, and 21 part time employees.

American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)

The Senate did not receive any federal stimulus monies during the 2 fiscal years ended June 30, 2012.

Appendix A-1

General Assembly and Supporting Functions

Senate

Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments

Year Ended June 30, 2012

	Senate Revolving Fund	Senate Administrator's Fund
RECEIPTS		
Information sales	\$ 9,767	0
Vendor refunds	1,926	0
Recovery costs	2,442	0
Miscellaneous	4,143	5
Total Receipts	18,278	5
DISBURSEMENTS		
Transfers to General Revenue Fund - State	28,768	0
Retirement reception/gifts and staff dinners	0	2,983
Total Disbursements	28,768	2,983
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,490)	(2,978)
CASH AND INVESTMENTS, JULY 1	33,768	3,774
CASH AND INVESTMENTS, JUNE 30	\$ 23,278	796

The monies of the Senate Administrator's Fund are maintained in a separate bank account in the custody of Senate officials.

## Appendix A-2

### General Assembly and Supporting Functions

#### Senate

#### Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments

Year Ended June 30, 2011

	Senate Revolving Fund	Senate Administrator's Fund
<b>RECEIPTS</b>		
Information sales	\$ 10,642	0
Vendor refunds	59	0
Recovery costs	1,398	0
Donations	0	10,298
Miscellaneous	1,505	2
Total Receipts	<u>13,604</u>	<u>10,300</u>
<b>DISBURSEMENTS</b>		
Retirement reception/gifts and staff dinners	<u>0</u>	<u>9,761</u>
Total Disbursements	<u>0</u>	<u>9,761</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	13,604	539
CASH AND INVESTMENTS, JULY 1	<u>20,164</u>	<u>3,235</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 33,768</u>	<u>3,774</u>

The monies of the Senate Administrator's Fund are maintained in a separate bank account in the custody of Senate officials.



Appendix B

General Assembly and Supporting Functions

Senate

Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2012			2011		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND						
Senate contingent expenses	\$ 8,838,783	8,427,219	411,564	8,973,783	8,431,535	542,248
Salaries of members	1,226,610	1,226,603	7	1,226,610	1,211,938	14,672
Members' mileage	87,406	81,365	6,041	87,406	77,644	9,762
Members' per diems	226,100	223,965	2,135	226,100	226,100	0
General Assembly:						
Joint contingent equipment and expenses	160,000	126,115	33,885	125,000	104,304	20,696
Joint committee on Tax Policy -						
Personal service	60,000	34,303	25,697	60,000	58,000	2,000
Expense and equipment	14,143	355	13,788	14,143	860	13,283
Joint Committee on Administrative Rules	122,528	108,048	14,480	122,528	110,072	12,456
Joint Committee on Public Employee Retirement	160,810	101,728	59,082	160,810	99,036	61,774
Joint Committee on Capital Improvements and Lease Oversight	0	0	0	122,835	70,991	51,844
Joint Committee on Transportation Oversight	0	0	0	4,750	178	4,572
Joint Committee on Education -						
Personal service	61,800	61,800	0	61,800	61,800	0
Expense and equipment	12,025	2,071	9,954	15,910	1,425	14,485
Total General Revenue Fund	10,970,205	10,393,572	576,633	11,201,675	10,453,883	747,792
SENATE REVOLVING FUND						
Contingent expenses	40,000	0	40,000	40,000	0	40,000
Total All Funds	\$ 11,010,205	10,393,572	616,633	11,241,675	10,453,883	787,792

## Appendix C

### General Assembly and Supporting Functions

#### Senate

#### Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2012	2011	2010	2009	2008
Salaries and wages	\$ 9,045,105	9,070,904	9,346,605	9,073,018	8,640,511
Post-retirement health care benefits	0	0	0	13,969	0
Legislative daily travel allowance	280,020	230,880	240,960	204,658	206,665
Travel, in-state	166,750	162,874	230,076	209,855	240,212
Travel, out-of-state	2,834	5,077	28,279	18,198	27,243
Postage	179,588	141,521	309,133	288,185	326,744
Supplies	147,318	154,300	237,405	226,068	279,227
Professional development	69,663	7,220	356,315	323,934	363,466
Communication services and supplies	81,147	84,901	131,769	132,001	135,362
Services:					
Professional	60,007	113,709	92,310	55,873	80,197
Housekeeping and janitorial	86,966	87,399	90,897	73,066	73,077
Maintenance and repair	110,169	123,220	111,407	148,628	65,358
Equipment					
Computer equipment	63,390	99,186	78,161	93,340	81,485
Office equipment	25,575	20,755	66,669	11,781	114,920
Other equipment	7,849	42,189	10,952	123,787	32,204
Property and improvements	0	0	0	4,396	0
Building lease payments	36,575	35,696	39,108	35,942	50,364
Equipment rental and leases	7,356	48,734	67,757	71,629	77,788
Agency provided food	12,839	11,757	11,048	11,064	9,746
Miscellaneous expenses	10,421	13,561	12,715	2,952	1,891
Total	\$ <u>10,393,572</u>	<u>10,453,883</u>	<u>11,461,566</u>	<u>11,122,344</u>	<u>10,806,460</u>

## Appendix D

### General Assembly and Supporting Functions

#### Senate

#### Statement of Changes in General Capital Assets

	Furniture and Equipment	Motor Vehicles	Total
Balance, July 1, 2010	\$ 2,149,800	22,042	2,171,842
Additions	115,566	0	115,566
Dispositions	(212,899)	0	(212,899)
Balance, June 30, 2011	2,052,467	22,042	2,074,509
Additions	48,817	0	48,817
Dispositions	(279,658)	0	(279,658)
Balance, June 30, 2012	\$ 1,821,626	22,042	1,843,668



Thomas A. Schweich  
Missouri State Auditor

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# FOLLOW-UP REPORT ON AUDIT FINDINGS

## Missouri State Public Defender

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March 2013

Report No. 2013-027



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<http://auditor.mo.gov>

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# Missouri State Public Defender

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\*Includes selected findings



# THOMAS A. SCHWEICH

## Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Members of the Missouri General Assembly  
and  
Members of the Public Defender Commission  
and  
Cathy R. Kelly, Director  
Missouri State Public Defender  
Jefferson City, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2012-129, *Missouri State Public Defender*, issued in October 2012, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the Missouri State Public Defender (MSPD) about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the MSPD, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we focused on the Caseload and Resources finding and requested the MSPD provide a written status as to recommendations 1.1, 1.2, and 1.3. We also gave the MSPD the option of providing a written status to any of the other findings. We received and reviewed the MSPD's written responses and supporting documentation related to recommendations 1.1, 1.2, 1.3, 2.1, and 4.2. This report is a summary of the results of this follow-up work, which was substantially completed during February 2013.

Thomas A. Schweich  
State Auditor

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# Missouri State Public Defender

## Follow-Up Report on Prior Audit Findings

### Status of Findings

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1. **Caseload and Resources** The Missouri State Public Defender (MSPD) lacked sufficient information to accurately determine the resources needed to manage caseloads. The MSPD's ability to accurately determine needed resources was further hampered by numerous MSPD processes that were not conducted efficiently.

In November 2007, the MSPD adopted the Caseload Crisis Protocol to determine if attorney resources are sufficient to manage caseloads and meet its statutory responsibility. The caseload protocol calculations were used to evaluate each district office's caseload monthly and certify those offices as having limited availability, as applicable, and to estimate additional attorney resources needed for annual budget requests.

Our review of the calculations and available data supporting the caseload protocol noted the MSPD lacked sufficient support for the data and methodology used for protocol calculations. As a result, the amount of resources needed to meet MSPD caseloads was unclear. Instead of tracking actual employee time spent by case type and using that data to estimate needed and available attorney hours, these amounts were determined through complex calculations based on various unsupported assumptions and estimates discussed below. In addition, the MSPD lacked adequate support for estimated support staff needed to assist attorneys in meeting caseload.

- 1.1 **Tracking and recording staff hours** The MSPD did not track staff time spent by case type; and as a result, the MSPD lacked detailed actual information to estimate staff hours per caseload. Although the MSPD conducted a time study in 2006, the time study results were not utilized to determine or estimate the number of staff hours needed to manage assigned caseload. Instead, as noted below, converted caseload standards were used in the caseload protocol calculations.

**Recommendation** The MSPD establish procedures to track and analyze staff hours by case type, and use that data to support significant management decisions including estimating staff hours needed to meet caseload.

**Status** **In Progress**

The MSPD indicated the new Time Log, by case type and task, was up and running for Trial and Capital Divisions as of March 1, 2013. The Appellate/Post-Conviction Relief Division will follow not long thereafter. A training webinar has been developed and the associated help documents have been prepared and placed in the MSPD Help database to assist staff in categorizing their work in the Time Log. The new system tracks time in 5 minute increments, and utilizes ten primary categories (e.g., in court, fact-finding, legal research and writing, etc.).



Missouri State Public Defender  
Follow-up Report on Prior Audit Findings  
Status of Findings

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1.2 Caseload protocol  
(attorneys)

Our review of the caseload protocol calculation procedures noted significant concerns with the methodology and data used to calculate the key components as well as the final calculation of whether maximum caseload had been exceeded. Of overall concern was the lack of assurance the components used in the calculation were comparable. While the number of needed attorney hours was calculated based on converted national caseload standards (developed in 1973) with the assumption attorneys work on cases 2,080 hours per year, the number of available attorney hours was calculated based on an estimation that the MSPD attorneys work on cases an average of 1,536 hours per year.

Recommendation

The MSPD perform and document a comprehensive analysis of the caseload protocol and make appropriate revisions to ensure calculations accurately estimate and compare needed and available staff hours. Periodic analysis of the caseload protocol should be performed and revisions made as necessary.

Status

**In Progress**

The MSPD indicated the American Bar Association's Indigent Defense Advisory Group has indicated a willingness to fund the cost of an outside auditing firm to oversee the MSPD's methodology for revising its protocol.

The MSPD plans to complete the time study to identify how its lawyers are currently spending time on cases, assess what tasks the attorneys cannot complete due to time constraints, and calculate the additional amount of time necessary to come up with a standard case weight. At least three well-respected private criminal defense attorneys have agreed to work with the MSPD in this phase of the project.

Periodic reviews and revisions as necessary will be part of the process and are built into the flexibility of the time keeping system's design.

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1.3 Support staff

The MSPD had not developed adequate procedures to measure the need for additional support staff. MSPD caseload protocol indicated, and the 2006 time study supported, that attorneys spent a significant amount of time performing tasks that could have otherwise been performed by support staff. While support staff time was tracked in the 2006 time study, this time had not been utilized in estimating support staff needed.

Recommendation

The MSPD develop procedures to accurately estimate support staff hours needed to assist attorneys in meeting caseload.

Status

**In Progress**

The MSPD indicated in its redesigned time-keeping study, the MSPD tracks tasks often performed by attorneys but generally performed by support staff in most law firms. Support staff will also track their hours by category and





Missouri State Public Defender  
Follow-up Report on Prior Audit Findings  
Status of Findings

task. The MSPD plans to use this information to determine both the level of assistance currently provided and additional hours needed to cover those tasks identified as more appropriately handled by support staff. The MSPD anticipates seeking the input of private attorneys concerning ways in which private firms utilize support staff to leverage attorney time. This will provide useful information for the legislature in determining the most cost-effective way in which to staff the public defender system.

**2.1 Policies and procedures** The MSPD lacked sufficient policies and procedures for determining defendant indigence.

**Recommendation**

The MSPD modify policies and procedures to provide clear guidance and training for performing indigence determinations. Policies should address verification of applicant financial status and data, and provide for supervisory review of indigence determinations.

**Status**

**In Progress**

The MSPD indicated four offices have volunteered to serve as a pilot program to track the time involved in independently verifying indigence for comparison to the benefits gained from that process to determine the cost-effectiveness of the process before imposing it across the system.

The MSPD is working with the Department of Employment Security to gain access to their records for indigence verifications; however, gaining live access to their system is not possible.

The MSPD has obtained the results of the survey conducted by the Washington University Law School clinic students on indigence guidelines and procedures used by other public defender systems around the country, as well as a similar project conducted by the South Carolina Public Defender. The MSPD intends to review both of these for suggestions as it re-examines its current indigence standards and determination process.

**4.2 Circuit Court Collections**

Some circuit courts did not attempt to collect MSPD liens, and the MSPD did not monitor court collection efforts or encourage the courts to collect liens. Our discussions with the MSPD, Office of State Courts Administrator (OSCA) personnel, and court officials noted some courts did not include MSPD liens in amounts subject to court collection procedures. These procedures generally included payment plans, collection agencies, and/or conditions of probation.

**Recommendation**

The MSPD monitor circuit court lien collection rates and work with those courts which are not collecting liens in an effort to increase lien collections.



Missouri State Public Defender  
Follow-up Report on Prior Audit Findings  
Status of Findings

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**Status**

**In Progress**

The MSPD indicated it is exploring the possibility of having the collections company that handles all of OSCA's court cost collections take on the same responsibility for public defender liens as well. There is some concern about being able to collect from an indigent population, and the collections company will not undertake any collections from defendants who are incarcerated. The MSPD is committed to pursuing this route, although it appears that both the population and the relatively low amounts involved may present obstacles.

Another possibility is under discussion by some legislators this session: eliminating the separate lien procedure in favor of adding the public defender fee as another court cost in cases served by the MSPD. Under this approach, the fee would be collected in the same way, and as part of the same collection process as all other court costs, which would also avoid duplication of collection efforts.



**Thomas A. Schweich**  
Missouri State Auditor

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# Summary of 2012 Follow-Up Reports



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**March 2013**  
**Report No. 2013-028**

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<http://auditor.mo.gov>

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# THOMAS A. SCHWEICH

## Missouri State Auditor

### The Citizens of Missouri

This report was compiled from follow-up reports issued in 2012. The State Auditor's office conducted 22 follow-up reviews pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at the time, and inform the auditee about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Auditors conduct a follow-up work for any audit receiving an overall "Poor" rating, significant or serious findings in audits receiving a "Fair" rating when determined necessary, and any other audits at the discretion of the State Auditor.

Of 223 recommendations included in the follow-up reports 91 had a status of implemented, 68 had a status of in progress, 35 had a status of partially implemented, and 29 had a status of not implemented.

A handwritten signature in black ink, reading "Thomas A. Schweich".

Thomas A. Schweich  
State Auditor

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## Summary of 2012 Follow-Up Reports

### Status of Recommendations

1.	<b>Pemiscot County</b>  Report number 2012-140	<p>Pemiscot County received a "Poor" overall audit rating. The follow-up report focused on nine recommendations.</p> <p>All recommendations included in the follow-up report had a status of in progress.</p>
2.	<b>Nineteenth Judicial Circuit, Cole County Civil and Criminal Divisions</b>  Report number 2012-111	<p>The Nineteenth Judicial Circuit, Cole County Municipal Civil and Criminal Divisions received a "Poor" overall rating. The follow-up report focused on 11 recommendations.</p> <p>Ten recommendations included in the follow-up report had a status of implemented and one recommendation had a status of in progress.</p>
3.	<b>The School District of Springfield, R-XII</b>  Report number 2012-83	<p>The School District of Springfield, R-XII received a "Fair" overall rating. The follow-up report focused on 20 recommendations.</p> <p>Three recommendations included in the follow-up report had a status of implemented, 14 recommendations had a status of in progress, and 3 recommendations had a status of partially implemented.</p>
4.	<b>Kansas City 33 School District</b>  Report number 2012-81	<p>The Kansas City 33 School District received a "Fair" overall rating. The follow-up report focused on seven recommendations.</p> <p>Three recommendations included in the follow-up report had a status of implemented, three recommendations had a status of in progress, and one recommendation had a status of not implemented.</p>
5.	<b>Village of Riverview</b>  Report number 2012-77	<p>The Village of Riverview received a "Poor" overall rating. The follow-up report focused on 11 recommendations.</p> <p>Six recommendations included in the follow-up report had a status of implemented, three recommendations had a status of in progress, and two recommendations had a status of partially implemented.</p>
6.	<b>Fortieth Judicial Circuit, City of Lanagan Municipal Division</b>  Report number 2012-72	<p>The Fortieth Judicial Circuit, City of Lanagan Municipal Division received a "Poor" overall rating. The follow-up report focused on ten recommendations.</p> <p>Two recommendations included in the follow-up report had a status of implemented, one recommendation had a status of in progress, four recommendations had a status of partially implemented, and three recommendations had a status of not implemented.</p>
7.	<b>City of Lanagan</b>  Report number 2012-71	<p>The City of Lanagan received a "Poor" overall rating. The follow-up report focused on 30 recommendations.</p>



## Summary of 2012 Follow-Up Reports Status of Recommendations

		Five recommendations included in the follow-up report had a status of implemented, 2 recommendations had a status of in progress, 5 recommendations had a status of partially implemented, and 18 recommendations had a status of not implemented.
8.	<b>City of Mountain Grove</b>  Report number 2012-70	<p>The City of Mountain Grove received a "Poor" overall rating. The follow-up report focused on ten recommendations.</p> <p>Five recommendations included in the follow-up report had a status of implemented, four recommendations had a status of in progress, and one recommendation had a status of partially implemented.</p>
9.	<b>Ray County</b>  Report number 2012-67	<p>Ray County received a "Poor" overall rating. The follow-up report focused on seven recommendations.</p> <p>Four recommendations included in the follow-up report had a status of implemented, one recommendation had a status of in progress, one recommendation had a status of partially implemented, and one recommendation had a status of not implemented.</p>
10.	<b>Schuyler County</b>  Report number 2012-63	<p>Schuyler County received a "Fair" overall rating. The follow-up report focused on ten recommendations.</p> <p>Six recommendations included in the follow-up report had a status of implemented, one recommendation had a status of in progress, two recommendations had a status of partially implemented, and one recommendation had a status of not implemented.</p>
11.	<b>Schuyler County Collector and Property Tax System</b>  Report number 2012-62	<p>Schuyler County Collector and Property Tax System received a "Poor" overall rating. The follow-up report focused on seven recommendations.</p> <p>Five recommendations included in the follow-up report had a status of implemented and two recommendations had a status of in progress.</p>
12.	<b>Dunklin County</b>  Report number 2012-59	<p>Dunklin County received a "Fair" overall rating. The follow-up focused on three recommendations.</p> <p>All recommendations included in the follow-up report had a status of implemented.</p>
13.	<b>Monarch Fire Protection District</b>  Report number 2012-54	<p>Monarch Fire Protection District received a "Fair" overall rating. The follow-up report focused on five recommendations.</p> <p>One recommendation included in the follow-up report had a status of implemented, two recommendations had a status of partially implemented, and two recommendations had a status of not implemented.</p>



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Summary of 2012 Follow-Up Reports  
Status of Recommendations

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- |  |   |
|--|---|
| <b>14. Monroe County</b><br><br>Report number 2012-48  | Monroe County received a "Fair" overall rating. The follow-up report focused on two recommendations.<br><br>All recommendations included in the follow-up report had a status of implemented.   |
| <b>15. Pulaski County</b><br><br>Report number 2012-45   | Pulaski County received a "Fair" overall rating. The follow-up report focused on 11 recommendations.<br><br>Four recommendations included in the follow-up report had a status of implemented, one recommendation had a status of in progress, four recommendations had a status of partially implemented, and two recommendations had a status of not implemented.         |
| <b>16. Village of Rayville</b><br><br>Report number 2012-38  | The Village of Rayville received a "Poor" overall rating. The follow-up report focused on 12 recommendations.<br><br>Four recommendations included in the follow-up report had a status of implemented, two recommendations had a status of in progress, five recommendations had a status of partially implemented and one recommendation had a status of not implemented. |
| <b>17. Thirty-Eighth Judicial Circuit, City of Sparta Municipal Division</b><br><br>Report number 2012-37      | The Thirty-Eighth Judicial Circuit, City of Sparta Municipal Division received a "Poor" overall rating. The follow-up report focused on six recommendations.<br><br>Two recommendations included in the follow-up report had a status of implemented and four recommendations had a status of in progress.  |
| <b>18. Thirty-Fourth Judicial Circuit, City of Howardville Municipal Division</b><br><br>Report number 2012-36 | The Thirty-Fourth Judicial Circuit, City of Howardville Municipal Division received a "Poor" overall rating. The follow-up report focused on six recommendations.<br><br>Three recommendations included in the follow-up report had a status of implemented and three recommendations had a status of partially implemented.  |
| <b>19. City of Howardville</b><br><br>Report number 2012-35  | The City of Howardville received a "Poor" overall rating. The follow-up report focused on 16 recommendations.<br><br>Five recommendations included in the follow-up report had a status of implemented, ten recommendations had a status of in progress, and one recommendation had a status of partially implemented.  |





Summary of 2012 Follow-Up Reports  
Status of Recommendations

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20. City of Pacific

Report number 2012-31

The City of Pacific received a "Good" overall rating. The follow-up report focused on five recommendations.

All recommendations included in the follow-up report had a status of implemented.

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21. Douglas County

Report number 2012-27

Douglas County received a "Poor" overall rating. The follow-up report focused on 12 recommendations.

Seven recommendations included in the follow-up report had a status of implemented and five recommendations had a status of in progress.

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22. Howard County

Report number 2012-22

Howard County received a "Poor" overall rating. The follow-up report focused on 13 recommendations.

Six recommendations included in the follow-up report had a status of implemented, five recommendations had a status of in progress, and two recommendations had a status of partially implemented.



Thomas A. Schweich  
Missouri State Auditor

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# FOLLOW-UP REPORT ON AUDIT FINDINGS

## Fortieth Judicial Circuit

### City of Diamond Municipal Division

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March 2013

Report No. 2013-029



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<http://auditor.mo.gov>

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# Fortieth Judicial Circuit, City of Diamond Municipal Division

## Follow-Up Report on Audit Findings

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# THOMAS A. SCHWEICH

## Missouri State Auditor

Presiding Judge  
Fortieth Judicial Circuit  
and  
Municipal Judge  
Diamond, Missouri

We have conducted follow-up work on audit report findings contained in Report No. 2012-78, *Fortieth Judicial Circuit, City of Diamond Municipal Division*, issued in August 2012, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the court about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the court, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed supporting documentation provided by the Court Clerk, and discussed the status of the findings and any corrective actions taken regarding our audit findings with the Court Clerk. Documentation included receipt and disbursement records, monthly reports, bank statements, and various case files. This report is a summary of the results of this follow-up work, which was substantially completed during January 2013.

Thomas A. Schweich  
State Auditor

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# Fortieth Judicial Circuit, City of Diamond Municipal Division

## Follow-Up Report on Prior Audit Findings

### Status of Findings

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- |                                       |   |
|---------------------------------------|---|
| 1. Accounting Controls and Procedures | Significant weaknesses were identified with depositing and recording municipal division monies, and segregation of duties was not adequate. |
|---------------------------------------|---|

- |                           |  |
|---------------------------|--|
| 1.1 Depositing procedures | Procedures were not in place to ensure all municipal division monies were deposited, deposits were often made into the wrong bank account and were not made timely or intact, and the composition of receipt slips was not reconciled to the composition of deposits. Cash receipts totaling \$207 were not deposited. Credit card payments totaling \$1,329 were not properly processed and when the municipal division attempted to process these transactions after this was brought to their attention, two credit card payments totaling \$400 were denied. |
|---------------------------|--|

Recommendation	The City of Diamond Municipal Division reconcile receipt slips to the amount and composition of deposits and deposit monies timely and intact. Additionally, the municipal division should follow up on the undeposited cash and credit card receipts and attempt to recover these funds.
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Status	<p><b>Implemented</b></p> <p>We scanned deposits made between January 2 and January 22, 2013, and noted the amount and composition of receipt slips is now reconciled to deposits, and monies are deposited daily and intact. The court made contact with the defendant whose \$400 credit card payments were denied and the Judge continued the case for 6 months; however, without successful collection, the Judge dismissed the case. The Court Clerk has reviewed the \$207 in undeposited cash receipts and indicated the funds were received by the prior clerk, but not deposited.</p>
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- |                          |  |
|--------------------------|--|
| 1.2 Recording procedures | Prior to August 2011, some fines, court costs and bonds were not posted or were not posted timely to the court's Summit computer system causing monthly reports and amounts distributed to state and city funds to be incorrect. In August 2011, the municipal division converted to the Justice Information System (JIS), the Missouri courts automated case management system. |
|--------------------------|--|

Recommendation	The City of Diamond Municipal Division reconcile amounts received and deposited to amounts posted to the computer system. For periods prior to August 2011 the municipal division should compare reports filed with Office of State Courts Administrator (OSCA) to amounts collected and determine if additional fees are due to the state and city funds.
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Status	<p><b>Partially Implemented</b></p> <p>Since implementing the JIS system the Court Clerk has been reconciling amounts received to amounts deposited; however, she has not gone back to</p>
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Fortieth Judicial Circuit, City of Diamond Municipal Division  
Follow-up Report on Prior Audit Findings  
Status of Findings

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periods prior to August 2011 to compare amounts collected to amounts reported to the OSCA. We reviewed manual receipt slips issued between January 2 and January 22, 2013, to ensure amounts received were posted to the JIS. The Court Clerk records the date posted to the JIS on the manual receipt slip copy.

### 1.3 Bond liabilities

Bonds received prior to August 2011 were deposited into the city's General Fund, but a balance of bond monies held by the city was not maintained and reconciled to the municipal division's outstanding bond list. Additionally, bonds received were not always correctly posted to the Summit computer system, and as a result, the list of outstanding bonds generated was not always accurate.

#### Recommendation

The City of Diamond Municipal Division review bonds collected prior to August 2011 and identify any additional outstanding bonds and transfer case information to the JIS. Bond monies should be transferred to the municipal division bond account for proper disbursement.

#### Status

##### **Partially Implemented**

Following the conversion to the JIS any cases coming to the court's attention were entered into the JIS at that time. The Court Clerk stated that nothing has come to her attention recently that would indicate there were unidentified bond monies still being held in the city's bank account; however, the Court Clerk has not reviewed bonds collected prior to August 2011 to ensure all amounts were identified and transferred to the court account.

### 1.4 Segregation of duties

No one independent of the cash custody and record keeping functions reconciled recorded receipts to deposits.

#### Recommendation

The City of Diamond Municipal Division segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.

#### Status

##### **Implemented**

The City Clerk is now reviewing daily receipt reports and comparing these reports to amounts deposited. We scanned receipt reports between January 2 and January 22, 2013, and noted documentation of the City Clerk's review.

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## 2. Municipal Division Procedures

An organized filing system of municipal division records was not maintained. Additionally, the municipal division did not prepare and file with the city a list of cases heard each month as required by state law, court costs were not remitted to the state in a timely manner, and restitution



Fortieth Judicial Circuit, City of Diamond Municipal Division  
Follow-up Report on Prior Audit Findings  
Status of Findings

amounts were not supported by a court approved schedule. Further, traffic ticket numbers were not accounted for properly.

**2.1 Organization of records** Some court records were filed in general disarray and municipal division personnel had difficulty locating some records and did not locate four requested case files.

**Recommendation** The City of Diamond Municipal Division ensure municipal division records are organized efficiently and appropriately retained.

**Status** **Implemented**  
We observed court records filed in an organized manner in filing cabinets and daily and monthly reports filed in labeled three ring binders. The Court Clerk indicated that all court files are now properly retained.

**2.2 Report of cases heard** The monthly report filed with the city did not include a list of all cases heard.

**Recommendation** The City of Diamond Municipal Division ensure a monthly list of cases heard in the municipal division is prepared and filed with the city in accordance with state law.

**Status** **Implemented**  
Monthly reports filed with the city now appear to include all cases heard by the court. We reviewed the December 2012 report filed with the city in January 2013.

**2.3 Untimely disbursements** Some court costs collected by the municipal division for the state, along with the monthly summary reports were not submitted in a timely manner.

**Recommendation** The City of Diamond Municipal Division disburse court monies and file monthly reports timely.

**Status** **Implemented**  
Disbursements are now made monthly. Fines and court costs collected in December 2012 were disbursed on January 4, 2013.

**2.4 Restitution amounts** Restitution amounts imposed by the court for defendants involved in alcohol or drug related offenses were not supported by a court approved schedule.

**Recommendation** The City of Diamond Municipal Division work with the Chief of Police to establish a schedule of processing costs for restitution collections in accordance with city code.



Fortieth Judicial Circuit, City of Diamond Municipal Division  
Follow-up Report on Prior Audit Findings  
Status of Findings

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**Status**

**Implemented**

The Police Chief provided a schedule of processing costs for alcohol and drug related offenses.

**2.5 Ticket accountability**

Neither the city Police Department nor the municipal division adequately accounted for the numerical sequence and ultimate disposition of traffic tickets issued.

**Recommendation**

The City of Diamond Municipal Division work with the Police Department to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.

**Status**

**Implemented**

Both the Court Clerk and the Police Chief keep a log of tickets accounting for the numerical sequence and the Court Clerk also maintains one copy of the ticket that is filed in numerical order.





Thomas A. Schweich  
Missouri State Auditor

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# FOLLOW-UP REPORT ON AUDIT FINDINGS

## Henry County

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April 2013  
Report No. 2013-030



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<http://auditor.mo.gov>

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# Henry County

## Follow-Up Report on Audit Findings

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\*Includes selected findings



# THOMAS A. SCHWEICH

## Missouri State Auditor

To the County Commission  
and  
Officeholders of Henry County

We have conducted follow-up work on certain audit report findings contained in Report No. 2012-49, *Henry County*, issued in June 2012, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the county about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the county, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed written statuses of selected findings and recommendations, reviewed supporting documentation submitted by county officials, and held meetings with county officials. Documentation provided by the county included the 2013 budget, bank statements, monthly settlements, various other financial records, and selected contracts. This report is a summary of the results of this follow-up work, which was substantially completed during February 2013.

Thomas A. Schweich  
State Auditor

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# Henry County

## Follow-Up Report on Prior Audit Findings

### Status of Findings

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#### 1.1 County Collector-Treasurer Commissions

The County Collector-Treasurer did not properly calculate commissions, resulting in approximately \$442,000 due to county schools. The County Collector-Treasurer incorrectly withheld 3 percent on the school portion of all current real estate and personal taxes collected when only 2 percent was allowed, and she incorrectly withheld 3 percent on the school portions of all delinquent and railroad and utility taxes collected when 3.5 percent was allowed. The County Collector-Treasurer incorrectly distributed current and delinquent tax commissions due to the General Revenue Fund, to the County Employees' Retirement Fund (CERF) and the Tax Maintenance Fund. The County Collector-Treasurer incorrectly calculated and withheld Proposition C Commissions from current taxes collected for the Henry County R-I School District (Windsor).

#### Recommendation

The County Collector-Treasurer recalculate current and delinquent tax commissions withheld and distributed, and correct distributions from the General Revenue Fund to the various political subdivisions and from the CERF and Tax Maintenance Funds to the General Revenue Fund. The County Collector-Treasurer should also ensure future commission calculations are accurate.

#### Status

##### **In Progress**

The County Collector-Treasurer and County Clerk recalculated commissions withheld and distributed for the 4 years ended February 28, 2011, and determined \$410,098 was due to the various school districts. In July 2012, December 2012, and January 2013, the county disbursed a total of \$410,098 to the various school districts. The County Collector-Treasurer disbursed \$13,138 from the Tax Maintenance Fund to the General Revenue Fund in June 2012. The County Collector-Treasurer indicated the county is in the process of entering into an agreement with the CERF which provides for the county to discontinue current CERF payments until the amount due to the county is recovered. Commissions were properly calculated and withheld from property taxes collected in November and December 2012.

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#### 1.2 County Collector-Treasurer City Commissions

The County Collector-Treasurer did not calculate and withhold commissions from city taxes in compliance with city contracts. The County Collector-Treasurer withheld 3.5 percent instead of 3 percent on the City of Clinton back taxes as provided for in the contract. The County Collector-Treasurer assessed a 7 percent penalty on all delinquent city taxes instead of the 2 percent penalty provided for in the contract, which was to be retained by the County Collector-Treasurer personally. This 7 percent penalty was paid to the CERF Fund, the Tax Maintenance Fund, the county, and the County Collector-Treasurer personally. The County Collector-Treasurer incorrectly assessed a 2 percent penalty on November current city tax collections when a 2 percent penalty was only allowed for delinquent tax collections. A calculation error in the manual adjustment on the November



Henry County  
Follow-up Report on Prior Audit Findings  
Status of Findings

2010 monthly settlement resulted in 20 percent rather than 2 percent being taken on collections for cities other than the City of Clinton. The County Collector-Treasurer was improperly withholding and personally retaining commissions on railroad and utility taxes pertaining to cities.

**Recommendation**

The County Collector-Treasurer recalculate city tax commissions withheld and distributed and correct distributions. In addition, the County Collector-Treasurer should ensure future commission calculations are accurate.

**Status**

**Partially Implemented**

The County Collector-Treasurer disbursed \$570 to the city of Clinton from the Tax Maintenance Fund in July 2012. The County Collector-Treasurer indicated she did not pay this amount personally since she had erroneously been splitting the city penalties with the county. The County Collector-Treasurer indicated she does not intend to recalculate city tax commissions withheld and distributed and correct for errors noted in the audit report; however, city tax commissions were properly calculated and withheld from property taxes collected in November and December 2012.

**1.5 County Collector-Treasurer Tax Sale Surplus Fund**

The County Collector-Treasurer improperly held over \$22,000 in the Tax Sale Surplus Fund as of September 30, 2011. Upon closure of the County Collector-Treasurer's property tax bank account, the \$3,539 bank balance representing outstanding checks was incorrectly transferred to the Tax Sale Surplus Fund. Private car tax collections totaling \$6,152 owed to the General Revenue Fund were received in January 2010, and were also incorrectly transferred to the Tax Sale Surplus Fund when the property tax bank account was closed. Unidentified monies totaling \$12,740 were held by the County Collector-Treasurer in the Tax Sale Surplus Fund.

**Recommendation**

The County Collector-Treasurer establish routine procedures to investigate checks outstanding for a considerable time, disburse private car tax collections owed to the General Revenue Fund, and disburse any tax sale surplus monies in accordance with state law.

**Status**

**Partially Implemented**

The County Collector-Treasurer transferred the private car tax collections to the General Revenue Fund in December 2011. The County Collector-Treasurer has established procedures to investigate checks outstanding for a considerable time. The payees of the outstanding checks could not be located and the amount of these checks and the unidentified monies in the Tax Sale Surplus Fund were distributed to the schools in September 2012. However, the \$3,539 of outstanding checks should have been transferred to the state's Unclaimed Property Section rather than distributed to schools since these were not Tax Sale Surplus Fund monies.



Henry County  
Follow-up Report on Prior Audit Findings  
Status of Findings

2. Sheriff Accountable  
Fees and Special  
Revenue Funds

Improvement was needed in the Sheriff's handling of accountable fees and special revenue funds.

2.1 Sheriff Bank Accounts

The Sheriff did not properly account for various fees and inmate monies received, and used over \$79,000 of these monies in violation of state law to pay operating expenses of his office. Supporting documentation was not retained for at least \$14,875 of disbursements made from the Sheriff's bank accounts, and the propriety of some of these transactions was uncertain. The Sheriff also improperly transferred monies between the fee and inmate bank accounts and incurred insufficient fund charges.

Included in the undocumented disbursements were payments to deputies through the fee and inmate bank accounts for hours worked and mileage driven. These payments were not reported on the deputies' W-2 forms, and payroll deductions were not withheld from the payments.

The amounts deposited into various county law enforcement related special revenue funds may have been incorrect, and there was little assurance restricted funds had been accounted for properly and expended for allowable purposes. The Sheriff did not always transmit fees timely and amounts transmitted frequently appeared to be more or less than the corresponding amounts received.

Recommendation

The Sheriff turn over all fees to the County Collector-Treasurer as required by state law. Payment of expenses should only be made through the normal county disbursement process as provided for in the budgets of special revenue funds. In addition, the Sheriff and County Commission should ensure all salary payments and wages are subject to payroll withholdings, reported on W-2 forms, and supported by timesheets that reflect actual time worked.

Status

**In Progress**

During November and December 2012, the Sheriff turned over all fees deposited into his fee account to the County Collector-Treasurer at the end of each month, except for \$600 in incentive payments received from the Social Security Administration for prisoners. Inmate commissary profits totaling \$8,511 were turned over to the County Collector-Treasurer in November and December 2012; however, some commissary profits are still held in the inmate bank account. The Sheriff indicated he intends to turn over additional commissary profits to the county after differences in reconciliations remain consistent for a period of time. During November and December 2012, payment of expenses were made through the county's normal disbursement process and salaries to deputies were paid through the payroll system with proper withholdings and reporting.



Henry County  
Follow-up Report on Prior Audit Findings  
Status of Findings

## 2.2 Sheriff Special Revenue Funds

The Sheriff improperly transferred monies between the county special revenue funds and his bank accounts, and adequate supporting documentation was not provided for payments made to the Sheriff and for other payments related to the operation of the Sheriff's office. The Sheriff also requested several transfers be made between various special revenue funds, and the purpose of these transfers was unclear and not adequately documented. Receipt transactions were often classified as transfers on the budgets rather than a more appropriate and descriptive receipt category. Adequate supporting documentation was not provided for some payments from the special revenue funds to the Sheriff, and in some instances, it was not clear the payments were for legitimate county expenses. The County Commission did not adequately review other disbursements related to the operation of the Sheriff's office.

### Recommendation

The Sheriff and the County Commission limit transfers, consider a more effective method of budgeting transfers and disbursements, and ensure the purposes of all fund transfers are documented. The Sheriff and County Commission should require adequate supporting documentation for all disbursements, and ensure funds are disbursed in a necessary and appropriate manner and proper oversight of the Sheriff's office is performed.

### Status

#### **In Progress**

Monies were not transferred between the county special revenue funds and the Sheriff's bank accounts during November and December 2012. The Sheriff and County Commission limited transfers between special revenue funds and reduced the number of special revenue funds by combining several funds together during the year ended December 31, 2012. For November 2012 travel related expenses reviewed, supporting documentation was available although the purpose of travel was not documented. The County Commission continued to only review a summary statement of Sheriff's office fuel. The entire bill and detailed invoices of each fuel purchase in November 2012 (paid in December 2012) were not reviewed by the County Commission. However, the County Clerk indicated he has now requested the Sheriff to provide the entire fuel bill and the detailed invoices of each fuel purchase to his office for review. The County Clerk and County Commission currently receive and review a monthly report of receipts, disbursements, and open items and the related supporting documentation for the Sheriff's fee account.

## 3. Sheriff Reconciliations and Accounting System

There was no assurance accounting records were accurate and complete.

### 3.1 Bank Reconciliations

Bank reconciliations and a list of liabilities were not prepared for either the fee or inmate bank accounts, and the Sheriff could not perform a proper



Henry County  
Follow-up Report on Prior Audit Findings  
Status of Findings

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reconciliation because some debit card disbursements and electronic deposits were not recorded in the accounting system.

**Recommendation**

The Sheriff perform bank reconciliations and reconcile bank balances to liabilities monthly. Any differences between accounting records and reconciliations should be investigated and resolved. The Sheriff should ensure all disbursements and receipts are accurately recorded in the computerized accounting system.

**Status**

**In Progress**

The Sheriff prepared bank reconciliations and a list of liabilities for both the inmate and fee accounts for November and December 2012; however, differences between accounting records and reconciliations still exist and have not been resolved. In addition, incentive payments received from the Social Security Administration for prisoners totaling \$600 during November and December 2012, were direct deposited into the Sheriff's fee account, but were not recorded in the Sheriff's accounting records.

**3.2 Accounting System**

The payee on several checks was whited-out or manually marked through and a new payee was written in. The payee and amount of the checks recorded in the accounting system did not always agree to the actual checks written. Computerized reports of disbursements made from the inmate account were not accurate. The Sheriff's report of fees for the month of June 2010 did not agree to the accounting system or bank records.

**Recommendation**

The Sheriff discontinue altering checks and ensure disbursements are properly reported in the accounting system.

**Status**

**Implemented**

During November and December 2012, the checks that were issued and cleared the bank from the fee and inmate bank accounts were not altered and were properly recorded in the accounting system, the computerized reports of disbursements made from the inmate account were accurate, and the Sheriff's report of fees agreed to the accounting records.

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**4. Prosecuting Attorney  
Controls and  
Procedures**

As a result of numerous control weaknesses, there was no assurance all monies were handled and accounted for properly.

**4.1 Segregation of Duties  
and Adjustments**

The duties of receiving, recording, and transmitting monies were not adequately segregated. The bad check clerk performed all of these duties, and reviews performed by the Prosecuting Attorney were not documented. In addition, there was no independent approval to support adjustments





Henry County  
Follow-up Report on Prior Audit Findings  
Status of Findings

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posted to the accounting system, and adequate documentation of the adjustments was not retained.

**Recommendation**

The Prosecuting Attorney adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented, and require someone independent of the accounting system to review and approve all adjustments and ensure adequate documentation is retained to support such adjustments.

**Status**

**In Progress**

The Prosecuting Attorney indicated his office is unable to segregate accounting duties. Adjustments totaling \$4,602 were posted to the accounting system in November and December 2012, and reasons for the adjustments were documented. The Prosecuting Attorney indicated he has performed some reviews of accounting records, but these reviews were not documented, and he is in the process of developing a system to document these reviews in the future.

**4.2 Receipting and  
Transmitting Monies**

Receipts slips had not been issued for some monies, and the numerical sequence of manual receipt slips was not accounted for properly. Receipts were not transmitted timely to the victim and County Collector-Treasurer and were not posted to the computerized accounting system timely. Amounts recorded on manual receipt slips were not reconciled to the computerized accounting system and transmittals. Money orders made payable to the Prosecuting Attorney were not restrictively endorsed until the receipts were transmitted to the County Collector-Treasurer.

**Recommendation**

The Prosecuting Attorney ensure receipt slips are issued in numerical order for all monies received and monies are recorded promptly, and restrictively endorse money orders immediately upon receipt. In addition, the Prosecuting Attorney should ensure monies are transmitted timely and intact, and ensure comparisons of receipt slips to the computerized accounting system and transmittals are performed.

**Status**

**In Progress**

During November and December 2012, receipt slips were not issued for bad check restitution and fees totaling \$694 and a comparison of receipt slips to the computerized accounting system and transmittals was not performed. However, during November and December 2012, monies received were posted timely to the computerized accounting system, the numerical sequence of manual receipt slips was accounted for properly, and bad check fees were transmitted timely and intact to the County Collector-Treasurer. The Prosecuting Attorney indicated he plans to issue receipt slips for all monies received and perform a comparison of the receipt slips to the computerized accounting system and transmittals in the future. The



Henry County  
Follow-up Report on Prior Audit Findings  
Status of Findings

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Prosecuting Attorney indicated restitution is now being transmitted to victims timely and money orders are being endorsed upon receipt.

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**7. Passport Fees**

There was no apparent authority for the County Commission to collect passport fees and some of the fees collected were spent inappropriately.

**Recommendation**

The County Commission discontinue collecting passport fees or ensure passport fees are reported and spent in accordance with state law.

**Status**

**In Progress**

The County Commission continues to collect passport fees. A quarterly report accounting for all passport fees was prepared based upon bank activity for the quarter ended December 31, 2012. The County Clerk indicated he planned to submit this quarterly report to the Circuit Court. Passport fees were spent appropriately during the quarter ended December 2012.



Thomas A. Schweich  
Missouri State Auditor

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# FOLLOW-UP REPORT ON AUDIT FINDINGS

## ECONOMIC DEVELOPMENT

Division of Business and  
Community Services



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April 2013

Report No. 2013-031

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<http://auditor.mo.gov>

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# Economic Development

## Division of Business and Community Services

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\* Includes selected findings



# THOMAS A. SCHWEICH

## Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Chris Pieper, Acting Director  
Department of Economic Development  
and  
Sallie Hemenway, Director  
Division of Business and Community Services  
Jefferson City, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2012-117, *Department of Economic Development, Division of Business and Community Services*, issued in September 2012, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the division about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the division, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we requested the department provide a written status as to the selected recommendation. We received and reviewed the department's written responses related to that recommendation. This report is a summary of the results of this follow-up work, which was substantially completed during February 2013.

Thomas A. Schweich  
State Auditor

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# Economic Development

## Division of Business and Community Services

### Follow-Up Report on Prior Audit Findings - Status of Findings

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1. Due Diligence Procedures	The Department of Economic Development (DED) Division of Business and Community Services (BCS), as well as other parties involved in the Mamtek USA project, failed to perform adequate due diligence on the start-up company, its officials, and information provided by the company. Also, BCS due diligence procedures performed for other projects were not always adequate, properly documented, or performed in a timely manner.
1.1 Mamtek USA	The BCS, and the city of Moberly along with other entities involved in issuing industrial development bonds, did not ensure due diligence procedures were adequately designed, performed, and documented to protect the interests of all parties.
1.3 Other projects	The BCS due diligence procedures performed for other projects were not always adequate, properly documented, or performed in a timely manner.
Recommendation	The BCS ensure the diligence procedures are properly designed, performed in a timely manner, and adequately documented. In addition, the BCS should continue to evaluate their due diligence procedures, adopting new procedures that may provide additional assurance regarding the feasibility of startup company proposals.
Status	<p><b>Implemented</b></p> <p>The BCS indicated it has committed to seeing that this recommendation has been and will continue to be implemented in that the BCS has ensured and continues to ensure that its due diligence procedures are properly designed, performed in a timely manner, adequately documented, and appropriate. In addition, the BCS has evaluated and will continue to evaluate its due diligence procedures to provide additional assurance regarding the feasibility of startup company proposals.</p> <p>As noted in the original audit, the BCS adopted uniform written due diligence procedures for all programs in February 2011. The BCS has since revised those written procedures to strengthen overall due diligence. As recommended by the audit, the BCS indicated it has considered the additional procedures recommended in the audit, especially for startup company projects which inherently involve more risk, and whether such companies are applying for loans or for any other discretionary program.</p> <p>Among other things, the BCS indicated it requires third-party verification of financial information and performs background checks for start-up companies. The BCS indicated it assesses the financial commitment of owners and the validity and reasonableness of revenue and cost projections for start-up companies. The BCS indicated it has added to its Dun &amp; Bradstreet subscription by purchasing access to international business financial and performance data, and the BCS indicated it utilizes its foreign offices and staff to evaluate international operations. Program application</p>



Economic Development  
Division of Business and Community Services  
Follow-up Report on Prior Audit Findings - Status of Findings

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certifications authorize the BCS access to any source of information for the purposes of verifying company information.

The BCS indicated it will continue these and other efforts as part of its ongoing efforts to ensure that its due diligence procedures are properly designed, performed in a timely manner, adequately documented, and appropriate.



**Thomas A. Schweich**  
Missouri State Auditor

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# Thirtieth Judicial Circuit

## City of Bolivar Municipal Division



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April 2013  
Report No. 2013-032

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<http://auditor.mo.gov>





# CITIZENS SUMMARY

## Findings in the audit of the Thirtieth Judicial Circuit, City of Bolivar Municipal Division

### Accounting Controls and Procedures

Open bonds reported by the municipal division are not reconciled to bond liabilities reported by the city. As of November 15, 2012, the City Clerk had not reconciled city bank accounts or prepared city financial statements since February 2012. As of February 28, 2012, the city financial statements reported a bond liability of \$15,113 more than municipal division records. At audit staff request, the City Clerk reconciled city bank accounts and financial records with municipal division records and as of December 31, 2012, municipal division records showed \$275 more in open bonds than city financial records. Monthly court reports submitted to the state are not always complete and accurate, and amounts paid by the city to the state for court fees are not always reconciled to municipal division records to ensure accuracy. According to city financial statements at December 31, 2012, the city owed \$3,942 in restitution that had been received but not disbursed to victims, but municipal division records indicated all restitution had been disbursed.

### Police Department Procedures

Procedures over the collection of bond monies need improvement. Duties are not adequately segregated, bond amounts are not always collected in accordance with the bond schedule approved by the Judge, bonds are not always entered on the bond log, bond forms are not prenumbered, and officers collecting bond monies are not bonded. Neither the Police Department nor the municipal division adequately accounts for the numerical sequence and ultimate disposition of traffic tickets issued.

In the areas audited, the overall performance of this entity was **Fair**.\*

### American Recovery and Reinvestment Act (Federal Stimulus)

The Thirtieth Judicial Circuit, City of Bolivar Municipal Division did not receive any federal stimulus monies during the audited time period.

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Thirtieth Judicial Circuit

## City of Bolivar Municipal Division

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Presiding Judge  
Thirtieth Judicial Circuit  
and  
Municipal Judge  
Bolivar, Missouri

We have audited certain operations of the City of Bolivar Municipal Division of the Thirtieth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) no significant noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Bolivar Municipal Division of the Thirtieth Judicial Circuit.

A petition audit of the City of Bolivar, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible, and a middle initial "A" in between.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Donna Christian, CPA, CGFM
In-Charge Auditor:	Candi Copley

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# Thirtieth Judicial Circuit

## City of Bolivar Municipal Division

### Management Advisory Report - State Auditor's Findings

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#### **1. Accounting Controls and Procedures**

Municipal division bond liabilities are not reconciled to bond monies held by the city and information included on monthly reports submitted to the state is not always complete and accurate. Additionally, city financial statements report \$3,942 in restitution owed to victims; however, court records indicate all restitution has been paid.

Municipal division receipts are collected by city utility clerks and deposited in the city's general checking account. Bond monies are collected by police officers and transmitted to the city and also deposited into the city's general checking account where the monies are held until disposition. The Court Clerk is responsible for posting court payments to each defendant's case in the municipal division component of the city financial computer system.

##### **1.1 Bond liabilities**

The list of open bonds reported by the municipal division is not reconciled to the amount of bond liabilities reported by the city. Additionally, city records are not balanced timely further preventing this reconciliation from being performed.

As of November 15, 2012, the City Clerk had not reconciled city bank accounts or prepared city financial statements since February 2012. We compared the February 29, 2012, municipal division open bond list (\$5,196) to the city financial statement bond liability amount (\$20,309) and noted a difference of \$15,113. The City Clerk also maintains an itemized listing of bonds held by the city which totaled \$19,786 as of February 29, 2012, and does not agree with city financial statements or municipal division records. At our request the City Clerk reconciled city bank accounts and financial records with municipal division records and at December 31, 2012, bond monies reported as held by the city totaled \$12,164, while the municipal division reported open bonds totaling \$12,439, or a difference of \$275.

Monthly reconciliations between the open bonds maintained by the court and the open bonds reported by the city are necessary to ensure proper accountability over open cases and to ensure monies held in trust by the city are sufficient to meet liabilities.

##### **1.2 Monthly reports and disbursements**

Monthly court reports submitted to the state are not always complete and accurate and amounts paid to the state for court fees are not always reconciled to municipal division records to ensure accuracy.

- Total receipts were not always accurately reported on monthly reports. For example, the July 2012 Municipal Division Summary Reporting Form submitted to the Office of State Courts Administrator (OSCA) reported total court receipts as \$15,492, but the report submitted to the city reported total court receipts as \$15,742. Restitution of \$250 was not included in the report submitted to OSCA. Differences in total receipts were noted in several other months during 2012 ranging from \$10 to \$117.



Thirtieth Judicial Circuit  
City of Bolivar Municipal Division  
Management Advisory Report - State Auditor's Findings

- The amounts reported for the collection of the Law Enforcement Training fee (\$2 per case) and the Peace Officers Standards and Training Commission fee (\$1 per case) were transposed on reports submitted to OSCA. While the reports submitted to the city and amounts disbursed appear to be accurate, the Court Clerk believes a programming error must exist within the city's reporting system to cause the fees to be reported differently on the two monthly reports.
- The state portion of Crime Victim's Compensation (CVC) fees was not always accurately calculated each month and monthly remittance advices to the Missouri Department of Revenue for payment of CVC fees do not report the number of cases filed or the fee amount collected per case as required. The form only indicates the total amount paid. This other information was not completed on the remittance form because the amount paid represented a total obtained from the city's general ledger liability account and was not reflective of the municipal division's monthly activity. For example, the city disbursed \$520 to the state for January CVC fees; however \$748 should have been disbursed. The amount paid represented the amount posted to the city's general ledger liability account as of the date paid; however, additional January court activity was posted to the city's records after payment was made. In addition, in October 2012 the city paid \$909 to the state for CVC fees; however only 95 percent of this amount, or \$864, should have been paid.

To ensure monthly reports are accurate and amounts disbursed to the state are correct, the municipal division should reconcile amounts included on the various reports with amounts posted to city records and subsequently disbursed. Monthly reconciliations are necessary to ensure all accounting records balance, transactions are properly recorded, and any errors or discrepancies are detected on a timely basis.

### 1.3 Restitution

Court ordered restitution collected by the city and owed to victims is not reconciled to municipal division records.

According to city financial statements at December 31, 2012, the city owed \$3,942 in restitution that had been received but not disbursed to victims. According to municipal division records all restitution had been disbursed to victims and the city did not owe any restitution. Additionally, municipal division records report restitution collections of only \$942 during 2012 with this entire amount having been disbursed by the city. The City Clerk could not provide a listing showing to whom restitution was owed.

Monthly reconciliations between municipal division records and city records for restitution received and disbursed is necessary to ensure proper accountability over restitution payments and to ensure monies held in trust



Thirtieth Judicial Circuit  
City of Bolivar Municipal Division  
Management Advisory Report - State Auditor's Findings

by the city are sufficient to meet liabilities and amounts owed to victims are properly paid.

## Recommendations

The City of Bolivar Municipal Division:

- 1.1 Work with the city to reconcile monthly lists of open bonds to the amount of bonds held in the city's bank account. Any discrepancies should be investigated and resolved in a timely manner.
- 1.2 Work with the city to reconcile amounts included on monthly municipal division reports with amounts disbursed by the city. Additionally, remittance advices should include all required information.
- 1.3 Work with the city to reconcile restitution received and disbursed each month and determine to whom the \$3,942 is owed. Any discrepancies should be investigated and resolved in a timely manner.

## Auditee's Response

*The Municipal Judge provided the following written responses:*

- 1.1 *Under Bolivar Municipal Court Operating Order (BMCOO) (adopted 08-28-10) Section V paragraph B, guidelines have been provided for the reconciliation of bond monies. All associated activity is recorded in the Court files using the Court Administration software program Incode. The Court Clerk applies all receipts and gives dispositional directives accordingly. All directives and subsequent reconciliation of funds and financials is facilitated by the City Clerk according to adopted City guidelines and BMCOO Section VIII paragraph A which requires the reconciliation of bank statements, independent of the court. Any noncompliance with this order by the City Clerk is due to inadvertent clerical error. At present, the City Clerk is performing according to BMCOO and will continue such in the future.*
- 1.2 *Under Bolivar Municipal Court Operating Order (adopted 08-28-10) Section III paragraph C, guidelines have been provided for the reporting of information to the State. The Court Clerk is responsible for the accurate reporting of pertinent data by the 15th day of each month. Due to necessary separation of duties regarding the receipt of funds, the City guidelines and BMCOO Section VIII paragraph G, sets receipt of funds functions with a financial officer directed by the City Clerk. This function requires the Court Clerk to adjust the timing of State reporting. If the submission of data occurs before the last function of the financial officer, there is the risk of associated error. The Court Clerk has subsequently adopted an additional*



Thirtieth Judicial Circuit  
City of Bolivar Municipal Division  
Management Advisory Report - State Auditor's Findings

*procedure of review to eliminate the errors associated with premature transmission of data.*

- 1.3 *Under Bolivar Municipal Court Operating Order (adopted 08-28-10) Section III paragraph A, guidelines have been provided for the dissemination of information to the City Clerk each month regarding the previous month's activities. The Court Clerk is responsible for the accurate submission of such data into the court accounting software program Incode. Restitution orders are entered into the court accounting program upon disposition of the case and order of the court. Any subsequent receipt of restitution funds is done according to same receipt of funds guideline of any other disposition as per city guidelines and BMCOO Section VIII separation of duties. The balance of accounts in the Municipal Court Division restitution records are accurate. In order to rectify the differing City Clerk balances, the Court Clerk will meet monthly with the City Clerk to reconcile balances. Any failure to reconcile financial detail by the City Clerk under BMCOO Section VIII A is due to inadvertent clerical error. At present, the City Clerk is performing according to BMCOO and will continue such in the future.*

## **2. Police Department Procedures**

Police Department bond collection procedures need improvement, and procedures are not adequate to account for the numerical sequence and ultimate disposition of all tickets issued.

### **2.1 Bond procedures**

Procedures over the collection of bond monies need improvement. According to Police Department records, bonds totaling approximately \$31,400 were transmitted to the city during the year ended December 31, 2012.

Duties related to the collection of bonds are not adequately segregated. Police officers who issue tickets and make arrests also collect bond monies. Additionally, bond amounts are not always collected in accordance with the bond schedule approved by the Judge. Our review of 29 bonds totaling \$5,516 collected during April and May 2012 identified a \$250 bond was collected for a domestic assault charge although the bond schedule indicates \$300 should have been collected. Also, although the bond schedule requires the collection of a bond or a 24 hour hold of the defendant for multiple charges such as resisting arrest and stealing, we noted instances where neither requirement (collection of bond or 24 hour hold) was met when tickets were issued for such charges. Further, bonds received are not always entered on the bond log maintained by the Police Department, and bond forms used by the Police Department are not prenumbered. During April and May 2012, 3 of the 29 cash bonds receipted by police officers were not





Thirtieth Judicial Circuit  
City of Bolivar Municipal Division  
Management Advisory Report - State Auditor's Findings

listed on the bond log. Finally, police officers who collect bond monies are not bonded by the city.

To ensure proper accounting for bond monies, duties should be adequately segregated, bond amounts should be collected in accordance with the approved bond schedule, prenumbered bond forms should be issued for all bonds received and all bonds collected should be recorded on the bond log. Adequate bonding of persons with access to funds is necessary to reduce the risk of loss if funds are mishandled.

## 2.2 Ticket controls and accountability

Neither the Police Department nor the municipal division adequately accounts for the numerical sequence and ultimate disposition of traffic tickets issued.

The Police Department tracks ticket book numbers assigned to each officer on a log and each officer is responsible for entering tickets issued into a law enforcement records management system; however, our review identified numerous instances where officers failed to enter information on tickets issued into the law enforcement records management system. The municipal division tracks the tickets forwarded to the court for processing; but not those tickets that are voided, warnings, or not prosecuted and therefore requiring no court action.

City of Bolivar Municipal Court Operating Order Number 1, Section VIII(D) requires the Court to work jointly with the Police Department to account for all traffic tickets in numerical sequence and maintain a record of the disposition of all tickets assigned and issued by the Police Department. Without a proper accounting for the numerical sequence and ultimate disposition of tickets issued, the Police Department and the municipal division cannot be assured all tickets issued are properly submitted for processing.

## Recommendations

The City of Bolivar Municipal Division:

- 2.1 Work with the Police Department to ensure duties are adequately segregated, bond amounts are collected in accordance with the approved bond schedule, bond forms are prenumbered and accounted for properly, and all bonds are properly recorded on the Police Department bond log. Additionally, bond coverage should be obtained for all employees with access to municipal division monies.
- 2.2 Work with the Police Department to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly and all tickets are received by the court for proper disposition.



Thirtieth Judicial Circuit  
City of Bolivar Municipal Division  
Management Advisory Report - State Auditor's Findings

## Auditee's Response

*The Municipal Judge provided the following written responses:*

- 2.1 *Under Bolivar Municipal Court Operating Order (adopted 08-28-10) Section V paragraph B, guidelines have been provided for the use and collection of bond monies. The Court has submitted a bond schedule for use by police officers, in addition the Police Chief Administrative Assistant uses city guidelines for reconciling collected monies to the bond. Such guidelines include a second witness to the counting of monies and bond reconciliation. The receipts and copies of the bonds are provided to the Court Clerk and the City Clerk. Due to budget limitations on available city personnel on any given 24 hour period, it is not always possible to have personnel available to collect a bond other than the arresting officer. The court will discuss the issue of bonding officers who collect such funds. The court has also initiated a numbering system for bond forms. Regarding failures by police officers to comply with BMCOO or city guidelines regarding assessment of bond, due to the fact that such instances are only determined by review of the police report, and the court is ethically not permitted to review such reports during or prior to disposition, there is no way to scrutinize such instances. At any period, however, this does not suggest that changes in bond policy cannot be made based on individual circumstances with prior authorization of the court.*
- 2.2 *Under Bolivar Municipal Court Operating Order (adopted 08-28-10) Section III, guidelines for the reporting of case dispositions have been established. Case dispositions are reported monthly to the City of Bolivar, daily to the Department of Revenue, monthly to the Office of State Courts Administrator, and monthly to the Presiding Circuit Judge. Also, BMCOO Section VIII paragraph D requires the Clerk of the Court and the Police Department to account for all tickets in numerical sequence. Any failure to comply with this order is due to inadvertent clerical error. As of today, all ticket sequences have been reconciled. In addition, the Police Chief Administrative Assistant submits a monthly MULES report to the Court Clerk and the list is reconciled to the records of the Court Clerk.*

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# Thirtieth Judicial Circuit

## City of Bolivar Municipal Division

### Organization and Statistical Information

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The City of Bolivar Municipal Division is in the Thirtieth Judicial Circuit, which consists of Benton, Dallas, Hickory, Polk and Webster Counties. The Honorable John W. Sims serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

#### Personnel

At December 31, 2012, the municipal division employees were as follows:

Title	Name
Municipal Judge	Randolph Blosch
Court Clerk	Misty D. Greig

#### Financial and Caseload Information

	Year Ended December 31, 2012
Receipts	\$181,338
Number of cases filed	3,495

#### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The City of Bolivar Municipal Division did not receive any federal stimulus monies during the year ended December 31, 2012.



Thomas A. Schweich  
Missouri State Auditor

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## Department of Public Safety

# State Emergency Management Agency



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April 2013  
Report No. 2013-033

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the Department of Public Safety, State Emergency Management Agency

Exercise Attendance	The Department of Public Safety (DPS), State Emergency Management Agency (SEMA) coordinates various exercises each year to train state and local officials in disaster mitigation, preparedness, response, and recovery, which are funded through the federal Emergency Management Performance Grant (EMPG). The SEMA strategic plan requires 95 percent of EMPG jurisdictions attend at least 3 of 5 exercises conducted, but SEMA did not review its lists of attendees to measure compliance. It was found only 56 percent of jurisdictions attended at least 3 exercises during fiscal year 2012, and 73 percent did so during fiscal year 2011. Starting in September 2013, the 95 percent attendance requirement will be a federal requirement of the EMPG program, and non-compliance could impact the program's funding.
Payment of Operating Costs of the Governor's Office	During the 2 years ended June 30, 2012, the SEMA paid approximately \$55,000 related to air travel costs of the Governor's office. These flights were for the Governor to view disaster sites, promote disaster recovery, and attend disaster recovery events, however, of the 42 flights paid for by SEMA, none included a SEMA representative and only 11 included a DPS, Office of the Director representative.
Sunshine Law	The SEMA is designated to provide the day-to-day operation and oversight of the Missouri Emergency Response Commission (MERC), a federally-mandated program to protect the public health and the environment by assisting communities with chemical incident prevention, preparedness, response, and recovery. The MERC did not properly document the specific reason for going into closed session in the open meeting minutes or the related agenda, as required by the Sunshine Law.

In the areas audited, the overall performance of this entity was **Good**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The Department of Public Safety, State Emergency Management Agency, did not receive any federal stimulus monies during the audit period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Department of Public Safety

## State Emergency Management Agency

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah (Jay) Nixon, Governor  
and  
Jerry Lee, Director  
Department of Public Safety  
and  
Ryan Nicholls, Director  
State Emergency Management Agency  
Jefferson City, Missouri

We have audited certain operations of the Department of Public Safety, State Emergency Management Agency in fulfillment of our duties under Section 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2012 and 2011. The objectives of our audit were to:

1. Evaluate the agency's internal controls over significant management and financial functions.
2. Evaluate the agency's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the agency, and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the agency's management and was not subjected to the procedures applied in our audit of the agency.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) a need for improvement in management practices and procedures.

The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Public Safety, State Emergency Management Agency.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Keriann Wright, MBA, CPA
In-Charge Auditor:	Terri Erwin, MBA, CGAP
Audit Staff:	Nathaniel Fast, M. Acct., CPA, CFE



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# State Emergency Management Agency

## Management Advisory Report

### State Auditor's Findings

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#### **1. Exercise Attendance**

The State Emergency Management Agency (SEMA) does not have procedures to ensure compliance and did not comply with the exercise attendance requirement for the 2 years ended June 30, 2012.

The SEMA coordinates various exercises each year to train state and local officials in disaster mitigation, preparedness, response, and recovery, which are funded through the federal Emergency Management Performance Grant (EMPG) program. The SEMA prepares a strategic plan every 5 years to identify the goals, objectives, and performance measures of the EMPG and the desired outcomes of the SEMA. One objective outlined in the strategic plan is to test, evaluate, and maintain the ability of key officials from all levels of government, non-governmental, volunteer, and private sector organizations to respond to and recover from disasters and emergencies through systematic participation in exercises. The strategic plan requires 95 percent of EMPG jurisdictions attend at least three of five exercises conducted. Starting in September 2013, this performance measure will also be a federal requirement of the EMPG program and non-compliance with this requirement could impact the federal funding of the program.

Although the SEMA maintains a list of individuals and jurisdictions in attendance at each exercise, the information is not utilized to measure compliance with the attendance requirement. At our request, the SEMA analyzed the information and found only 56 percent and 73 percent of jurisdictions attended at least three exercises during fiscal years 2012 and 2011, respectively, both well below the 95 percent required. Without proper training and adequate attendance at coordinated exercises, state and local officials may not be adequately prepared for immediate and efficient response during times of crisis.

#### **Recommendation**

The SEMA implement adequate procedures to track exercise attendance and ensure compliance with exercise performance measures.

#### **Auditee's Response**

*The SEMA has implemented stronger procedures to track exercise attendance to ensure compliance with the attendance requirement as outlined in the strategic plan for EMPG jurisdictions.*

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#### **2. Payment of Operating Costs of the Governor's Office**

During the 2 years ended June 30, 2012, the SEMA paid approximately \$55,500 related to air travel costs of the Governor's office. The flights paid were for the Governor to view disaster sites, promote disaster recovery, and attend disaster recovery events; however the majority of the flights only included members of the Governor's staff or immediate family.

Flight documentation showed that no SEMA personnel were on any of the flights although some flights did include a representative from the Department of Public Safety, Office of the Director (DPS-OD). We identified 24 of the 29 flights paid in fiscal year 2012 (83 percent) and 7 of



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State Emergency Management Agency  
Management Advisory Report - State Auditor's Finding

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the 13 flights paid in fiscal year 2011 (54 percent) did not include a representative from the SEMA or the DPS-OD.

The Governor's office has an appropriation to which travel costs may be charged. The Governor's office also receives an appropriation for expenditures associated with calling up the Missouri National Guard in times of emergency. While costs relating to disaster assessment and recovery are appropriate for the SEMA, it does not appear appropriate for the SEMA to bear the cost of flights taken by the Governor's office for purposes that appear to be within the scope of the Governor's duties, especially when the flights do not include a representative from the SEMA or the DPS-OD. This practice distorts the actual costs of operating both the SEMA and the Governor's office.

## Recommendation

The SEMA work with the Governor's office to discontinue the practice of using SEMA appropriations to pay operating costs of the Governor's office.

## Auditee's Response

*The SEMA will work with the Governor's office to ensure that all travel costs paid by the SEMA for the Governor's office are related to disaster assessment or recovery.*

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## 3. Sunshine Law

The Missouri Emergency Response Commission (MERC) did not always follow Sunshine Law requirements relating to closed meetings as required by Chapter 610, RSMo. Our audit noted the MERC did not properly document the specific reason for going into closed session in the open meeting minutes or the related agenda for either of the two closed meetings held during the 2 years ended June 30, 2012.

The SEMA has been designated to provide the day-to-day operation and oversight of the MERC. The MERC is a federally mandated program established under 11 CSR 10-11.210 to protect the public health and the environment by assisting communities with chemical incident prevention, preparedness, response, and recovery. The Commission meets quarterly.

Chapter 610, RSMo, requires a closed meeting, record, or vote to be held only for the specific exceptions (reasons) announced publicly at an open session. In addition, it requires the MERC to give notice at least 24 hours in advance of the time, date, and place of each meeting, and its tentative agenda, including the specific exception for any planned closed meeting, in a manner reasonably calculated to advise the public of the matters to be considered.

## Recommendation

The MERC ensure open meeting minutes and related agendas state the specific reasons for going into closed meetings as required.



State Emergency Management Agency  
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## Auditee's Response

*The MERC has ensured that meeting minutes and related agendas state the specific reasons for going into closed meetings, gives at least 24 hours advance notice of the time, date, and place of each meeting, and its tentative agenda to include the specific reason for any planned closed meetings.*

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# State Emergency Management Agency

## Organization and Statistical Information

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The State Emergency Management Agency (SEMA) was created by statute in 1951 as a division of the executive branch of state government. The agency was transferred to the Office of the Adjutant General by executive order on October 1, 1966. The 74<sup>th</sup> General Assembly confirmed the transfer in 1967. The State Omnibus Reorganization Act of 1974 transferred the Office of the Adjutant General to the Department of Public Safety. Finally, the 94th General Assembly moved the SEMA to report directly to the Director of Public Safety in 2007. Chapter 44, RSMo, gives detailed provisions as to the organization and function of the SEMA.

The SEMA, in cooperation with local, state, and federal governments, is responsible for developing statewide hazard plans and hazard mitigation plans, and administering state and federal programs. In the event of a Presidential Disaster Declaration, and after the signing of a federal-state disaster agreement, the SEMA coordinates and serves as a liaison between the Federal Emergency Management Agency (FEMA) and victims of natural disasters for disaster assistance claims ranging from temporary housing to mitigation. When damages occur to publicly owned property, the SEMA in cooperation with the FEMA conducts damage assessments, writes project scope of work, administers federal funds to local communities, and conducts closeout project audits.

In the event of a major statewide natural or man-made disaster, the governor, state officials and support staff coordinate state agency response from the State Emergency Operations Center (SEOC). The SEOC is located 18-feet underground at the Adjutant General's Headquarters of the Missouri National Guard, Ike Skelton Training Site in Jefferson City. The SEOC is designed and built to provide protection from radioactive fallout and earthquakes. The SEOC has back-up generators, an independent water system, a communications center, and a computer system for continuity of government for disaster response. The SEOC is occupied and used on a daily basis as the regular offices of the SEMA to assure operational readiness in the event of an emergency.

The executive officials of local political subdivisions appoint the county and city directors of emergency management. About 90 percent of all local emergency management directors are volunteers or are paid on a part-time basis. The SEMA provides training, guidance, and assistance to the local organizations but does not command or control their activities.

The SEMA Director supervises the day-to-day operations of the agency. During normal working conditions, he reports to the Director of Public Safety and coordinates certain activities with the Director of Public Safety, the Director of Homeland Security, and the Governor's office.

During a disaster, the SEMA Director reports directly to the Governor's office. The Governor has the responsibility of carrying out all or any part of the emergency response functions within the state.



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## State Emergency Management Agency Organization and Statistical Information

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The SEMA is organized into five branches: Executive Branch; Administrative and Fiscal Branch; Logistics, Resources, Mitigation and Floodplain Management Branch; Operations, Training and Exercise Branch; and Planning and Disaster Recovery Branch. Each branch is headed by a branch chief who coordinates activities to meet the director's objectives.

Paul D. Parmenter served as Director from March 2009 to November 2012. Donald L. King served as Director from December 2012 to March 2013. Ryan Nicholls was appointed Director in March 2013. At June 30, 2012, the SEMA employed 87 employees.

### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The State Emergency Management Agency did not receive any federal stimulus monies during the years ended June 30, 2012 and 2011.

Appendix A-1

State Emergency Management Agency  
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments  
Year Ended June 30, 2012

	State Emergency Management Fund	Chemical Emergency Preparedness Fund	Missouri Disaster Fund	Total (Memorandum Only)
<b>RECEIPTS</b>				
Federal grants	\$ 5,982,009	1,410	71,031,580	77,014,999
Radiological Emergency Preparedness Program	383,224	0	0	383,224
Refunds	266,571	0	1,009,143	1,275,714
Community Right-to-Know Act fees	0	760,907	0	760,907
Miscellaneous receipts	3,480	6,105	177	9,762
Interagency receipts	2,878,700	16,650	3,439	2,898,789
Total Receipts	<u>9,513,984</u>	<u>785,072</u>	<u>72,044,339</u>	<u>82,343,395</u>
<b>DISBURSEMENTS</b>				
Personal service	1,369,563	143,113	676,494	2,189,170
Employee fringe benefits	518,998	62,383	53,904	635,285
Expense and equipment	2,565,291	25,818	614,061	3,205,170
Program distributions	7,260,953	537,790	70,611,557	78,410,300
Cost allocation	0	10,947	0	10,947
Total Disbursements	<u>11,714,805</u>	<u>780,051</u>	<u>71,956,016</u>	<u>84,450,872</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(2,200,821)</u>	<u>5,021</u>	<u>88,323</u>	<u>(2,107,477)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from:				
Proceeds of Surplus Property Fund	1,287	0	0	1,287
Appropriations exercised by other agencies	(5,024)	(78,436)	0	(83,460)
Total Financing Sources (Uses)	<u>(3,737)</u>	<u>(78,436)</u>	<u>0</u>	<u>(82,173)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	<u>(2,204,558)</u>	<u>(73,415)</u>	<u>88,323</u>	<u>(2,189,650)</u>
CASH AND INVESTMENTS, JULY 1, 2011	5,312,680	805,595	5,802	6,124,077
CASH AND INVESTMENTS, JUNE 30, 2012	<u>\$ 3,108,122</u>	<u>732,180</u>	<u>94,125</u>	<u>3,934,427</u>

Appendix A-2

State Emergency Management Agency  
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments  
Year Ended June 30, 2011

	State Emergency Management Fund	Chemical Emergency Preparedness Fund	Missouri Disaster Fund	Total (Memorandum Only)
<b>RECEIPTS</b>				
Federal grants	\$ 18,075,042	605	58,348,750	76,424,397
Radiological Emergency Preparedness Program	382,474	0	0	382,474
Refunds	43,016	0	409,104	452,120
Community Right-to-Know Act fees	0	785,717	0	785,717
Miscellaneous receipts	489	12	640	1,141
Interagency receipts	266,106	16,660	0	282,766
Total Receipts	<u>18,767,127</u>	<u>802,994</u>	<u>58,758,494</u>	<u>78,328,615</u>
<b>DISBURSEMENTS</b>				
Personal service	1,219,811	151,522	189,150	1,560,483
Employee fringe benefits	504,689	69,256	15,285	589,230
Expense and equipment	5,969,425	52,532	363,969	6,385,926
Program distributions	10,367,846	421,883	58,187,540	68,977,269
Cost allocation	0	10,596	0	10,596
Total Disbursements	<u>18,061,771</u>	<u>705,789</u>	<u>58,755,944</u>	<u>77,523,504</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>705,356</u>	<u>97,205</u>	<u>2,550</u>	<u>805,111</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from:				
Proceeds of Surplus Property Fund	134	0	0	134
Appropriations exercised by other agencies	(5,385)	(77,640)	0	(83,025)
Total Financing Sources (Uses)	<u>(5,251)</u>	<u>(77,640)</u>	<u>0</u>	<u>(82,891)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	<u>700,105</u>	<u>19,565</u>	<u>2,550</u>	<u>722,220</u>
CASH AND INVESTMENTS, JULY 1, 2010	<u>4,612,575</u>	<u>786,030</u>	<u>3,252</u>	<u>5,401,857</u>
CASH AND INVESTMENTS, JUNE 30, 2011	<u>\$ 5,312,680</u>	<u>805,595</u>	<u>5,802</u>	<u>6,124,077</u>

Appendix B

State Emergency Management Agency  
Comparative Statement of Appropriations and Expenditures

Year Ended June 30,						
	2012			2011		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
<b>GENERAL REVENUE FUND</b>						
Personal service	\$ 1,168,150	1,149,410	18,740	1,168,150	1,132,783	35,367
Expense and equipment	191,186	182,122	9,064	206,313	162,174	44,139
State match on federal program expenditures	11,220,128	11,209,132	10,996	5,691,999	5,688,067	3,932
To provide for expenses of any state agency responding during a declared emergency at the direction of the governor provided the services furnish immediate aid and relief	4,256,501	3,956,639	299,862	1,918,460	1,469,108	449,352
Personal service for immediate aid and relief services	35,000	21,246	13,754	1,000	356	644
Total General Revenue Fund	16,870,965	16,518,549	352,416	8,985,922	8,452,488	533,434
<b>STATE EMERGENCY MANAGEMENT FUND</b>						
Personal service	1,198,255	1,156,837	41,418	1,198,255	1,113,357	84,898
Expense and equipment	849,376	179,975	669,401	849,376	213,085	636,291
The Community Right-to-Know Act	746,890	674,588	72,302	346,890	252,700	94,190
For all allotments, grants, and contributions from federal and other sources that are deposited in the state treasury for administrative and training expenses of the SEMA and for first responder training programs	12,446,000	9,179,424	3,266,576	17,946,000	15,972,003	1,973,997
Real property rentals and leases	5,316	5,023	293	5,492	5,385	107
Total State Emergency Management Fund	15,245,837	11,195,847	4,049,990	20,346,013	17,556,530	2,789,483
<b>CHEMICAL EMERGENCY PREPAREDNESS FUND</b>						
Personal service	155,790	143,113	12,677	155,790	151,523	4,267
Expense and equipment	86,892	23,350	63,542	86,892	42,349	44,543
DPS IT Consolidation	11,500	2,468	9,032	11,500	10,182	1,318
The Community Right-to-Know Act	650,000	537,790	112,210	650,000	421,883	228,117
Total Chemical Emergency Preparedness Fund	904,182	706,721	197,461	904,182	625,937	278,245
<b>MISSOURI DISASTER FUND</b>						
For all allotments, grants, and contributions from federal and other sources that are deposited in the state treasury for the use of the SEMA for alleviating distress from disasters	72,845,167	71,910,762	934,405	59,026,340	58,740,538	285,802
Total Missouri Disaster Fund	72,845,167	71,910,762	934,405	59,026,340	58,740,538	285,802
Total All Funds	\$ 105,866,151	100,331,879	5,534,272	89,262,457	85,375,493	3,886,964



# Appendix C

## State Emergency Management Agency Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2012	2011	2010	2009	2008
Salaries and wages	\$ 3,355,140	2,693,623	3,503,909	3,383,456	3,201,689
Travel, in-state	415,165	314,325	317,294	377,533	391,429
Travel, out-of-state	23,194	9,208	71,243	58,457	87,003
Fuel and utilities	123,777	1,660	366	345	345
Supplies	1,975,866	138,445	179,346	258,193	165,796
Professional development	37,549	42,131	62,824	43,681	54,419
Communication services and supplies	134,960	135,436	205,584	149,813	142,164
Services:					
Professional	2,873,317 #	5,932,608	8,004,920	6,856,962	5,187,500
Housekeeping and janitorial	12,203	3,255	2,371	1,295	3,745
Maintenance and repair	83,513	52,837	83,660	57,260	54,775
Equipment:					
Computer	8,450	51,435	90,288	22,052	136,002
Motorized	17,200	0	6,000	0	17,199
Office	53,100	19,004	32,542	62,992	169,195
Other	49,683	14,404	188,598	1,022,983	790,749
Property and improvements	0	0	2,044,414	0	0
Building lease payments	546,030	92,582	31,609	10,690	21,692
Equipment rental and leases	522,563	1,121,144	4,111	1,069,179	92,566
Miscellaneous expenses	7,424	28,695	194,311	1,083,080	225,510
Agency provided food	29,899	9,095	42,443	50,007	59,034
Rebillable expenses	0	26,839	398,481	382,795	511,543
Refunds	650	100	0	0	0
Program distributions:					
Distributions to state agencies	1,063,645	105,000	970,693	1,188,757	2,303,570
Aid to local governments	4,917,801	3,335,361	26,793,288	27,784,347	29,972,422
Program reimbursements	521	0	4,000	0	0
Other assistance benefits	84,080,229	71,248,306	139,294,815	115,030,452	117,506,020
Total Expenditures	\$ 100,331,879	85,375,493	182,527,110	158,894,329	161,094,367

Appendix D

State Emergency Management Agency  
Disaster Assistance Expenditures  
Two Years Ended June 30, 2012

	General Revenue Fund	Federal Missouri Disaster Fund	Total
<u>Declared in 2011:</u>			
Disaster 1980 - severe storms, tornados, and flooding; 41 counties affected statewide (includes Joplin tornado disaster):			
2012 expenditures	\$ 7,110,815	31,062,633	38,173,448
2011 expenditures	1,147,277	20,849	1,168,126
Total Disaster 1980 Expenditures	<u>8,258,092</u>	<u>31,083,482</u>	<u>39,341,574</u>
Disaster 4012 - severe storms, tornados, and flooding; 11 counties affected statewide:			
2012 expenditures	660,977	7,679,508	8,340,485
2011 expenditures	0	0	0
Total Disaster 4012 Expenditures	<u>660,977</u>	<u>7,679,508</u>	<u>8,340,485</u>
Disaster 1961 - severe winter storm and snow storm; 61 counties affected statewide:			
2012 expenditures	613,510	5,170,419	5,783,929
2011 expenditures	0	1,634,757	1,634,757
Total Disaster 1961 Expenditures	<u>613,510</u>	<u>6,805,176</u>	<u>7,418,686</u>
<u>Declared in 2010:</u>			
Disaster 1934 - severe storms, tornados, and flooding; 36 counties affected statewide:			
2012 expenditures	1,081,905	2,211,934	3,293,839
2011 expenditures	0	13,000,951	13,000,951
Total Disaster 1934 Expenditures	<u>1,081,905</u>	<u>15,212,885</u>	<u>16,294,790</u>
<u>Declared in 2009:</u>			
Disaster 1847 - severe storms, tornados, and flooding; 52 counties affected statewide:			
2012 expenditures	644,294	1,539,567	2,183,861
2011 expenditures	31,366	3,992,983	4,024,349
Total Disaster 1847 Expenditures	<u>675,660</u>	<u>5,532,550</u>	<u>6,208,210</u>
Disaster 1822 - severe winter storm; 21 counties affected statewide:			
2012 expenditures	196,379	8,436,854	8,633,233
2011 expenditures	1,172,325	21,907,008	23,079,333
Total Disaster 1822 Expenditures	<u>1,368,704</u>	<u>30,343,862</u>	<u>31,712,566</u>
<u>Declared Prior to 2009:</u>			
17 Disasters - severe storms, tornados, winter storms and flooding; various counties affected statewide:			
2012 expenditures	4,850,010	15,126,484	19,976,494
2011 expenditures	4,806,206	17,994,840	22,801,046
Total Expenditures for Disasters Prior to 2009	<u>9,656,216</u>	<u>33,121,324</u>	<u>42,777,540</u>
Total Disaster Assistance Expenditures	<u>\$ 22,315,064</u>	<u>129,778,787</u>	<u>152,093,851</u>



# Thomas A. Schweich

Missouri State Auditor

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## City of Brentwood



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May 2013

Report No. 2013-034

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

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## Findings in the audit of the City of Brentwood

Expenditures	The city did not retain most of the bid documentation for the new firehouse construction project and has not solicited proposals for ambulance billing services since 1998. The city has not obtained proposals and written contracts for various professional services, has not paid fuel bills timely and often incurs late fees and/or finance charges, and does not maintain adequate documentation for some credit card purchases, making it difficult to ensure all purchases on city credit cards are appropriate and reasonable. The city has incurred significant costs over the last 10 years to provide fringe benefits to some elected city officials without establishing an ordinance authorizing these benefits.
Fire Department Overtime and Timesheets	The city entered a legal settlement with the firefighters union over excessive overtime payments. However, the city cannot demonstrate the settlement is adequate and fair, because it has no documentation showing how much excess overtime was charged to the city. Prior to July 2011, fire department employees were not required to complete timesheets, and currently the fire department only submits a summary report to the finance department when overtime is worked.
Payroll and Leave Records	The Assistant Fire Chief was hired to also serve as the part-time building official, but the city did not establish clear expectations regarding hours to be worked, and questions arose as to whether the same hours worked were being counted toward each position. The city is not always in compliance with its overtime policy and the Fair Labor Standards Act. Some timesheets are not signed by the employee and some do not indicate review and approval by the supervisor, and documentation of some leave benefits accumulated, used, and remaining are not maintained in a centralized location.
Additional Compensation	Some employees receive additional compensation related to tasks performed as part of regular job duties. Until January 2012, the City Administrator allocated fees from the Hanley Road Corridor Transportation Development District (TDD) to the salaries of employees handling the TDD's administrative duties, and the city pays employees for perfect attendance.
Litigation	The city issued a total of \$30.4 million in bonds for a retail and office space development, but in October 2009, the bank notified the city and developer of possible defaults. The city indicated it failed to detect that two retailers were miscoding sales tax returns, leaving the bond accounts underfunded by \$460,000, which the city took out a loan to cover. The city spent \$260,000 on legal fees related to the various lawsuits and paid \$13,500 in interest on the loan. The city indicated it has implemented more reviews and is now reviewing Missouri Department of Revenue sales tax reports for accuracy.
Meeting Minutes	The city did not always document the specific section of law that allows for a closed meeting and does not maintain minutes of closed board meetings.

Accounting Controls	Payroll duties and receipting duties are not adequately segregated or reviewed. The payroll clerk's work is not reviewed, payroll report details are not approved prior to disbursement, and there is no supervisory review or reconciliation of the accounting clerk's work or the General Fund bank reconciliation. Monies are not promptly receipted or recorded in the accounting system, receipts are not always deposited timely and intact, and the numerical sequence of receipt slips is not accounted for properly.
Vehicles	The city pays monthly vehicle allowances of \$450 to the City Administrator and \$350 to the Assistant City Administrator, but has not documented how these amounts were determined. The city does not maintain logs of fuel pumped from its bulk diesel fuel tanks or usage logs for city vehicles, and it has not conducted an analysis to determine if its 36 non-specialized vehicles are necessary and justified.
Budgets	Budget documents do not include all information required by law.
Bank Reconciliations	The city did not make adjusting entries in the city's accounting system to address reconciling items and did not routinely and timely follow up on outstanding checks.
Property Records	The city has not performed an annual physical inventory of property in at least five years, city property is not tagged and identified, and property records do not include all necessary information.
Library	The city has not entered into a current written agreement with the library and has not conducted an analysis to ensure fees are reasonable.

In the areas audited, the overall performance of this entity was **Poor**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The City of Brentwood did not receive any federal stimulus monies during the audited time period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our website: <http://auditor.mo.gov>**

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# City of Brentwood

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the Honorable Mayor  
and  
Members of the Board of Aldermen  
City of Brentwood, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Brentwood. We have audited certain operations of the city in fulfillment of our duties. The city engaged Hochschild, Bloom, and Company LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended December 31, 2011. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2011. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Brentwood.

An additional report, No. 2012-03, *Twenty-First Judicial Circuit, City of Brentwood Municipal Division*, was issued in January 2012.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Chris Vetter, CPA
In-Charge Auditor:	Carl Zilch Jr., CIA
Audit Staff:	Janielle Robinett



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# City of Brentwood

## Management Advisory Report

### State Auditor's Findings

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#### **1. Expenditures**

Procedures related to expenditures are in need of improvement. The city has not obtained proposals and written contracts for some professional services and has not maintained adequate documentation for some expenditures.

##### **1.1 Bids**

The city's bid policy was not followed for several purchases, and bid documentation was not retained for several other purchases. City Code Section 2-457 states formal bids shall be obtained for purchases greater than \$10,000.

While various city personnel indicated bids were obtained for the new firehouse construction project completed in 2011, the city could not provide bid documentation for most of the project. The only bid documentation available from the city pertained to the project management portion of the project, which totaled \$240,581 of the approximately \$3.7 million project. The city eventually provided the requested bid documentation in January 2013, by obtaining bid documentation for the remaining portions of the project from the project management company.

The city has not solicited proposals for ambulance billing services since 1998. The city paid \$13,680 for these billing services for the year ended December 31, 2011. In addition, city personnel indicated that dental insurance coverage and life insurance coverage have not been bid in recent years and documentation from the last time these benefits were bid could not be located.

Competitive bidding ensures the city is complying with city code and helps ensure the city has made sufficient effort to receive goods or services at the best and lowest price and all interested parties are given an equal opportunity to participate in city business. Complete documentation of all bids and proposals received and reasons why a bid or proposal was selected helps demonstrate the city conducts a fair procurement process and provides necessary information should questions arise. In addition, Section 67.150, RSMo, requires competitive bidding at least every 3 years for medical insurance and Section 376.696, RSMo, requires competitive bidding at least every 6 years for other types of insurance.

##### **1.2 Professional services**

The city has not obtained proposals and written contracts for various professional services. City Code, Sections 2-216 and 2-218, allows the Mayor to appoint, with Board approval, law firms and/or individual attorneys based on the type of specialized services needed. City Code Section 2-462 outlines procedures for the selection of professional services such as accountants. The procedures require obtaining proposals when fees will exceed \$1,500 and establishing a screening and selection committee to evaluate proposals and make recommendations to the Board.

##### **Legal services**

The city last obtained proposals for prosecuting attorney services in 1999; and the city has not solicited proposals for other legal services such as city



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attorney, public defender, labor counsel, planning and zoning, and special counsel for litigation. Also, the city has not entered into written agreements with firms and/or attorneys providing city attorney, public defender, labor counsel, or special counsel for litigation services. The same arrangements have been in place for several years. During the year ended December 31, 2011, the city paid a total of approximately \$394,000 for legal services.

Media consulting services

The city hired a media consultant without soliciting proposals. The consultant is paid \$200 per hour and was paid a total of \$11,800 during the year ended December 31, 2011.

Auditing services

City officials were unable to locate the most recent proposal or written agreement for auditing services, for which the city spent approximately \$16,000 during the year ended December 31, 2011.

Fringe benefits

In addition to bidding concerns discussed in section 1.1, the city was unable to provide written proposals and contracts for several employee fringe benefit administrators, although city personnel indicated such records do exist. This includes the administrators for the fire and police pension plan, city-wide dental insurance, and city-wide life insurance. Fees related to these services were not determined as they are not separately accounted for in the city's budget or financial system.

Conclusion

Soliciting proposals for professional services is a good business practice. Such procedures help provide a range of possible choices, and allow the city to make better-informed decisions to ensure necessary services are obtained from the best qualified provider after taking expertise, experience, and cost into consideration. Also, written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

### 1.3 Late fees

Fuel bills are not paid timely and late fees and/or finance charges are often incurred. The city uses fuel cards for most of the city's fleet of vehicles. Our review of the November 2011 fuel vendor billing showed late fees of \$250 and finance charges of \$320. City officials indicated this had been a recurring problem with this vendor due to a short timeframe between billing and payment due dates which the city had trouble meeting. The city has been working with the vendor in an effort to extend the due date of its invoices. Given the substantial amount paid in late fees and finance charges for one month, the amount of monies unnecessarily expended since the city started using this vendor in March 2008 could be significant. The city should have modified its accounts payable process to accommodate these billings while working with the vendor to resolve the issue. To prevent unnecessary fees and finance charges, procedures should be in place to ensure bills are paid timely.



## City of Brentwood Management Advisory Report - State Auditor's Findings

### 1.4 Credit cards

The city does not maintain adequate documentation for some credit card purchases. As a result, the city cannot ensure all purchases on city credit cards are appropriate and reasonable. The city has not implemented the recommendations related to this issue made in multiple years by its independent CPA auditing firm.

Documentation for some meals charged was not sufficient. We noted meal charges of \$202 for February 2011 and \$153 for December 2011, for which sufficient documentation of who attended and/or a detailed invoice or receipt slip was not maintained. In addition, documentation such as the purpose of the meal was not maintained to justify providing these meals to employees.

We also identified items charged to the Mayor's credit card for which there was no supporting documentation. Original invoices or other supporting documentation was not available for plane tickets, hotels, and conference fees in January 2011 totaling approximately \$1,400.

To ensure the validity and propriety of disbursements, adequate supporting documentation, such as vendor invoices or receipts, should be retained for all credit card purchases. In addition, meals purchased with credit cards should include receipts for the purchase, and information including the names of individuals for which meals were provided and justification for providing the meals.

### 1.5 Fringe benefits

For over 10 years, the city has incurred significant costs to provide fringe benefits to some elected city officials without establishing an ordinance authorizing these benefits. Based on the city's 2012 budget, the related costs of providing these fringe benefits was expected to be approximately \$28,000. While costs for past years were not quantified, it is apparent there is a substantial cost to providing such fringe benefits. Due to concerns raised by an alderwoman and the public, this practice was reevaluated and terminated in August 2012. Section 79.270, RSMo, requires that all compensation of elected officials be set by ordinance. Documented authorization by the Board of Aldermen acts as a legal basis for city actions and establishes fringe benefits available to elected city officials, in addition to establishing the related costs to the city and/or elected officials participating.

## Recommendations

The Board of Aldermen:

- 1.1 Ensure bids are solicited for all applicable purchases in accordance with city code and state law, and sufficient documentation is maintained.



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- 1.2 Periodically solicit proposals and enter into written agreements for professional services.
- 1.3 Implement procedures to ensure bills are paid timely.
- 1.4 Ensure adequate supporting documentation is retained for all credit card expenditures.
- 1.5 Ensure all compensation and fringe benefits for elected officials is clearly documented and authorized by ordinance as required by state law.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 1.1 *We will ensure bids are solicited for applicable purchases and all required documentation is being maintained.*
- 1.2 *As a fourth-class City, Section 79.230, RSMo directs the Mayor with consent and approval of the Board of Aldermen to appoint the City Attorney and such other officers authorized by ordinance. City Code Section 2-216 directs that the City Attorney, City Prosecutor and Public Defender be appointed by the Mayor with consent and approval of the Board of Aldermen. City Code Section 2-218 directs that special legal counsel may be designated by the Mayor with consent and approval of the Board of Aldermen.*

*The City will develop a list of other professional services utilized on a city-wide basis. Future agreements will be in writing for a specific term and will be bid as required.*

- 1.3 *The Finance Director reviews all invoices for accuracy and makes sure that they are being submitted by the departments in a timely manner. In addition, the City has worked with our fuel vendor to extend the due date from 10 days to 21 days so that we no longer incur late fees and finance charges.*
- 1.4 *The Finance Director reviews all invoices including monthly credit card statements. All credit card statements now have supporting documentation for all charges. In addition, the City has received documentation to substantiate the majority of the charges in question during this audit.*
- 1.5 *Health benefits for elected officials were discontinued in 2012. If fringe benefits are made available to elected officials in the future, these benefits will be documented and adopted by ordinance as required by state law.*



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Auditor's Comment

1.2 *We agree state law provides that the Mayor with consent and approval of the majority of the members of the Board may appoint a city attorney. However, state law does not prohibit seeking proposals for legal services.*

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**2. Fire Department  
Overtime and  
Timesheets**

Despite a recent legal settlement with the firefighters union regarding excess overtime payments, the city only requires the fire department to submit summary overtime reports, not detailed timesheets, to the city finance department for payroll purposes. The city paid fire department employees approximately \$100,000 in overtime for the year ended December 31, 2011.

Overtime settlement

The city does not have adequate documentation related to a legal settlement with the firefighters union over excessive overtime payments. In 2011, the city determined inappropriate overtime was being claimed by fire department employees for the maintenance of fire department vehicles. Firefighters were compensated with overtime pay for a set number of hours for conducting vehicle maintenance during their scheduled off-days. City personnel indicated that actual hours spent on vehicle maintenance were generally less than the set number of hours allowed, resulting in excess overtime payments. The city believes this practice had been occurring over several decades. The firefighters union and the city negotiated a settlement dated June 2011 which stated the next 8 percent of wage increases received by city employees would be waived by all members of the fire department. However, the city provided no documentation showing how much excess overtime was charged to the city or how it determined the amount of pay increases to be withheld from fire department employees relating to excessive overtime payments. The only documentation available at the city regarding this problem and negotiation was the signed settlement which consisted of one sentence and the signatures of city and firefighters union representatives. The city attorney indicated the settlement was based on private meeting discussions between union representatives and the city's former labor attorney and no notes were taken at the meeting to support the discussions. As a result, the city cannot ensure or demonstrate the settlement amount is adequate to offset excessive overtime payments and fair to fire department employees. Documentation is important to support the negotiated settlement amount and would also serve as a source of reference should questions arise from the public or employees.

Timesheets

Prior to July 2011 the fire department was not required to complete timesheets. This could be a contributing factor to the inappropriate overtime claims not being identified timely. Currently, fire department employees do complete timesheets, but the timesheets are not submitted to the city finance department which processes payroll. The only documentation the fire department submits is a summary overtime report when overtime is worked. The lack of adequate documentation and review procedures increases the potential for payroll errors to occur and go undetected. Submission of



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timesheets by the fire department to the finance department is necessary to document hours worked, substantiate payroll disbursements, and provide the city with a method to monitor hours worked and leave taken. In addition, such documentation is beneficial for both calculating overtime and demonstrating compliance with city policy and the Fair Labor Standards Act of 1938 (FLSA).

Conclusion

Considering the overtime issues and resulting legal settlement, it is imperative that the city implement proper time reporting and review procedures. In addition, the FLSA requires accurate records of actual time worked by employees be maintained.

Recommendation

The Board of Aldermen ensure documentation is maintained for all significant city decisions, particularly legal settlements. In addition, the Board should require detailed timesheets be submitted to the finance department.

Auditee's Response

*The Board of Aldermen provided the following written response:*

*The City's actions were based on consideration and recommendation from legal counsel. The City will give due consideration to the auditor's recommendation relating to future settlements.*

*The City is working to implement an electronic time and attendance module that will allow all timekeeping to be automated and submitted electronically to the payroll module. Employee work schedules will be maintained in this module. Any additional hours will be entered and approved by supervisors. Leave requests will be submitted and approved electronically. We believe the implementation of the electronic time and attendance module will help to gain consistency city-wide in how overtime is calculated. In addition, the City is currently reviewing the employee handbook and any changes to city overtime policies will be adopted by ordinance.*

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### 3. Payroll and Leave Records

The city lacks adequate supporting documentation related to several payroll areas and some problems were noted with overtime and leave records.

#### 3.1 Building official

Records related to an employee serving in two positions for the city from March 2009 through July 2011 were not sufficient to ensure appropriate compensation was paid. Also, the city did not establish clear expectations regarding hours to be worked in each position and questions arose as to whether the same hours worked were counted toward each position, resulting in this employee being paid for working two jobs at the same time.

In March 2009 the assistant fire chief was hired to also serve as the part-time building official, to conduct various inspections of buildings in the city.



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He was paid a salary as assistant fire chief and on an hourly basis for building inspection tasks. While timesheets were completed for building official duties, fire department personnel did not complete timesheets prior to July 2011. Between the two positions this individual was often paid more than \$13,000 per month. From January 2011 until retiring as assistant fire chief in July 2011, the employee was paid approximately \$100,000 in total for both positions, which is \$39,000 in excess of his assistant fire chief salary for that period of time. Several city officials indicated they believed the assistant fire chief was working two jobs at the same time; however, no action was taken by the city to resolve questions or concerns until they began to receive citizen complaints. According to timesheets for building official duties, the employee generally worked 3 to 4 days a week and approximately 8 hours each day. There is no indication of any supervisory review of timesheets.

The FLSA requires employees who work two jobs for the same employer to aggregate total hours worked for FLSA pay calculation purposes. Detailed timesheets approved by a supervisor are necessary to document hours actually worked, provide information necessary to monitor an employee working multiple positions with the city, and help ensure compliance with the FLSA.

### 3.2 Personnel policies

The city is not always in compliance with its overtime policy and FLSA requirements. For the year ended December 31, 2011, the city paid approximately \$107,000 in overtime to employees excluding fire department personnel.

- Nonworking time (i.e., vacation, sick leave, compensatory time taken, and holidays) is sometimes included in total hours worked when determining the amount of overtime earned by employees, which is not allowed by the city personnel policy and not required by the FLSA. The city may be paying more overtime to employees than required as a result of using nonworking time in calculations of overtime earned.
- Pre-approval of overtime is required by the city personnel policy; however, we noted several instances where pre-approval was not obtained. Policies regarding pre-approval of overtime should be followed to ensure overtime is necessary and authorized and supervisors are aware of the amount of overtime incurred by employees.
- The city is not consistent regarding when overtime is paid out to employees. Our review of 19 monthly timesheets and related paychecks noted 13 instances where overtime was paid out in the immediate pay period after the overtime was earned; however, there were 6 instances in which overtime was not paid in the immediate pay period after it was earned. We also noted an example of a fire department employee who documented on his timesheet 24 hours of overtime on October 27, 2011,



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and had not been paid for the overtime by the end of December 2011. However, as noted in MAR finding number 2, fire department timesheets are not submitted to the finance department for payroll processing. The time frame of payment for overtime should be consistent to ensure equitable treatment of all city employees.

### 3.3 Timesheets

Timesheets are prepared by employees; however, some timesheets are not signed by the employee and some do not indicate review and approval by the supervisor. A police department employee timesheet for the period ending September 20, 2011, indicated 10.5 hours of comp time and a summary section of the timesheet had this amount crossed out and replaced with 15.75 with no explanation. In addition, another timesheet for the period ending November 8, 2011, recorded an employee had worked 26 hours in 1 day.

To ensure accuracy of the hours worked, time recorded, and leave taken, timesheets should be signed by the employee and reviewed and approved by the supervisor. Considering the issues the city has had with improper overtime, it is imperative that proper controls be implemented and timesheets carefully reviewed.

### 3.4 Employee leave and compensatory time

Documentation of some leave benefits accumulated and used and the remaining balances are not maintained in a centralized location, such as the finance department. Computerized payroll records maintained by the finance department reflect balances for vacation and sick leave for most employees; however, the fire department tracks vacation time for its employees and compensatory time is tracked by each individual department. As a result, it is not clear whether or not all leave balances are appropriate, accurate and accrued in accordance with city policy. Having the finance department maintain centralized records of leave and compensatory time could prevent potential overtime abuse similar to the past problems with overtime in the fire department, as discussed in MAR finding number 2.

Accrued leave and compensatory time represent a potential liability to the city, and balances should be properly maintained and monitored to ensure employees are properly compensated.

## Recommendations

The Board of Aldermen:

- 3.1 Ensure accurate documentation is maintained of time worked by all city employees.
- 3.2 Ensure compliance with the city's overtime policy and the FLSA.
- 3.3 Ensure adequate reviews of timesheets are performed, timesheets are signed by the employee and their supervisor, and timesheets are submitted to the finance department.





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- 3.4 Ensure employee leave and compensatory time balances are properly tracked and monitored and maintained in a centralized location.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 3.1 *The City is working to implement an electronic time and attendance module that will allow all timekeeping to be automated and submitted electronically to the payroll module. Employee work schedules will be maintained in this module. Any additional hours will be entered and approved by supervisors. Leave requests will be submitted and approved electronically.*
- 3.2 *We believe the implementation of an electronic time and attendance module will help to gain consistency city-wide in how overtime is calculated. The module will enable the City to set up rules based on city policy and the FLSA so that we do not have to rely on each department to make these determinations.*
- 3.3 *The implementation of an electronic time and attendance module will automate this process which should alleviate this issue.*
- 3.4 *The implementation of an electronic time and attendance module will centralize and automate this process which will simplify the monitoring of leave and compensatory time balances at all levels of management.*

## 4. Additional Compensation

Some employees receive additional compensation related to tasks performed as a part of regular job duties.

- In 2009 the city entered into a written agreement with the Hanley Road Corridor Transportation Development District (TDD) and is paid \$24,000 a year to provide monitoring and administrative duties for the TDD. The former City Administrator was allowed to allocate these fees to select employee salaries. According to a December 28, 2009, internal memorandum to the payroll clerk, the former City Administrator chose to allocate most of these fees to employees handling the administrative duties of the TDD. The additional amounts were divided and paid each pay period. However, the payment from the TDD was intended to offset costs incurred by the city in performing administrative and monitoring duties for the TDD, not result in increased pay for city employees who perform these functions as a part of their regular city duties. For the year ended December 31, 2011, the former Finance Officer received \$13,500, an accounting clerk received \$6,000, and the former City Administrator received \$1,250. Similar payments were made to these employees prior to 2011. TDD related payments to these employees



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totaled \$44,750 for the 2 years ended December 31, 2011. Effective January 2012, the current City Administrator determined the payments from the TDD should not have been disbursed to employees and discontinued this practice.

- The city has a perfect attendance program. For the year ended December 31, 2011, the city paid approximately \$21,000 in perfect attendance payments. Employees can receive \$50 each quarter they have perfect attendance. They can also receive an additional \$200 for an entire calendar year of perfect attendance. While such payments were implemented by the city to encourage and reward good work attendance, such payments pose legal questions because courts have held that attendance is part of normal job duties. Thus, providing such lump sum payments appears to represent additional compensation for services previously rendered.

Additional compensation for services previously rendered is in violation of Article III, Section 39, Missouri Constitution, and Attorney General's Opinion No. 72, 1955 to Pray, which states, ". . . a government agency deriving its power and authority from the constitution and laws of the state would be prohibited from granting extra compensation in the form of bonuses to public officers after the service has been rendered."

## Recommendation

The Board of Aldermen discontinue granting additional pay to employees for tasks performed as part of their normal job duties.

## Auditee's Response

*The Board of Aldermen provided the following written response:*

*As indicated by the auditor, the City discontinued the TDD payments to employees in January 2012. The Perfect Attendance Program was adopted by the Board of Aldermen as part of the current employee handbook. The City is currently reviewing the employee handbook and any changes will be adopted by ordinance.*

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## 5. Litigation

The city did not take adequate and timely action to correct an issue with underfunded bond accounts for a redevelopment project. City officials indicated coding errors of sales tax collections resulted in the underfunding of bond accounts. The city's independent CPA auditing firm has repeatedly recommended that additional internal controls be implemented to properly account for Tax Increment Financing (TIF) amounts.

In December 2000 the city entered into a redevelopment agreement with a real estate management company for a two phase retail and office space development that would eventually use TIF and Transportation Development District (TDD) funding to assist the developer in the cost of the project. The city issued \$9.5 million in Tax Increment Revenue Bonds



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for phase one of the project in 2003, and later issued \$20.9 million in Tax Increment Revenue Bonds in 2007 for phase two of the construction project and to refinance the 2003 bonds.

The city collected payment in lieu of taxes (PILOT) and economic activity tax (EAT) monies from the development. The redevelopment agreement required the city and developer to cooperate in ensuring TIF revenues including sales tax monies were properly transferred into the special allocation funds for PILOTs and EATs.

In October 2009, the bank that provided the letters of credit to secure the bonds notified the city and developer of possible defaults under the bond documents. One alleged default was related to bank fees. According to city officials, two retailers within the development used the wrong location code when completing sales tax returns. While bond payments were always made timely, the miscoding of sales tax returns left the bond accounts underfunded by approximately \$460,000, leading to the bank not being able to collect their fees. City officials indicated they had worked with the retailers to correct prior miscoding errors, but for a period of time was unaware that retailers had once again begun miscoding their sales tax returns. The city obtained a loan of \$460,000 in November 2009 to satisfy the underfunding of bond accounts. The other alleged default related to the developer's failure to satisfy certain "lease-up" requirements in the bond documents. The bond documents contained "lease-up" requirements that called for the developer to have a lien-free certificate of occupancy and a percentage of the office and retail space leased. In early 2010, after the bank proceeded in an attempt to declare the bonds in default, the developer filed a lawsuit against the bank and the city, and the bank filed a lawsuit against the developer. The parties reached a settlement agreement in September 2011.

The city hired legal counsel to handle the litigation related to the various lawsuits and spent approximately \$260,000 on legal expenses from February 2011 through December 2011. The loan taken out by the city was repaid in October 2010 with interest costs of approximately \$13,500.

The city indicated it has implemented more reviews and is now reviewing Missouri Department of Revenue (DOR) sales tax reports for accuracy. While it can be difficult to detect sales tax coding errors made by businesses, periodic reviews of DOR sales tax reports for businesses located in the TIF district and closer monitoring of bond accounts may have identified the sales tax and bond account concerns earlier; thus potentially avoiding lawsuits and unnecessary costs. Due to turnover in city staff, current city personnel were unable to explain the review process that was in place at the time to ensure sales tax monies collected were deposited into the proper accounts and sufficient to satisfy all bond account requirements.



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## Recommendation

The Board of Aldermen ensure sufficient procedures are in place to monitor sales tax revenues of businesses collecting sales taxes on behalf of the city and make proper payment of bond issue obligations.

## Auditee's Response

*The Board of Aldermen provided the following written response:*

*The City agrees with this recommendation and will ensure procedures are in place to monitor sales tax revenues and make proper payment of bond issue obligations.*

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## 6. Meeting Minutes

Open meeting minutes did not document the specific section of law that allows for a closed meeting for any of the 12 closed meetings held in 2011; and the open meeting minutes for October 3, 2011, did not give any reasons for the closed session. In addition, the city does not maintain minutes of closed Board meetings. While the City Administrator keeps notes at the closed meetings, these notes are not well organized and are difficult to understand.

The Sunshine Law, Chapter 610, RSMo, requires minutes be kept for all closed meetings and requires that before any meeting may be closed, the question of holding the closed meeting and the reason for the closed meeting, including reference to a specific section of the law, shall be voted on at an open session.

## Recommendation

The Board of Aldermen ensure minutes are prepared and retained to support all closed meetings and the specific reason, statute, and subsection allowing closure is noted in the open meeting minutes.

## Auditee's Response

*The Board of Aldermen provided the following written response:*

*The reason for the closed session is posted on the agenda and announced at open session. For future purposes, the reason for the closed session will be reflected in the notes. The City will continue to rely on the advice of its legal counsel to assure compliance with state law.*

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## 7. Accounting Controls

Accounting controls in the finance department are in need of improvement.

### 7.1 Segregation of duties

Payroll duties and receipting duties related to General Fund financial activity are not adequately segregated or reviewed.

- The city payroll clerk is primarily responsible for all payroll functions, including reviewing timesheets, entering data into the payroll system, attaching electronic signatures to checks, approving transfers to the payroll account, and authorizing the bank to direct deposit into employee accounts. An outside vendor is used to generate payroll



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checks, direct deposit confirmations, and supporting payroll reports, which are then given to the city. Neither the Board nor a supervisor or employee independent of these processes reviews the payroll clerk's work or approves payroll report details from the vendor prior to disbursement. For the year ended December 31, 2011, payroll totaled approximately \$7.5 million for 126 full-time and 108 part-time employees.

- Cash custody and accounting duties have not been adequately segregated for General Fund receipts. The same accounting clerk is responsible for collecting monies, recording transactions, preparing deposits, and reconciling the General Fund bank account. There is no documented supervisory review or comparison of the monies received by the accounting clerk to amounts deposited. There is also no review performed of the General Fund bank reconciliation by the Finance Officer, who handles the bank reconciliations for several other city bank accounts.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, an effective supervisory review should be performed and documented.

### 7.2 Receipting and depositing

Receipting and depositing procedures need improvement.

- Monies are not promptly receipted or recorded in the accounting system, and are not always deposited intact and timely. Upon receipt monies are secured; however, receipt slips are not issued and monies are not posted to the computer system until the deposit is prepared. Also, checks are not restrictively endorsed until the deposit is prepared. A February 28, 2012, cash count identified checks on hand totaling \$33,633. Of the 18 checks on hand, 12 checks totaling \$32,494 were posted and deposited on February 29, 2012; however, a \$50 check was not posted and deposited until March 2, 2012, and 3 checks totaling \$426 were not posted and deposited until March 5, 2012. Two checks totaling \$663 were not deposited because they were overpayments and were returned to their respective vendor. The clerk indicated some of these checks were not receipted and deposited timely due to incomplete or incorrect information on business license applications.
- The numerical sequence of receipt slips is not accounted for properly. The finance department and the planning and development department share the financial computer system receipting program. The system assigns the next available receipt slip number to a user and the two departments are not accounting for the numerical sequence of these receipt slips.



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Proper and timely receipting, recording, and depositing procedures are necessary to adequately account for monies received and reduce the risk of loss, theft, or misuse of funds.

## Recommendations

The Board of Aldermen:

- 7.1 Segregate the accounting duties of the finance department to the extent possible. If proper segregation of duties cannot be achieved, documented supervisory or independent reviews should be performed.
- 7.2 Ensure monies are promptly receipted and posted to the computer system, and checks are restrictively endorsed immediately upon receipt. In addition, the numerical sequence of receipt slips should be accounted for properly.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 7.1 *The City has two Accounting Clerks who are responsible for processing accounts payable, payroll, cash receipts, accounts receivable, and business licenses. The City has been cross-training in these areas over the past year and implementing review and reconciliation procedures. Finally, the City Administrator and Finance Director provide on-going reviews in the following areas:*
  - 1. *Review of weekly check registers*
  - 2. *Review of labor distribution reports each pay period*
  - 3. *Review of general ledger (Detailed monthly financial reports are prepared and distributed to the management team, Mayor and Board of Aldermen)*
  - 4. *Review of monthly bank reconciliations*
  - 5. *Monitoring of City bank balances*
  - 6. *Review and approval of all invoices submitted for payment*
- 7.2 *We believe these items have been addressed; however, the City will review all department cash handling procedures to ensure these recommendations are being followed.*

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## 8. Vehicles

Documentation related to vehicle allowances and procedures for monitoring fuel and vehicle use are in need of improvement.



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## 8.1 Vehicle allowances

The city has not documented the basis of how monthly vehicle allowance amounts paid to various employees were determined. Vehicle allowances are intended to compensate employees for driving personal cars within the city and surrounding area to conduct city business. The city pays monthly vehicle allowances of \$450 to the City Administrator and \$350 to the Assistant City Administrator. Using the city's current reimbursement rate of 55.5 cents per mile, the monthly allowance paid to these employees represents 811 and 631 miles per month, respectively. Allowance payments made were reported as taxable income. However, the city should periodically review the reasonableness of the mileage allowances paid and, if necessary, adjust the allowances to reasonably reflect the actual expenses incurred by the employees on behalf of the city.

## 8.2 Fuel and vehicle use

The city has not established effective monitoring procedures regarding fuel and vehicle use. Without effective procedures, fuel could be purchased by employees for non-city use and the city's vehicle fleet may not be used in an efficient and appropriate manner. The city maintains 55 vehicles for various city services including police, fire, and public works. During the year ended December 31, 2011, the city incurred fuel costs of approximately \$188,000. The city has not implemented recommendations related to fuel and vehicle use made in multiple years by its independent CPA auditing firm.

- The city maintains two bulk diesel fuel tanks at the public works department, but does not maintain logs of fuel pumped from the tanks or usage logs for vehicles that use these pumps. The city also uses fuel cards at local gas stations in addition to having a city account established with a local gas station for the Fire Department. The city does not maintain logs of fuel pumped for vehicles fueled using either fuel cards or the local account.

Using the bulk diesel fuel tanks and using fuel cards are the two options for fueling most city vehicles. The city's written accounts payable procedures require receipts to be submitted to the finance department for fuel card purchases and fuel purchases made on account. We reviewed fuel disbursements for 2011 and noted supporting receipts were on file for only the October local gas station invoice and for none of the fuel card invoices. An adequate review of these fuel invoices compared to receipts was not performed to ensure purchases were accurate and for city business.

- Of the city's 55 vehicles, 36 are non-specialized vehicles. An evaluation of usage to determine if the number of vehicles is necessary and justified has not been performed. Annual mileage for 8 of the city's 36 non-specialized vehicles was less than 2,000 miles.



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City of Brentwood  
Management Advisory Report - State Auditor's Findings

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Maintenance and review of mileage/use logs and bulk fuel inventory records, and comparison of log information and inventory records to fuel purchases, is necessary to ensure vehicles are properly utilized, prevent paying vendors for improper billing amounts, and decrease the risk of theft or misuse of fuel occurring without detection. Logs should provide sufficient details to allow the city to effectively monitor vehicle use and fuel costs. In addition, receipts for fuel purchases made on the city's fuel cards should be submitted to the finance department to allow more effective reviews of fuel billings.

## Recommendations

The Board of Aldermen:

- 8.1 Review vehicle allowances and set the allowances to reasonably reflect the actual expenses incurred by the applicable employees.
- 8.2 Establish adequate records and procedures to effectively monitor vehicle and fuel use. Bulk fuel inventory records should be maintained, invoices should be reviewed and approved, and fuel use should be reconciled to fuel purchases. Any discrepancies should be investigated. The Board should also ensure receipts for fuel purchases are submitted to the finance department and reconciled with fuel invoices. In addition, the Board should evaluate vehicle usage to determine if all vehicles are needed.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 8.1 *These allowances were set when the employment agreements were negotiated and are set by resolution adopted by the Board of Aldermen. This recommendation will be taken into consideration for any future employment agreements.*
- 8.2 *The City implemented a Driver Fuel Card Policy and operations procedure in 2012. Detailed usage reports from the fuel vendor are reviewed on a monthly basis to ensure that fuel purchases are reasonable. Drivers are required to use a specific vehicle card and their personal pin number when fueling. They are also required to completely fill the vehicle's tank and enter an accurate odometer reading. This allows the City to monitor fuel usage and mpg for each vehicle.*

*The City will implement a similar policy and operations procedure for monitoring usage of bulk diesel fuel at public works. In addition, the City will document during the annual budget process the review of utilization information for all vehicles to ensure that all vehicles are necessary and justified.*





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City of Brentwood  
Management Advisory Report - State Auditor's Findings

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## 9. Budgets

Budget documents do not include the actual beginning and estimated ending available resources for any funds. As a result, the Board is not using all available information to assist in effectively managing the city and the public is not provided a complete overview of city finances.

Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and outlines the various information to be included in the budget. A complete and well planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in setting tax levies and utility rates and informing the public about city operations and current finances.

### Recommendation

The Board of Aldermen ensure annual budgets contain all information required by state law.

### Auditee's Response

*The Board of Aldermen provided the following written response:*

*We believe the 2013 Annual Budget is in compliance with state law. Beginning and ending fund balance information is provided for all funds.*

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## 10. Bank Reconciliations

Bank reconciliation and outstanding check procedures are in need of improvement.

- Bank reconciliations are not prepared timely. The December 2011 bank reconciliation was the most recently completed reconciliation as of April 2012. In addition, the December 2011 payroll account bank reconciliation contained several reconciling items that were carried forward from month-to-month instead of adjusting entries being made in the city's accounting system. For example, an employee's paycheck had been direct deposited into the employee's account for the wrong amount. The wrong amount was also recorded in the accounting records. After the error was discovered, the correct amount was direct deposited into the employee's account and properly recorded in the city accounting records. However, when the incorrect deposit was reversed back into the city bank account, it was not reversed in the accounting records. The reversal was only recorded on the bank reconciliation and is carried forward each month on the reconciliation. Several checks had been returned to the city and are also recorded on the reconciliation instead of making the necessary adjusting entries in the accounting records.
- The city does not routinely and timely follow up on outstanding checks. At December 31, 2011, the city's general account had 22 outstanding checks totaling \$4,681, and the payroll account had 12 outstanding checks totaling \$1,465, all of which had been outstanding for more than



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City of Brentwood  
Management Advisory Report - State Auditor's Findings

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a year. In addition, at January 31, 2012, the sewer lateral account had seven outstanding checks totaling \$364 which had been outstanding for more than a year.

Timely monthly bank reconciliations are necessary to ensure accounting records balance, transactions are properly recorded, and errors or discrepancies are detected and corrected on a timely basis. In addition, procedures should be established to routinely investigate any checks remaining outstanding over a specified period of time. Old outstanding checks should be voided and reissued to those payees who can be readily located. If the payees cannot be located, amounts should be disposed of in accordance with applicable state laws.

## Recommendation

The Board of Aldermen ensure monthly bank reconciliations are performed timely and outstanding checks are followed up on appropriately. In addition, any discrepancies should be investigated and resolved with appropriate adjustments made to the accounting records.

## Auditee's Response

*The Board of Aldermen provided the following written response:*

*The City continues to improve the timeliness of monthly bank reconciliations. We are working to develop procedures for following up on outstanding checks and developing a process for properly reporting related unclaimed property. Discrepancies are now investigated and resolved when they are identified through the reconciliation process.*

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## 11. Property Controls and Records

An annual physical inventory of property has not been performed in at least 5 years and city property is not tagged and properly identified. In addition, property records maintained do not include all necessary information such as date and method of disposal. The book value of city assets exceeded \$13 million at December 31, 2010, according to the city's most recent inventory record.

Adequate city property records and procedures are necessary to secure better internal control over city property, and provide a basis for determining proper insurance coverage. Property control tags should be affixed to all property items to help improve accountability and ensure assets are properly identified as belonging to the city. Property records should also include information such as acquisition/disposition dates. A physical inventory should be performed on an annual basis.

## Recommendation

The Board of Aldermen ensure complete and detailed capital asset records are maintained and include all pertinent information for each asset. In addition, the Board should ensure annual physical inventories are performed and compared to detailed records and property control tags are affixed to all property.



City of Brentwood  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The Board of Aldermen provided the following written response:*

*The City will review the capital asset records to ensure that all pertinent information is recorded for each asset. The city will be performing a physical inventory in 2013 and plans to continue this process on an annual basis. During this inventory process, we will ensure that property control tags are affixed to each asset.*

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## 12. Library

The city has not entered into a current written agreement with the Brentwood Public Library or conducted a cost-benefit analysis of providing city hall space and accounting services to the library. The most recent agreement provided by the city is from 1947. The library pays a monthly rental and utility fee of \$500 for use of the lower level of city hall and a fee of \$50 for accounting services provided for the library by the city finance department. These rates have been the same for at least 20 years, but are not supported by a written agreement.

Written contracts are necessary to ensure parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions be in writing. Contracts should be periodically reevaluated to ensure arrangements are still appropriate and fees are reasonable as compared to benefits received and costs incurred.

## Recommendation

The Board of Aldermen enter into an updated written agreement with the Brentwood Public Library defining services provided and benefits received. In addition, the Board should monitor the costs of providing space and services and periodically reevaluate the contract terms for reasonableness.

## Auditee's Response

*The Board of Aldermen provided the following written response:*

*We believe that it is in both parties' best interests to continue to provide space and services that would be very expensive for the Library to obtain by other means and that benefit Brentwood residents. The City will consider updating the written agreement with the Library defining services provided and benefits received.*

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# City of Brentwood

## Organization and Statistical Information

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The City of Brentwood is located in St. Louis County. The city was incorporated in 1919 and is currently a fourth-class city. The city employed 126 full-time employees and 108 part-time employees on December 31, 2011.

City operations include fire services, law enforcement services, trash collection, operation and maintenance of city parks, economic development, and street maintenance.

### Mayor and Board of Aldermen

The city government consists of a mayor and eight member board of aldermen. The members are elected for 4-year terms. The mayor is elected for a 4-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at December 31, 2011, are identified below. The Mayor is paid \$1,200 per month and Board of Aldermen members \$600 per month. The compensation of these officials is established by ordinance.

Pat Kelly, Mayor  
Barb Clements, Alderwoman  
Anthony Harper, Alderman  
Michael Marshall, Alderman  
Lee Wynn, Alderman  
Andrew Leahy, Alderman  
Keith Robertson, Alderman  
Lorraine Krewson, Alderwoman  
Tom Kramer, Alderman

### Other Elected Official

The Municipal Judge at December 31, 2011, was Ronald Hill and his annual compensation is \$15,000. The Municipal Judge's compensation is established by the Board of Alderman.

### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The city did not receive any federal stimulus monies during the year end December 31, 2011.



Thomas A. Schweich  
Missouri State Auditor

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# Mid-Missouri Solid Waste Management District Region H



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May 2013

Report No. 2013-035

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the Mid-Missouri Solid Waste Management District, Region H

Background	The state is divided into 20 solid waste management districts which assist the Department of Natural Resources (DNR) in implementing the state's solid waste management plan. The Mid-Missouri Solid Waste Management District, Region H, was recognized by the DNR on December 4, 1991, and consists of eight counties: Audrain, Boone, Callaway, Cole, Cooper, Howard, Moniteau, and Osage.
Findings	The district did not prepare accurate quarterly financial reports and reconcile these reports to the district accounting records. The cash balance reported on the June 30, 2012, quarterly report differed by \$8,230 from the total reconciled bank balances.

In the areas audited, the overall performance of this entity was **Good**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The Mid-Missouri Solid Waste Management District, Region H, did not receive any federal stimulus monies during the audit period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Mid-Missouri Solid Waste Management District

## Region H

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Executive Board of Directors  
Mid-Missouri Solid Waste Management District - Region H  
Columbia, Missouri

We have audited certain operations of the Mid-Missouri Solid Waste Management District - Region H in fulfillment of our duties under Section 29.380, RSMo. The district engaged Casey-Beard-Boehmer PC, Certified Public Accountants (CPAs), to audit the district's financial statements for the years ended June 30, 2012 and 2011. The Department of Natural Resources engaged Casey-Beard-Boehmer, PC, CPAs, to conduct a performance audit of the district for the period July 1, 2008, through June 30, 2011. To minimize duplication of effort, we reviewed the reports of the CPA firm. The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2012. The objectives of our audit were to:

1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.



The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subject to the procedures applied in our audit of the district.

For the areas audited, we identified (1) a deficiency in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. The accompanying Management Advisory Report presents our finding arising from our audit of the Mid-Missouri Solid Waste Management District - Region H.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Mariam Ahmedbani
	Alex R. Prenger, M.S.Acct.

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# Mid-Missouri Solid Waste Management District

## Region H

### Management Advisory Report - State Auditor's Findings

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#### **Quarterly Financial Reports**

District quarterly financial reports were not properly reconciled to district accounting records and contained errors and omissions. The quarterly financial reports for the year ended June 30, 2012, did not agree to the district's bank balances or to the audited schedules of district receipts and disbursements. At June 30, 2012, the quarterly financial report indicated total balances of \$668,794 compared to total reconciled bank balances of \$677,024, for a difference of \$8,230. In addition, the quarterly reports did not separately identify unobligated district grant funds and interest income.

The quarterly financial reports are prepared by the district to document each grant project awarded to subgrantees, and to summarize total grant awards, total disbursements, and unspent balances for each grant project and other funding sources such as interest income.

The Department of Natural Resources requires preparation of accurate quarterly financial reports to document all district funds received from the Solid Waste Management Fund and other sources. Accurate financial reporting is necessary to ensure all district funds are accounted for properly.

A similar finding was noted in an independent financial audit of the district dated November 14, 2012, and an independent performance audit dated October 12, 2012.

#### **Recommendation**

The Executive Board ensure the quarterly financial reports are accurately prepared and reconciled to district bank balances and accounting records

#### **Auditee's Response**

*The District concurs and notes there were errors made prior to the current District Planner taking over. Corrections have been made and future quarterly reports will be prepared accurately and reconciled to the accounting records. These findings have already been addressed as a part of the prior audit that was done, and came up in both reports due to how close together the two reports were released.*

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# Mid-Missouri Solid Waste Management District

## Region H

### Organization and Statistical Information

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The establishment of solid waste management districts was authorized in 1990 by Senate Bill 530, as part of the state's solid waste management plan. Solid waste management districts are bodies corporate and politic and are governed by Sections 260.300 through 260.345, RSMo. The state is divided into 20 solid waste management districts which assist the Department of Natural Resources (DNR) in implementing the state's plan, with an emphasis on diverting waste from landfills. The Mid-Missouri Solid Waste Management District - Region H, was recognized on December 4, 1991, by the DNR and consists of eight counties: Audrain, Boone, Callaway, Cole, Cooper, Howard, Moniteau, and Osage.

The district is governed by a District Council and an Executive Board. The District Council consists of two members from each of the eight counties, one member from each city within a member county with a population over 500, and one member from each smaller city which elects to join the solid waste management district. The District Council consists of 41 members and meets at least twice a year to appoint members to the district's Executive Board and to review and act upon the district's solid waste management plan. The Executive Board consists of ten members; one member from each of the eight counties, and one member from each city that has a population greater than 35,000 - the City of Columbia and the City of Jefferson. The Executive Board members' terms shall be 2 years and can be recertified by the District Council at the end of their term. The duties of the Executive Board consist of: preparing a solid waste management plan for the district; identifying illegal dump sites; establishing an education program about responsible solid waste management practices; establishing bylaws, rules, and regulations for governing the district; entering into contracts with persons for services related to solid waste management; and approving expenditures for district operations and grants.

The district's funding comes from the Solid Waste Management Fund through the DNR. Tonnage fees from landfills in the state are deposited into the Solid Waste Management Fund. Funding for the 20 districts of the state are based on a formula set through legislation.

The Executive Board contracts with the City of Columbia to provide administrative staff for the district. District administrative staff consist of a district planner and an assistant.

American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)

The Mid-Missouri Solid Waste Management District - Region H did not receive any federal stimulus monies during the 2 years ended June 30, 2012.



Mid-Missouri Solid Waste Management District  
Region H  
Organization and Statistical Information

Financial Activity

A summary of the district's revenues, expenditures, and fund balances for the 2 years ended June 30, 2012, follows:

REVENUES	Year Ended June 30,	
	2012	2011
Intergovernmental	\$ 365,761	327,318
Intergovernmental-contributions	97,132	50,876
Charges for services	7,458	1,335
Other	0	650
Interest income	3,352	4,241
Total Revenues	473,703	384,420
EXPENDITURES		
Administration		
Personnel and fringe benefits	155,623	94,104
Contractual services	35,081	53,963
Supplies and materials	5,678	14,965
Travel	5,316	8,043
Other	25,179	23,456
District grant expenditures		
Personnel	4,000	2,437
Contractual services	15,784	16,107
Supplies and materials	2,058	414
Operating	0	7,965
Equipment	169,802	170,732
Other	38,464	893
Total Expenditures	456,985	393,079
REVENUES OVER (UNDER) EXPENDITURES	16,718	(8,659)
FUND BALANCE, JULY 1	58,054	66,713
FUND BALANCE, JUNE 30	\$ 74,772	58,054

Source: Audited financial statements.



**Thomas A. Schweich**  
Missouri State Auditor

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# East Central Missouri Solid Waste Management District Region I



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May 2013

Report No. 2013-036

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the East Central Missouri Solid Waste Management District, Region I

Background	The state is divided into 20 solid waste management districts which assist the Department of Natural Resources (DNR) in implementing the state's solid waste management plan. The East Central Missouri Solid Waste Management District, Region I, was recognized by the DNR on September 18, 1991, and consists of four counties: Franklin, Lincoln, Montgomery and Warren.
Findings	The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures. No findings resulted from our audit.

In the areas audited, the overall performance of this entity was **Excellent**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The East Central Missouri Solid Waste Management District, Region I, did not receive any federal stimulus monies during the audit period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# East Central Missouri Solid Waste Management District

## Region I

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Executive Board of Directors  
East Central Missouri Solid Waste Management District - Region I  
Warrenton, Missouri

We have audited certain operations of the East Central Missouri Solid Waste Management District - Region I in fulfillment of our duties under Section 29.380, RSMo. The district engaged Tochtrop & Associates, P.C., Certified Public Accountants (CPAs), to audit the district's financial statements for the 2 years ended December 31, 2011. To minimize duplication of effort, we reviewed the report of the CPA firm. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subject to the procedures applied in our audit of the district.



For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. No findings resulted from our audit of the East Central Missouri Solid Waste Management District - Region I.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Mariam Ahmedbani

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# East Central Missouri Solid Waste Management District

## Region I

### Organization and Statistical Information

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The establishment of solid waste management districts was authorized in 1990 by Senate Bill 530, as part of the state's solid waste management plan. Solid waste management districts are bodies corporate and politic and are governed by Sections 260.300 through 260.345, RSMo. The state is divided into 20 solid waste management districts which assist the Department of Natural Resources (DNR) in implementing the state's plan, with an emphasis on diverting waste from landfills. The East Central Missouri Solid Waste Management District - Region I, was recognized on September 18, 1991, by the DNR and consists of four counties: Franklin, Lincoln, Montgomery, and Warren.

The district is governed by a District Council and an Executive Board. The District Council consists of two members from each of the four counties, one member from each city within a member county with a population over 500, and one member from each smaller city which elects to join the solid waste management district. The District Council consists of 21 members and meets at least twice a year to appoint members to the district's Executive Board and to review and act upon the district's solid waste management plan. The Executive Board consists of four members; one member from each of the four counties. The Executive Board members' terms shall be 2 years and can be recertified by the District Council at the end of their term. The duties of the Executive Board consist of: preparing a solid waste management plan for the district; identifying illegal dump sites; establishing an education program about responsible solid waste management practices; establishing bylaws, rules, and regulations for governing the district; entering into contracts with persons for services related to solid waste management; and approving expenditures for district operations and grants.

The district's funding comes from the Solid Waste Management Fund through the DNR. Tonnage fees from landfills in the state are deposited into the Solid Waste Management Fund. Funding for the 20 districts of the state are based on a formula set through legislation.

The Executive Board contracts with the Boonslick Regional Planning Commission to provide administrative staff for the district. District administrative staff consist of a district planner and an assistant.

American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)

The East Central Missouri Solid Waste Management District - Region I did not receive any federal stimulus monies during the 2 years ended December 31, 2012.



East Central Missouri Solid Waste Management District  
Region I  
Organization and Statistical Information

Financial Activity

A summary of the district's receipts, disbursements, and cash and investment balances for the 2 years ended December 31, 2012, follows:

	Year Ended December 31,	
	2012	2011
RECEIPTS		
State grant funding	\$ 98,502	105,000
City/county dues	4,517	0
Interest income	35	97
Total Receipts	103,054	105,097
DISBURSEMENTS		
District operational expenses	42,932	37,000
District sub-grantee reimbursements	98,214	120,162
Audit expense	3,500	2,900
Insurance expense	2,473	0
Other	482	0
Total Disbursements	147,601	160,062
RECEIPTS OVER (UNDER) DISBURSEMENTS	(44,547)	(54,965)
CASH AND INVESTMENTS, JANUARY 1	46,121	101,086
CASH AND INVESTMENTS, DECEMBER 31	\$ 1,574	46,121

Source: District financial records.



Thomas A. Schweich  
Missouri State Auditor

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# Quad-Lakes Solid Waste Management District Region J



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May 2013

Report No. 2013-037

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the Quad-Lakes Solid Waste Management District, Region J

Background	The state is divided into 20 solid waste management districts which assist the Department of Natural Resources (DNR) in implementing the state's solid waste management plan. The Quad-Lakes Solid Waste Management District, Region J, was recognized by the DNR on December 4, 1991, and consists of six counties: Bates, Benton, Cedar, Henry, Hickory, and St. Clair.
Findings	The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures. No findings resulted from our audit.

In the areas audited, the overall performance of this entity was **Excellent**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The Quad-Lakes Solid Waste Management District, Region J, did not receive any federal stimulus monies during the audit period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Quad-Lakes Solid Waste Management District

## Region J

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Executive Board of Directors  
Quad-Lakes Solid Waste Management District - Region J  
Clinton, Missouri

We have audited certain operations of the Quad-Lakes Solid Waste Management District - Region J in fulfillment of our duties under Section 29.380, RSMo. The district engaged Arthur White & Associates, L.L.C., Certified Public Accountants (CPAs), to audit the district's financial statements for the 2 years ended June 30, 2011. To minimize duplication of effort, we reviewed the report of the CPA firm. The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2012. The objectives of our audit were to:

1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subject to the procedures applied in our audit of the district.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. No findings resulted from our audit of the Quad-Lakes Solid Waste Management District - Region J.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible, and "A." as a middle initial.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Mariam Ahmedbani
	Alex R. Prenger, M.S.Acct.



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# Quad-Lakes Solid Waste Management District

## Region J

### Organization and Statistical Information

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The establishment of solid waste management districts was authorized in 1990 by Senate Bill 530, as part of the state's solid waste management plan. Solid waste management districts are bodies corporate and politic and are governed by Sections 260.300 through 260.345, RSMo. The state is divided into 20 solid waste management districts which assist the Department of Natural Resources (DNR) in implementing the state's plan, with an emphasis on diverting waste from landfills. The Quad-Lakes Solid Waste Management District - Region J, was recognized on December 4, 1991, by the DNR and consists of six counties: Bates, Benton, Cedar, Henry, Hickory, and St. Clair.

The district is governed by a District Council and an Executive Board. The District Council consists of two members from each of the six counties, one member from each city within a member county with a population over 500, and one member from each smaller city which elects to join the solid waste management district. The District Council consists of 28 members and meets at least twice a year to appoint members to the district's Executive Board and to review and act upon the district's solid waste management plan. The Executive Board consists of seven members; one member from each of the six counties, and one non-voting member from the solid waste management industry. The Executive Board members' terms shall be 2 years and can be recertified by the District Council at the end of their term. The duties of the Executive Board consist of: preparing a solid waste management plan for the district; identifying illegal dump sites; establishing an education program about responsible solid waste management practices; establishing bylaws, rules, and regulations for governing the district; entering into contracts with persons for services related to solid waste management; and approving expenditures for district operations and grants.

The district's funding comes from the Solid Waste Management Fund through the DNR. Tonnage fees from landfills in the state are deposited into the Solid Waste Management Fund. Funding for the 20 districts of the state are based on a formula set through legislation.

The Executive Board contracts with the Kaysinger Basin Regional Planning Commission to provide administrative staff for the district. District administrative staff consist of a district planner and an assistant.

American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)

The Quad-Lakes Solid Waste Management District - Region J did not receive any federal stimulus monies during the 2 years ended June 30, 2012.



Quad-Lakes Solid Waste Management District  
Region J  
Organization and Statistical Information

Financial Activity

A summary of the district's receipts, disbursements, and cash and investment balances for the 2 years ended June 30, 2012, follows:

	Year Ended June 30,	
	2012	2011
RECEIPTS		
Intergovernmental	\$ 122,466	111,456
Member assessments	0	2,340
Repayments	12,321	13,653
Other	500	0
Interest	947	2,881
Total Receipts	136,234	130,330
DISBURSEMENTS		
District administration	1,316	610
Subgrants	118,923	101,444
Audit services	2,500	0
Insurance	2,775	1,669
Miscellaneous	1,253	1,866
Total Disbursements	126,767	105,589
RECEIPTS OVER (UNDER) DISBURSEMENTS	9,467	24,741
CASH AND INVESTMENTS, JULY 1	127,947	103,206
CASH AND INVESTMENTS, JUNE 30	\$ 137,414	127,947

Source: Audited financial statements for the year ended June 30, 2011, and district financial records for the year ended June 30, 2012.



Thomas A. Schweich  
Missouri State Auditor

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# Ozark Rivers Solid Waste Management District Region K



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May 2013

Report No. 2013-038

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the Ozark Rivers Solid Waste Management District, Region K

Background	The state is divided into 20 solid waste management districts which assist the Department of Natural Resources (DNR) in implementing the state's solid waste management plan. The Ozark Rivers Solid Waste Management District, Region K, was recognized by the DNR on November 19, 1991, and consists of seven counties: Crawford, Dent, Gasconade, Maries, Phelps, Pulaski, and Washington.
Findings	The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures. No findings resulted from our audit.

In the areas audited, the overall performance of this entity was **Excellent**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The Ozark Rivers Solid Waste Management District, Region K, did not receive any federal stimulus monies during the audit period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Ozark Rivers Solid Waste Management District

## Region K

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Executive Board of Directors  
Ozark Rivers Solid Waste Management District - Region K  
St James, Missouri

We have audited certain operations of the Ozark Rivers Solid Waste Management District - Region K in fulfillment of our duties under Section 29.380, RSMo. The district engaged Kean & Company, LLC, Certified Public Accountants (CPAs), to audit the district's financial statements for the years ended June 30, 2012 and 2011. To minimize duplication of effort, we reviewed the reports of the CPA firm. The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2012. The objectives of our audit were to:

1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subject to the procedures applied in our audit of the district.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. No findings resulted from our audit of the Ozark Rivers Solid Waste Management District - Region K.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Mariam Ahmedbani
	Alex R. Prenger, M.S.Acct.

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# Ozark Rivers Solid Waste Management District

## Region K

### Organization and Statistical Information

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The establishment of solid waste management districts was authorized in 1990 by Senate Bill 530, as part of the state's solid waste management plan. Solid waste management districts are bodies corporate and politic and are governed by Sections 260.300 through 260.345, RSMo. The state is divided into 20 solid waste management districts which assist the Department of Natural Resources (DNR) in implementing the state's plan, with an emphasis on diverting waste from landfills. The Ozark Rivers Solid Waste Management District - Region K, was recognized on November 19, 1991, by the DNR and consists of seven counties: Crawford, Dent, Gasconade, Maries, Phelps, Pulaski, and Washington.

The district is governed by a District Council and an Executive Board. The District Council consists of two members from each of the seven counties, one member from each city within a member county with a population over 500, and one member from each smaller city which elects to join the solid waste management district. The District Council consists of 26 members and meets at least twice a year to appoint members to the district's Executive Board and to review and act upon the districts solid waste management plan. The Executive Board consists of 15 members: 2 members from each of the seven counties and a member from Fort Leonard Wood. The Executive Board members' terms shall be 2 years and can be recertified by the District Council at the end of their term. The duties of the Executive Board consist of: preparing a solid waste management plan for the district; identifying illegal dump sites; establishing an education program about responsible solid waste management practices; establishing bylaws, rules, and regulations for governing the district; entering into contracts with persons for services related to solid waste management; and approving expenditures for district operations and grants.

The district's funding comes from the Solid Waste Management Fund through the DNR. Tonnage fees from landfills in the state are deposited into the Solid Waste Management Fund. Funding for the 20 districts of the state are based on a formula set through legislation.

The Executive Board contracts with the Meramec Regional Planning Commission to provide administrative staff for the district. District administrative staff consist of a district planner and an assistant.

American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)

The Ozark Rivers Solid Waste Management District - Region K did not receive any federal stimulus monies during the 2 years ended June 30, 2012.





Ozark Rivers Solid Waste Management District  
Region K  
Organization and Statistical Information

Financial Activity

A summary of the district's revenues, expenditures, and fund balances for the 2 years ended June 30, 2012, follows:

REVENUES	Year Ended June 30,	
	2012	2011
Grant revenue	\$ 250,755	239,420
Miscellaneous	575	0
Total Revenues	251,330	239,420
EXPENDITURES		
Annual dinner	333	407
Advertising	649	676
Audit	2,000	2,500
Contracted administration	98,427	102,423
Grants	145,540	128,596
Insurance	1,535	1,539
Supplies	1,398	1,217
Travel	167	140
Other	1,281	1,922
Total Expenditures	251,330	239,420
REVENUES OVER (UNDER) EXPENDITURES	0	0
FUND BALANCE, JULY 1	0	0
FUND BALANCE, JUNE 30	\$ 0	0

Source: Audited financial statements.



**Thomas A. Schweich**  
Missouri State Auditor

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# South Central Solid Waste Management District Region P



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May 2013

Report No. 2013-039

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the South Central Solid Waste Management District, Region P

Background	The state is divided into 20 solid waste management districts which assist the Department of Natural Resources (DNR) in implementing the state's solid waste management plan. The South Central Solid Waste Management District, Region P, was recognized by the DNR on February 2, 1992, and consists of seven counties: Douglas, Howell, Oregon, Ozark, Shannon, Texas, and Wright.
Related Parties and Payroll	The district did not obtain bids or enter into a written agreement for office space and storage rentals totaling \$4,800 annually paid to a business owned by the District Planner and her spouse. These payments along with reimbursements to this business for payments made to other vendors create the appearance of a conflict of interest. The district did not report on W-2 forms or withhold payroll taxes from compensation paid to some part-time workers.
Grant Withholdings	The district does not retain 15 percent of subgrantee funds subject to the completion of the project as directed by state regulation and DNR policy.
Quarterly Financial Reports	The district does not prepare accurate quarterly financial reports and reconcile these reports to the district accounting records and bank balances.

In the areas audited, the overall performance of this entity was **Fair**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The South Central Solid Waste Management District, Region P, did not receive any federal stimulus monies during the audit period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# South Central Solid Waste Management District

## Region P

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Executive Board of Directors  
South Central Solid Waste Management District - Region P  
Eunice, Missouri

We have audited certain operations of the South Central Solid Waste Management District - Region P in fulfillment of our duties under Section 29.380, RSMo. The district engaged Schultz, Wood & Rapp, P.C., Certified Public Accountants (CPAs), to audit the district's financial statements for the years ended June 30, 2012 and 2011. The Department of Natural Resources engaged Casey-Beard-Boehmer PC, CPAs, to conduct a performance audit of the district for the period July 1, 2008, through June 30, 2011. To minimize duplication of effort, we reviewed the reports of the CPA firms. The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2012. The objectives of our audit were to:

1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subject to the procedures applied in our audit of the district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the South Central Solid Waste Management District - Region P.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Mariam Ahmedbani
	Alex R. Prenger, M.S.Acct.

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# South Central Solid Waste Management District

## Region P

### Management Advisory Report - State Auditor's Findings

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#### **1. Related Parties and Payroll**

A potential conflict of interest situation should be addressed by the district Executive Board. Compensation payments to certain individuals may not be properly reported to the Internal Revenue Service (IRS).

##### **1.1 Related party payments**

The district did not obtain bids or enter into a written agreement for office space and storage rentals paid to a business owned by the District Planner and her spouse.

The District Planner is an employee of the district and is paid a salary of \$33,600, benefits of approximately \$20,000, and reimbursable expenses of approximately \$7,500 annually. She is also paid additional compensation for serving as project manager for specific grant projects, and this additional compensation totaled approximately \$13,000 for the 2 years ended June 30, 2012. The District Planner's spouse is a part-time employee of the district and was paid approximately \$39,000 for project management services during the 2 years ended June 30, 2012. The district reported these compensation amounts on W-2 forms and withheld payroll taxes. However, the district office is located in the residence of the District Planner and her spouse, and the district pays \$4,800 annually for office and storage rental. These payments are made to a company owned by the District Planner and her spouse. The district had a written contract with the company for office and storage rental prior to July 1, 2010, but did not renew the written agreement subsequent to that date. In addition, bids have not been solicited for these services either currently or when there was a written contract.

Additional payments of approximately \$67,000 for the 2 years ended June 30, 2012, were made by the district to reimburse the company for expenses paid by the company to vendors or entities for specific grant project expenses approved by the district and the Department of Natural Resources (DNR). The District Planner indicated these payments were made by the company as a courtesy to the various vendors and entities which desired to be paid on a more timely basis prior to the district receiving corresponding grant funds from the DNR. The district planner indicated these advance payments are no longer paid by the company as of February 2013.

The District Planner serves as the primary administrative employee of the district and is also a non-voting member of the district's Executive Board. Section 105.454, RSMo, prohibits employees serving in an executive or administrative capacity to perform any service for, or sell, rent, or lease any property to the governmental entity for which he/she works in excess of \$500 per transaction or \$5,000 per year, unless the transaction is subject to competitive bidding and the offer accepted is the lowest bid received. While the office and storage rental payments totaled less than \$500 per transaction and \$5,000 per year, the payments to the company owned by the District Planner and her husband create the appearance of a conflict of interest. In



South Central Solid Waste Management District  
Region P  
Management Advisory Report - State Auditor's Findings

addition, competitive bidding for these services helps ensure the district receives fair value by contracting with the lowest and best bidders.

## 1.2 Compensation for part-time workers

The district did not report on W-2 forms or withhold payroll taxes from compensation paid to some part-time workers hired for various district projects.

The district hires part-time workers for various projects, such as collection events of tires, electronics, and household hazardous waste. These workers are paid hourly wages and complete timesheets, and the wages are paid by the company owned by the District Planner and her spouse and reimbursed by the district. Because the district is responsible for hiring and supervising these workers, it appears they should be considered employees and their wages subject to payroll tax withholding and W-2 form reporting. Neither the district nor the company withheld payroll taxes or reported compensation on W-2 forms. The company did report the payments on Forms 1099. Payments to these workers totaled approximately \$27,000 and \$30,000 during the years ended June 30, 2012 and 2011, respectively.

IRS regulations require wages paid to employees be subject to payroll tax withholdings and reported on W-2 forms. As a result, the district may be subject to IRS penalties.

## Similar findings in other independent audit

Similar findings were noted in an independent performance audit of the district dated October 4, 2012.

## Recommendations

The Executive Board:

- 1.1. Avoid conflicts of interest in the future, solicit bids for office and storage rental, and enter into formal written agreements for these services.
- 1.2. Ensure appropriate payroll taxes are withheld and compensation properly reported for payments made to part-time workers.

## Auditee's Response

- 1.1 *Informal bids on office space have been sought. Rent on an available building in this area was quoted by the owner as \$450 per month. This would include the office area only - no equipment would be provided and there is no space for storage of district equipment. The \$200 rent fee has remained the same since 1994. From 1994 to 2005 the office rent was used as an in-kind match for the District's administrative grant. However, in the Department of Natural Resources - Solid Waste Management Program Terms and Conditions that take effect on July 1, 2013, it is required that a district office be in a public building. While the Region P Executive*





South Central Solid Waste Management District  
Region P  
Management Advisory Report - State Auditor's Findings

*Board does not concur with this requirement we have agreed to abide by this DNR Rule. The District board is in the process of soliciting bids for administration which will include office space and storage for district equipment, in a "Public" building beginning with FY2014.*

- 1.2 *Collection event personnel work for only a short time (from 1 to 12 days) each year. Two workers have worked only 4 hours every year for the last 15 years. The workers were paid more of a stipend rather than an hourly wage. The District considered the workers "Statutory Exempt Employees." Any worker making over \$600 in one year received a 1099 MISC tax form. The tax information was sent to the state and federal government. Starting with the Spring 2013 collections, all workers are treated as employees. Medicare and Social Security taxes are deducted from their pay and matched by the District. All workers will receive a W-2 form for work in 2013.*

## 2. Grant Withholdings

The district does not retain 15 percent of subgrantee funds subject to completion of the applicable project and approval of final project paperwork, as required by state regulation and DNR policy. While the 15 percent withholding requirement is typically not required for administrative or operational grants, this requirement is applicable to approximately 2 to 3 district projects annually. The district did not withhold 15 percent from any projects approved during fiscal years 2012 and 2011.

10 CSR 80-9.050 (7)(D) indicates the district shall retain 15 percent of the funds from the recipient until the project is complete. Also, the grant General Terms and Conditions, Section 1.C.3.G, requires the district shall retain 15 percent of the funds awarded for a project until the subgrantee's final report has been provided to the district, and the executive board approves the project's final report and final accounting of expenditures.

A similar finding was noted in an independent performance audit of the district dated October 4, 2012.

## Recommendation

The Executive Board retain 15 percent of applicable grant project funding until the project is completed and final paperwork is approved.

## Auditee's Response

*The District has a policy of direct payment to vendors. Title to equipment purchased with grant funds is vested with the district. The District's policies and procedures state this position which the executive board feels fulfills the requirement to hold back the 15% of funding. An annual review of the policy and procedures takes place at the June full council meeting. The District's policy on direct vendor payments and withholding of 15% will be re-evaluated at the June 2013 full council meeting.*



### 3. Quarterly Financial Reports

District quarterly financial reports were not properly reconciled to district accounting records and contained errors and omissions. Quarterly financial reports for the years ended June 30, 2012 and 2011, did not agree to district bank balances or to the audited schedules of district receipts and disbursements. In addition, quarterly reports did not separately identify unobligated district grant funds and interest income.

Quarterly financial reports are prepared by the district to document each grant project awarded to subgrantees, and to summarize total grant awards, total disbursements, and unspent balances for each grant project and other funding sources such as interest income. The District Planner indicated the quarterly reports sometimes reflect grant project expenses incurred but not yet paid (accrual basis); however, the amounts reported on the quarterly report are not adequately reconciled to cash disbursement records or the bank balances. At June 30, 2012 and 2011, the grant balances on the quarterly reports differed from the district's reconciled bank balances by \$286 and \$1,100, respectively.

The DNR requires preparation of accurate quarterly financial reports to document all district funds received from the Solid Waste Management Fund and other sources. Accurate financial reporting is necessary to ensure all district funds are accounted for properly.

A similar finding was noted in an independent performance audit of the district dated October 4, 2012.

### Recommendation

The Executive Board ensure the quarterly financial reports are accurately prepared and reconciled to district bank balances and accounting records.

### Auditee's Response

*The District has already implemented a process to insure that all bank records are reconciled to the same date so that all financial reports are accurate to that date.*

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# South Central Solid Waste Management District

## Region P

### Organization and Statistical Information

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The establishment of solid waste management districts was authorized in 1990 by Senate Bill 530, as part of the state's solid waste management plan. Solid waste management districts are bodies corporate and politic and are governed by Sections 260.300 through 260.345, RSMo. The state is divided into 20 solid waste management districts which assist the Department of Natural Resources (DNR) in implementing the state's plan, with an emphasis on diverting waste from landfills. The South Central Solid Waste Management District - Region P, was recognized on February 2, 1992, by the DNR and consists of seven counties: Douglas, Howell, Oregon, Ozark, Shannon, Texas, and Wright.

The district is governed by a District Council and an Executive Board. The District Council consists of two members from each of the seven counties, one member from each city within a member county with a population over 500, and one member from each smaller city which elects to join the solid waste management district. The District Council consists of 35 members and meets at least twice a year to appoint members to the district's Executive Board and to review and act upon the district's solid waste management plan. The Executive Board consists of ten members; one member from each of the seven counties, two additional voting members, and a non-voting member appointed by the District Council. The Executive Board members' terms shall be 2 years and can be recertified by the District Council at the end of their term. The duties of the Executive Board consist of: preparing a solid waste management plan for the district; identifying illegal dump sites; establishing an education program about responsible solid waste management practices; establishing bylaws, rules, and regulations for governing the district; entering into contracts with persons for services related to solid waste management; and approving expenditures for district operations and grants.

The district's funding comes from the Solid Waste Management Fund through the DNR. Tonnage fees from landfills in the state are deposited into the Solid Waste Management Fund. Funding for the 20 districts of the state are based on a formula set through legislation.

The district employs an individual to serve as district planner to provide administrative services for the district.

#### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The South Central Solid Waste Management District - Region P did not receive any federal stimulus monies during the 2 years ended June 30, 2012.



South Central Solid Waste Management District  
Region P  
Organization and Statistical Information

Financial Activity

A summary of the district's receipts, disbursements, and cash and investment balances for the 2 years ended June 30, 2012, follows:

	Year Ended June 30,	
	2012	2011
RECEIPTS		
Grant income	\$ 236,898	299,125
Miscellaneous	5,109	3,229
Interest income	458	1,196
Total Receipts	242,465	303,550
DISBURSEMENTS		
Grant expenses	169,771	194,988
Payroll and payroll taxes	54,400	49,643
Benefits	20,400	20,503
Office expense	1,409	1,467
Executive board	6,152	5,559
Dues and subscriptions	328	443
Travel	14,808	10,997
Utilities	1,203	1,194
Office space and storage	4,800	4,800
Total Disbursements	273,271	289,594
RECEIPTS OVER (UNDER) DISBURSEMENTS	(30,806)	13,956
CASH AND INVESTMENTS, JULY 1	181,285	167,329
CASH AND INVESTMENTS, JUNE 30	\$ 150,479	181,285

Source: Audited financial statements



Thomas A. Schweich  
Missouri State Auditor

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# FOLLOW-UP REPORT ON AUDIT FINDINGS

## Polk County



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May 2013

Report No. 2013-040

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<http://auditor.mo.gov>

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# Polk County

## Follow-Up Report on Audit Findings

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\*Includes selected findings



# THOMAS A. SCHWEICH

## Missouri State Auditor

To the County Commission  
and  
Officeholders of Polk County

We have conducted follow-up work on certain audit report findings contained in Report No. 2012-126, *Polk County*, issued in October 2012, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the county about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the Prosecuting Attorney, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed documentation provided by Prosecuting Attorney's office, and discussed with the Prosecuting Attorney the status of significant findings and any corrective action taken regarding our audit findings. Documentation included a report from the Prosecuting Attorney on the status of recommendations, receipt and deposit records for the period of March 15, 2013, through March 22, 2013, system generated reports of ticket amendments and ticket dismissals for the period of January 1, 2013, through March 15, 2013, and a system generated report of financial adjustments for the period of June 1, 2012, through March 21, 2013. We compared selected ticket amendments, dismissals, and financial adjustments to supporting documentation. This report is a summary of the results of this follow-up work, which was substantially completed during March and April 2013.

Thomas A. Schweich  
State Auditor

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# Polk County

## Follow-Up Report on Prior Audit Findings

### Status of Findings

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3. Prosecuting Attorney Controls and Procedures Failure to segregate duties related to traffic tickets and accounting records created the opportunity for theft of monies collected by the Prosecuting Attorney's office. Other controls and procedures were in need of significant improvement.

3.1 Segregation of duties Traffic ticket amendment and accounting duties were not adequately segregated. One clerk in the Prosecuting Attorney's office received and reviewed all traffic tickets; applied the Prosecuting Attorney's facsimile signature stamp to the traffic tickets; determined if a traffic ticket could be amended to a lesser charge in exchange for a higher fine; and completed and applied the Prosecuting Attorney's facsimile signature stamp to the amendment offer. Further, this clerk was also responsible for receiving, recording, transmitting or depositing all monies for amended traffic tickets, and bad check and court ordered restitution cases; and completing bank reconciliations. No documented supervisory review of ticket procedures, transmittals and/or deposits, or other accounting records and procedures was performed.

Recommendation The Prosecuting Attorney ensure the approval of ticket amendments is adequately documented. In addition, the Prosecuting Attorney should segregate traffic ticket amendment and accounting duties to the extent possible and ensure adequate supervisory reviews of records are performed and documented.

Status **Partially Implemented**

The Prosecuting Attorney implemented additional procedures which include further limitations of the types of tickets and dismissals that can be processed without his direct approval and requiring his staff to obtain a receipt from the Circuit Clerk's office for all monies turned over to that office related to ticket amendments. The Prosecuting Attorney does not review certain amendments and dismissals. We reviewed 8 of 224 amendments and 3 of 99 dismissals processed between January 1 and March 15, 2013, and noted no instances in which the amendments and dismissals were not handled in accordance with the current policies and procedures including documented review and approval by the Prosecuting Attorney when applicable. The Prosecuting Attorney indicated duties are segregated to the extent possible and he is performing supervisory review of the accounting records on a regular basis.

3.2 Receipting and depositing Receipt slips were not issued for traffic ticket payments received and transmitted to the court. The numerical sequence of receipt numbers assigned by the computerized accounting system was not accounted for properly. Receipt dates entered into the system were not always accurate and in sequential order. Monies received were not always deposited timely.





Polk County  
Follow-up Report on Prior Audit Findings  
Status of Findings

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**Recommendation**

The Prosecuting Attorney issue receipt slips for all monies received, and ensure receipt slips are properly dated, sequentially numbered, and accounted for properly. In addition, the Prosecuting Attorney should ensure all monies are deposited timely.

**Status**

**Implemented**

The Prosecuting Attorney implemented additional procedures related to receipts and deposits. We reviewed all receipts and deposits handled during the period of March 15 to March 21, 2013, and noted receipt slips were issued for all monies received for deposit into the bank account. Receipts slips are properly dated, sequentially numbered and accounted for properly. Additionally, monies are deposited timely. For monies received related to traffic ticket amendments, the clerk transmitting the monies to the court must obtain a receipt from the court and a copy of the receipt is scanned into the Prosecutor's case management system.

**3.3 Adjustments**

The bad check clerk had the ability to post adjustments to the computer system without obtaining independent approval. This clerk was also responsible for receiving, recording, and depositing bad check monies received. Several adjustments were made to bad check defendant accounts to remove amounts due from the system; however, approval of those adjustments was not documented.

**Recommendation**

The Prosecuting Attorney require supervisory review and approval for accounting adjustments and retain adequate documentation to support all adjustments.

**Status**

**Implemented**

The Prosecuting Attorney indicated he now approves all accounting adjustments. We obtained a report of all adjustments for the period of June 1, 2012, through March 22, 2013, which indicated 12 adjustments had been posted during that period. We reviewed documentation of two adjustments and determined those adjustments were handled in accordance with current policies and procedures including documentation of the Prosecuting Attorney's review.

**3.4 Inactive bank account**

The Prosecuting Attorney had a dormant bank account which should have been closed. Monies totaling \$980 were held in an account established by the former Prosecuting Attorney.

**Recommendation**

The Prosecuting Attorney investigate unidentified balances and follow up on old outstanding checks in the dormant bank account. Unclaimed or unidentified monies should be disposed of in accordance with state law, and the account should be closed.



Polk County  
Follow-up Report on Prior Audit Findings  
Status of Findings

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Status

**Implemented**

The Prosecuting Attorney turned the monies in the dormant bank account over to the County Treasurer. The County Treasurer indicated monies will be distributed in accordance with state law.

3.5 Record retention

Some case files could not be located by office personnel.

Recommendation

The Prosecuting Attorney ensure records are properly retained.

Status

**Implemented**

The Prosecuting Attorney now requires all case documentation to be scanned into an electronic records system. During our on-site review conducted March 22, 2013, and our review of additional documentation received, we noted no instances in which records were not properly retained.



**Thomas A. Schweich**  
Missouri State Auditor

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# Carter County Collector and Property Tax System



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May 2013

Report No. 2013-041

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the Carter County Collector and Property Tax System

Background	<p>In our audit of Carter County released in October 2012, Report No. 2012-124, we noted property tax receipts of at least \$3,817 were not deposited. Follow-up procedures identified another \$5,768 received but not deposited. Information regarding the missing monies has been shared with law enforcement authorities, and the former County Collector resigned on October 9, 2012.</p> <p>Section 52.150, RSMo, requires the State Auditor to audit the office of a County Collector after being notified of a vacancy in that office. The scope of our audit included, but was not necessarily limited to, the period of March 1, 2012 to October 9, 2012, when the former County Collector resigned.</p>
County Collector's Controls and Procedures	<p>The current County Collector identified property tax receipts totaling \$3,968 were collected, but the corresponding tax bills were shown as unpaid in the property tax system showed and were included in the delinquent tax books. Audit staff determined an additional \$1,800 in partial payment and merchant license cash receipts were collected but not deposited. Receipts were not always issued for tax payments received, the method of payment was not accurately recorded, and receipts were not deposited intact or timely. Lists of liabilities were not adequately reconciled with the reconciled cash balance, and partial payments were not properly recorded and receipted.</p>
Property Tax System	<p>Neither the County Clerk nor the County Commission had procedures in place to verify the accuracy of the County Collector's work. The County Clerk did not maintain a complete and accurate account book.</p>

In the areas audited, the overall performance of this entity was **Poor**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	<p>The Carter County Collector did not receive any federal stimulus monies during the audited time period.</p>
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: [auditor.mo.gov](http://auditor.mo.gov)

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# Carter County Collector and Property Tax System

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
County Collector  
Carter County, Missouri

We have audited the County Collector and Property Tax System of Carter County. Section 52.150, RSMo, requires the State Auditor to audit the office of the County Collector after being notified of a vacancy in that office. On October 9, 2012, a vacancy occurred in the office of the County Collector of Carter County. A successor was appointed and sworn into office effective October 26, 2012. The scope of our audit included, but was not necessarily limited to, the period of March 1, 2012, to October 9, 2012. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant property tax functions.
2. Evaluate the county's compliance with certain legal provisions.

Our methodology included reviewing policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud or violation of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the County Collector and county management and was not subjected to the procedures applied in our audit of the County Collector and property tax system.

Section 52.150, RSMo, requires the County Commission to accept the State Auditor's report and, if necessary, to take certain specific actions if the State Auditor finds any monies owing to the county or the former County Collector. For the areas audited, we identified (1) deficiencies in internal controls, and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the County Collector and Property Tax System of Carter County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Kelly Davis, M.Acct., CPA, CFE
In-Charge Auditor:	Toni Wade

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# Carter County Collector and Property Tax System

## Management Advisory Report

### State Auditor's Findings

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#### **1. County Collector's Controls and Procedures**

Significant weaknesses continued to exist in the former County Collector's accounting controls and procedures and additional undeposited receipts were identified. In our prior audit, Report No. 2012-124, *Carter County*, issued in October 2012, we noted property tax receipts of at least \$3,817 were not deposited. Follow-up procedures by the current County Collector and audit work by the State Auditor's office identified an additional \$5,768 was received in the former County Collector's office between November 2009 and July 2012 but not deposited. Information regarding these missing monies has been shared with law enforcement authorities. On October 9, 2012, Jennifer Clark-Williams resigned her position as Carter County Collector. The County Commission and current County Collector continue to review the former County Collector's records and investigate undeposited receipts. The Missouri State Highway Patrol is also investigating the undeposited receipts.

The missing monies were not detected timely because of the significant control weaknesses identified below and in MAR finding number 2, and it is possible additional monies are missing related to the former County Collector's tenure. The current County Collector is in the process of improving and implementing new procedures over receipting and depositing and the County Clerk and County Commission are implementing new review procedures.

##### **1.1 Unrecorded and undeposited receipts**

The current County Collector identified property tax receipts totaling \$3,968 were collected, but the corresponding tax bills were shown as unpaid in the property tax system and were included in the delinquent tax books. These receipts were either not entered into the property tax system or deleted from the system. We also determined partial payment and merchant license cash receipts of \$1,800 were collected but not deposited.

Property tax payments are posted to the property tax system and receipts are generated by the system. Unpaid property tax bills are shown as delinquent in the property tax system and included in the delinquent tax books prepared in March. Other miscellaneous receipts including merchant licenses, partial property tax payments, and duplicate receipt payments were recorded by the former County Collector in various other methods such as handwritten on the daily report or on attached notes. Receipts were primarily processed by the County Collector. A part-time clerk assisted the County Collector during the busy months of November and December and in the former County Collector's absence. The former County Collector prepared all deposits and was responsible for all reconciliation procedures.

As provided by state law, the current County Collector does not accept current tax payments until any corresponding delinquent taxes are paid. In November 2012 the current County Collector began sending letters to taxpayers who owed delinquent taxes according to the delinquent tax book, but had paid their current year tax bills. Some taxpayers provided evidence





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## Carter County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

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they had paid the delinquent taxes; however, the amounts received, totaling \$3,968, were not included in deposits for the dates of the payments. The current County Collector provided copies of the receipt information to the Prosecuting Attorney and Missouri State Highway Patrol and distributed the corresponding amount of monies from the unidentified balance in the former County Collector's bank account with County Commission approval.

In addition, monies received and recorded on manual receipt slips in February, March, and July 2012 were not deposited. Monies receipted on manual receipt slips, issued for two partial payment cash receipts totaling \$1,775, were not deposited. In addition, a \$25 cash merchant license payment was received in March 2012 and the license was issued, but the cash was not deposited. Also, see the Supporting Documentation for Undeposited Receipts Schedule at the end of this report.

Inadequate controls and the absence of proper oversight by the County Commission and County Clerk allowed undeposited receipts to occur without detection.

### 1.2 Receipting and depositing

Procedures related to receipting and depositing were not sufficient. As a result, some receipts were not accounted for properly.

- Receipts were not always issued for tax payments received and tax payments were not always recorded in the property tax system. The former County Collector was able to enter information into the property tax system, print a receipt, and subsequently delete the record from the system. In addition, the former County Collector sometimes issued non-system receipts including tax statements stamped "paid" and cards or letters certifying taxes were paid instead of properly recording the payments in the property tax system and issuing system generated receipts. Payments not recorded in the tax system were not distributed to the appropriate taxing authorities.
- The method of payment was not accurately recorded in the property tax system for numerous transactions. We reviewed supporting documentation for selected deposits and determined differences were due to data entry errors and the former County Collector entering entire transactions as one method of payment when multiple methods were received. The former County Collector indicated the property tax system did not accept multiple methods of payment; however, while using the same property tax system, the current County Collector has been able to record multiple methods of payment.
- Monies received were not deposited intact or timely. The former County Collector held individual checks or entire deposits when she received post-dated checks or checks for the wrong amount. Monies totaling \$1,133 received on July 7, 2012, were not deposited until July 12, 2012.



## Carter County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of monies received will go undetected. Properly receipting and recording payments, recording method of payment, and intact and timely depositing are necessary to ensure receipts are adequately safeguarded and reduce the risk of loss, theft, or misuse of funds.

### 1.3 Liabilities

Lists of liabilities were not adequately reconciled with the reconciled cash balance. The former County Collector deposited all receipts into one bank account. Receipts included personal and real estate taxes, merchant licenses, surtax, utility taxes, interest, tax sale proceeds, and protested taxes.

While the former County Collector prepared monthly lists of liabilities and compared the balance to the reconciled cash balance during the audit period, she did not attempt to investigate differences. The former County Collector prepared a list of liabilities as of August 31, 2012, totaling \$36,403, which included August 2012 taxes to be distributed, bank interest, protested taxes, and partial tax payments. At this same date, the reconciled cash balance totaled \$48,764, exceeding identified liabilities by \$12,361. Due to the former County Collector's failure to record some prior overpayments and partial payments (see Report No. 2012-124, *Carter County*, issued in October 2012) it is likely additional unidentified liabilities exist.

Without regular comparison of liabilities to the cash balance, there is less likelihood errors will be identified and the ability to resolve errors is diminished. Differences must be adequately investigated and explained to provide assurance that bank and book balances have been properly reconciled, and that book balances are accurately stated.

### 1.4 Partial Payments

Procedures and records related to the collection of partial payments were not adequate. The former County Collector accepted partial payments from taxpayers who were unable to pay their tax bills in full. Partial payments were held in escrow in the former County Collector's bank account until the tax bill was fully paid, whereupon the former County Collector recorded the taxes as paid in the property tax system. Total partial payments recorded on the partial payment ledger were \$8,149 as of August 31, 2012. The September 2012 ledger was not completed before the former County Collector resigned.

Partial payments were not consistently recorded on the partial payment ledger and manual receipt slips were not always issued for monies received. A spreadsheet was maintained as a partial payment ledger; however, the spreadsheet was not accurate or complete and did not always agree to manual receipt records. The spreadsheet only listed the taxpayer, the amount paid and a total amount paid, and did not include the date of the payment, total amount of taxes due, or remaining balance. The former County Collector wrote some partial payment receipts on daily batch reports or on



## Carter County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

attached notes; however, this was not consistently done and did not always agree to information in manual receipt records or on the partial payment ledger.

In November 2012, the County Commission decided partial payments for taxes due would no longer be accepted. However, partial payments prior to November 2012 remain in the former County Collector's bank account and need to be resolved.

Without accurate and detailed records for all partial payments collected and balances due, there is little assurance partial payments are properly handled and recorded. A properly maintained partial payment account ledger is crucial in the process of identifying liabilities of the former County Collector.

## Recommendations

The County Collector:

- 1.1 And the County Commission investigate unaccounted for receipts and continue to work with law enforcement.
- 1.2 Ensure receipt slips are issued for all monies received, transactions are accurately recorded in the property tax system, and monies received are deposited intact in a timely manner.
- 1.3 Prepare detailed monthly lists of liabilities, reconcile the lists to the reconciled bank balances, and investigate any differences.
- 1.4 Ensure the remaining partial payments activity and balances are accounted for properly in the partial payment ledger.

## Auditee's Response

*The County Commission provide the following response:*

- 1.1 *The County Commission is currently working with and will continue to work with law enforcement.*

*The current County Collector provided the following written responses:*

- 1.1 *I will continue to document all receipts that are presented to me by taxpayers that correct the back tax books. They will continue to be properly entered into the tax collecting system and deposited. Distribution of these monies will continue to be made to the Treasurer. Documentation will continue to be provided to the State Auditor's Office, the Prosecuting Attorney, and the Highway Patrol Investigator, in consideration of full cooperation.*



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Carter County Collector and Property Tax System  
Management Advisory Report - State Auditor's Findings

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- 1.2 *There are no receipting methods in the Collector's office which don't utilize the tax collecting software. All receipts are entered into the tax collecting system and the generated receipt is given or mailed to the taxpayer. Additionally, a manual record is kept daily of all receipts to provide ease of balancing at the end of each day. The deposit slip is attached to the daily collections report so that it can easily be determined that each day is in balance.*
- 1.3 *The collector's account is only for collections that are awaiting turnover and monthly interest. There are never protested taxes or partial payments or any other funds that do not belong in the monthly turnover in the account. The account consists of current collections and interest only. On any given day, a report of collections can be pulled from the tax collecting software and can be compared to the balance in quicken/checking account, and they will match. Any discrepancy would be a typographical error or a check not yet entered, and would be discovered immediately and corrected.*
- 1.4 *Since the previous collector's spreadsheet was incomplete and inaccurate, it is impossible to confirm that the partial payment activity is correct. However, I have narrowed it down considerably by determining which accounts appear to be paid but not recorded in the spreadsheet, or in instances where there are no taxes due. We are no longer accepting partial payments by vote of the county commission, so there will be no new accounts moving forward. As the "escrow payments" are utilized by the taxpayers, proper documentation is recorded in a new spreadsheet and paper filing system.*

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## 2. Property Tax System

As similarly noted in our prior audit report, the County Clerk and County Commission did not sufficiently review the former County Collector's activities and, as a result, did not detect some paid taxes reported as delinquent, and also not deposited.

### 2.1 Delinquent taxes

The County Clerk and the County Commission did not have procedures in place to verify the accuracy of delinquent tax information for the annual settlement prepared by the former County Collector for the year ended February 29, 2012, and did not require the former County Collector to provide supporting documentation for the amounts included on annual settlements. The lack of a review allowed paid taxes to be improperly reported as delinquent (see MAR finding number 1) and related monies are missing. As noted in Report No. 2012-124, *Carter County*, issued in October 2012, the former County Collector also did not have a detailed listing to support approximately \$63,000 in taxes owed for the 2006 tax year or prior.



## Carter County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

Sections 137.290 and 140.050, RSMo, require the County Clerk to extend the current and delinquent tax books and charge the County Collector with the amount of taxes to be collected. If it is not feasible for the County Clerk to prepare the tax books, at a minimum, the accuracy of the tax books should be verified and approval of the tax book amounts to be charged to the County Collector should be documented. Because the County Collector is responsible for collecting property taxes, good internal controls require someone independent of that process be responsible for reviewing the accuracy of delinquent property tax books.

### 2.2 Account book and additions and abatements

The County Clerk did not maintain a complete and accurate account book summarizing all property tax transactions each month and addition and abatement reviews were not always documented. As of November 2012, the County Clerk's 2012 tax year account book spreadsheet did not include taxes charged to the County Collector to be collected. The account book was not used to periodically reconcile taxes with the County Collector, and was only used to reconcile tax additions and abatements. Although, the County Commission reviews addition and abatement amounts each month, the July and September 2012 court orders were not signed by the County Commission to document approval.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. The account book prepared by the County Clerk should be used to ensure the amount of taxes charged and credited to the County Collector each year is complete and accurate and should also be used by the County Clerk and County Commission to verify the County Collector's monthly and annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes and are necessary to ensure effective reviews of delinquent tax amounts and monthly and annual settlements are performed. Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission. Documented reviews and timely approvals of court orders help ensure changes are proper.

## Recommendations

The County Clerk and County Commission:

- 2.1 Review the accuracy of the delinquent tax information and ensure information is adequately documented.
- 2.2 Review the accuracy and completeness of the County Collector's monthly and annual settlements. This could be accomplished by the County Clerk maintaining a complete and accurate account book with the County Collector of all tax book charges and credits. In addition, the County Commission should document approval of tax addition and abatement court orders.



Carter County Collector and Property Tax System  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The County Commission and County Clerk provided the following response:*

2.1

&2.2 *The County Commission reviews the current County Collector's records of receipts and deposits and monthly settlements. The County Commission tried to review the former County Collector's tax information; however, the records provided by the former County Collector were not adequate.*

*The County Clerk provided the following response:*

2.2 *I will try to include all information on the account book and provide all additions and abatements to the Commission for their review.*

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# Carter County Collector and Property Tax System

## Organization and Statistical Information

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The County Collector bills and collects property taxes for the county and most local governments. Pursuant to Section 52.015, RSMo, the term for which collectors are elected expires on the first Monday in March of the year in which they are required to make their last final settlement for the tax book collected by them. Annual settlements are to be filed with the county commission for the fiscal year ended February 28 (29).

Jennifer Clark-Williams served as County Collector until October 9, 2012. Deborah Turley was appointed the Carter County Collector and sworn into office on October 26, 2012.

The former County Collector received compensation of \$18,152 for the period March 1, 2012, to October 9, 2012. Compensation was in accordance with statutory provisions.

American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)

The Carter County Collector did not receive any federal stimulus monies during the period of March 1, 2012, to October 9, 2012.

# Carter County Collector and Property Tax System

## Supporting Documentation for Undeposited Receipts

The following tables provide supporting documentation for the missing monies noted in Management Advisory Report finding number 1.

Listed as Delinquent Tax but Determined to be Paid by the County

Date Received	Receipt Number	Amount Received
November 30, 2009	(1)	\$ 14*
December 14, 2009	(1)	61
December 16, 2009	(2)	316
December 30, 2009	(1)	527
December 31, 2009	(3)	358
June 15, 2010	(3)	209
November 12, 2010	(1)	66
December 31, 2010	(3)	485
December 31, 2010	(3)	225
December 1, 2011	(2)	556
January 19, 2012	(1)	317
March 26, 2012	2011003735	788
April 17, 2012	(2)	46
Total		\$ 3,968

- (1) The paid tax receipts issued from the property tax system for these transactions do not have receipt numbers on them.
- (2) The taxpayer's tax statement with stamped "paid" and issued as a non-system receipt and the transaction was not entered into the property tax system.
- (3) The taxpayer did not have a paid tax receipt from the property tax system, but presented a non-system receipt showing the former County Collector certified all taxes were paid. The county considers this sufficient evidence that the taxes were paid.

\* Only \$1 of a \$15 payment was receipted and deposited. The remaining \$14 is considered received but not deposited.

Partial Payment Amounts Received but Not Deposited

Date Received	Manual Receipt Number	Amount Received
February 8, 2012	544802	\$ 575*
July 23, 2012	544822	1,200
Total		\$ 1,775

\* The partial payment manual receipt was written for \$800 in cash; however, only \$225 was deposited. The remaining \$575 is considered received but not deposited.

Merchant License

Date Received	License Number	Amount Received
March 22, 2012	35	\$ 25
Total		\$ 25





Thomas A. Schweich  
Missouri State Auditor

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# FOLLOW-UP REPORT ON AUDIT FINDINGS

## Carter County



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May 2013

Report No. 2013-042

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<http://auditor.mo.gov>

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# Carter County

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\*Includes selected findings



# THOMAS A. SCHWEICH

## Missouri State Auditor

To the County Commission  
and  
Officeholders of Carter County

We have conducted follow-up work on certain audit report findings contained in Report No. 2012-124, *Carter County*, issued in October 2012, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. We also conducted a closeout audit of the Carter County Collector pursuant to Section 52.150, RSMo, for the period of March 1, 2012, to October 9, 2012. In Report No. 2013-41, *Carter County Collector and Property Tax System* issued in May 2013, we noted significant weaknesses continued to exist in the former County Collector's accounting controls and procedures and additional undeposited receipts were identified. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the county about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the county, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed the written status of selected findings and recommendations and supporting documentation submitted by county officials, and held meetings with county officials. Documentation provided by the county included budgets, bank statements, receipt and deposit records, various other financial records, and selected policies and procedures. This report is a summary of the results of this follow-up work, which was substantially completed during April 2013.

A handwritten signature in black ink, reading "Thomas A. Schweich", is positioned above the printed name and title.

Thomas A. Schweich  
State Auditor

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# Carter County

## Follow-Up Report on Prior Audit Findings

### Status of Findings

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1. Collector Controls and Procedures	Significant weaknesses existed in the County Collector's accounting controls and procedures. As a result, there was little assurance all property tax receipts were deposited and accounted for properly.
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1.1 Undeposited receipts	Cash and check receipts totaling at least \$2,498 were received and not deposited, and check overpayments of \$1,319 were received and corresponding cash in this amount was not deposited. The County Collector could not explain why cash received was not deposited, and indicated some refund records were discarded. A comparison of daily batch reports and other receipt records to daily deposits showed numerous instances where the composition of the deposit did not match the composition of receipts. The County Collector did not record overpayments or refunds in the property tax system, and indicated she withheld cash from deposits to obtain money orders for refunds. Inadequate controls and the absence of proper oversight by the County Commission and County Clerk allowed undeposited receipts to occur without detection.
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Recommendation	The County Collector and the County Commission investigate unaccounted for receipts and ensure all receipts are recorded and deposited.
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Status	<p><b>Implemented</b></p> <p>Jennifer Clark-Williams was the Carter County Collector during the audit period. She resigned on October 9, 2012. A successor, Debbie Turley, was appointed as County Collector and sworn into office effective October 26, 2012. The current County Collector has taken steps to address the audit recommendations for the County Collector's office. The County Collector and the County Clerk have continued to review past delinquent taxes. The Missouri State Highway Patrol (MSHP) is currently investigating the missing receipts. The County Collector notifies the MSHP and the Prosecuting Attorney when additional missing receipts are found. The County Collector records all monies received in the tax system, issues a system receipt, and deposits each day.</p>
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1.2 Receipting and depositing	The method of payment was not accurately recorded in the property tax system for numerous transactions and the composition (cash, check, and money orders) of receipts recorded in the system was not reconciled to the composition of deposits. Additionally, receipts were not deposited intact or timely.
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Recommendation	The County Collector accurately record the method of payment in the property tax system, reconcile the composition of recorded receipts to the composition of bank deposits, investigate differences, and retain documentation of these reconciliations. In addition, the County Collector should ensure receipts are deposited intact in a timely manner.
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Carter County  
Follow-up Report on Prior Audit Findings  
Status of Findings

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Status

**Implemented**

The County Collector has implemented additional accounting controls over receipting and depositing including recording the method of payment in the property tax system, reconciling the composition of recorded receipts to the composition of bank deposits, documenting the review on daily cashier reports, and depositing timely and intact. We reviewed the March 2013 daily cashier reports and deposits and noted the method of payment was accurately recorded, and the reconciliation of the composition of receipts to the composition of deposits was documented. In addition, deposits for March 2013 were reviewed and were made daily and intact.

1.3 Liabilities

Lists of liabilities were not prepared and compared to the reconciled bank balance.

Recommendation

The County Collector prepare detailed monthly lists of liabilities, reconcile the list to the reconciled bank balance, and investigate any differences.

Status

**In Progress**

The County Collector indicated she reviews all outstanding liabilities (bank interest, outstanding checks, etc.) and agrees this to the reconciled cash balance during her monthly bank reconciliation, but she has not prepared a list of liabilities. After our discussion, the County Collector plans to prepare a list of liabilities and reconcile it to the reconciled cash balance each month. We reviewed the outstanding liabilities as of March 31, 2013, and compared them to the reconciled cash balance and the amounts agreed.

1.4 Distributions

Some bank interest and surtax monies collected were not distributed. In addition, the County Collector did not disburse some protested taxes to the taxpayer after the tax case was settled.

Recommendation

The County Collector distribute collections of interest, surtax, and protested taxes in a timely manner.

Status

**Implemented**

The County Collector distributes surtax monthly and interest annually. She currently does not have any protested taxes, but plans to keep any protested taxes received in a separate bank account and distribute as required. We reviewed February distributions made in March 2013 and noted all taxes and surtax monies were distributed, as well as annual interest.

1.5 Refunds

The County Collector did not always refund tax overpayments or issue checks for refunds. The County Collector indicated when an individual overpaid their taxes, cash was taken from daily receipts and a money order



Carter County  
Follow-up Report on Prior Audit Findings  
Status of Findings

was obtained at no cost from the bank and mailed to the individual. The County Collector stated there were also instances when the taxpayer requested a refund immediately and cash was taken from daily receipts for the refund. However, the County Collector did not maintain records of the refunds given. Also, the County Collector stated some money order receipts for refunds were discarded.

**Recommendation**

The County Collector pay refunds by check in a timely manner and maintain a complete record of all refunds issued.

**Status**

**Implemented**

The County Collector issues checks for all refunds and retains documentation to support the refunds. We reviewed two April 2013 refunds and noted the refund amount was calculated and documented in the property tax system and included on the daily deposit report, and the check number issued was documented on the daily deposit report.

**1.6 Partial payments**

Partial payments were not consistently recorded on the partial payment ledger and manual receipt slips were not always issued for monies received.

**Recommendation**

The County Collector ensure all partial payments activity and balances are accounted for properly in the partial payment ledger and pre-numbered receipt slips are issued for all partial payments received.

**Status**

**Implemented**

The County Commission voted to stop accepting partial payments for tax payments in November 2012. For any final partial payments received from taxpayers, the County Collector updates partial payment records, records the payments in the property tax system, and withdraws the escrow amount from the former County Collector's bank account to deposit with the current day's collections. The County Collector documents the use of escrow balances in a new spreadsheet and keeps copies of all related information. The County Collector indicated she reviewed the former County Collector's partial payment spreadsheet and reconciled it to property tax records to develop an updated partial payment spreadsheet.

**2. Property Tax System**

The County Clerk and the County Commission did not perform procedures to verify the accuracy of the County Collector's annual settlements, and some delinquent tax information on the annual settlements was not supported by adequate documentation. Additionally, the County Collector did not have a detailed listing to support taxes owed for the 2006 tax year or prior and the County Clerk and Commission did not require the County Collector to provide supporting documentation for the amounts included on annual settlements. The County Collector changed property tax systems in



Carter County  
Follow-up Report on Prior Audit Findings  
Status of Findings

2007 and can no longer access the information in the old system. Further, the County Clerk did not maintain a complete and accurate account book summarizing all property tax transactions each month.

**Recommendation**

The County Clerk maintain a complete and accurate account book with the County Collector, and the County Clerk and County Commission use the account book to review the accuracy and completeness of the County Collector's monthly and annual settlements. In addition, the County Commission, County Clerk, and County Collector should work with the former programmer to obtain detailed records maintained on the previous property tax system.

**Status**

**In Progress**

The County Commission has implemented new procedures to review the County Collector's records including reviewing monthly settlements and bank reconciliations. The County Clerk updated and corrected the account book she maintains with the County Collector. We reviewed the County Clerk's 2012 tax year account book and noted it was complete. The County Clerk intends to use the account book to review the Collector's annual settlement once it is complete. The County Commission's review of the County Collector's February and March 2013 monthly bank reconciliations was documented. The County Commission, County Clerk, and Collector have not contacted the former programmer. Rather, in an effort to clean up the delinquent tax records, the County Commission voted to write-off any delinquent taxes due from the 2008 tax year or prior. The County Collector plans to send delinquent tax notices for all uncollected taxes for the 2009 through 2012 tax years. A tax sale is also planned for August 2013.

**3. Financial Condition**

The General Revenue Fund was in poor financial condition. The county historically maintained a low General Revenue Fund balance; however, the cash balance did not take into account significant liabilities. Additionally, the County Commission approved a loan from the Road and Bridge Fund to the General Revenue Fund to pay a lawsuit judgment against the county. Although the county has an agreement to repay the loan, Road and Bridge Fund monies are restricted for certain purposes per Section 137.555, RSMo.

**Recommendation**

The County Commission closely monitor the county's financial condition, take necessary steps to improve the financial condition of the General Revenue Fund, and refrain from loaning monies from restricted funds.

**Status**

**In Progress**

The financial condition of the General Revenue Fund declined further during 2012. The December 31, 2012, ending cash balance was \$6,951 which was approximately \$37,400 less than the ending balance at December 31, 2011. The ending cash balance is approximately \$6,300 more



Carter County  
Follow-up Report on Prior Audit Findings  
Status of Findings

than originally estimated. Current year appropriated expenditures are less than 2012, but the budget still reflects appropriated expenditures in excess of anticipated revenues and an anticipated decrease in the General Revenue Fund balance to \$971. County officials continue to monitor expenditures and indicated as of March 2013, budget to actual reports show the county is on track to be within the constraints of the approved budget. No additional loans were made from the Road and Bridge Fund and no loans are planned. The county is repaying the prior loan with interest.

4.1 Sheriff - Segregation of Duties

Accounting duties were not adequately segregated. Checks for each bank account required only one signature. No independent or supervisory reviews of the accounting records were performed.

Recommendation

The Sheriff adequately segregate accounting duties to the extent possible or ensure independent or supervisory reviews of accounting records are performed and documented. Further, the Sheriff should require dual signatures on all checks.

Status

**Implemented**

Sheriff Richard Stephens was elected in November 2012. The Sheriff has implemented new procedures to segregate some duties and is now reviewing accounting records when segregation is not possible. The Sheriff indicated paper service receipts are now transmitted to the dispatch clerk who prepares the receipt. Prior to deposit, the Sheriff indicated he reviews the deposit slip and copies of related receipts. He documents his review on the deposit slip. Checks now require the signature of the Sheriff and the dispatch clerk. We reviewed the March 29, 2013, deposit and noted the Sheriff's review was documented, and supporting documentation for the deposit was included with the deposit slip.

4.2 Sheriff - Receipting and Depositing

Monies were not adequately secured in the Sheriff's office and the Sheriff's office did not account for the numerical sequence of receipt slips. Receipt books were not used in sequential order, some concealed weapon permit receipt slips were missing, and original copies of voided receipt slips were not maintained. Additionally, monies received were not recorded and deposited in a timely manner, checks were not restrictively endorsed immediately upon receipt, and the method of payment was not always indicated on receipt slips.

Recommendation

The Sheriff ensure all monies are adequately secured, checks are restrictively endorsed immediately upon receipt, monies are recorded and deposited timely, official prenumbered receipt slips are issued for all monies received and the numerical sequence is accounted for properly, original copies of voided receipt slips are maintained, the method of payment is documented, and the composition of receipts is reconciled to the composition of deposits.





Carter County  
Follow-up Report on Prior Audit Findings  
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Status	<b>Implemented</b>  Monies are now secured in a lockbox with limited access and monitored by video surveillance. At the time of our review, we observed the lockbox was secured, the interior door was locked, and visitors were not allowed access to the dispatch area. Receipt slips are now issued for each type of receipt, a separate receipt book is maintained for each type of receipt, and the dispatch clerk accounts for the numerical sequence of all receipt slips. There have been no voided receipts since the current Sheriff took office; however, it is the Sheriff's policy that these be retained with the other receipt slips. The dispatch clerk reconciles the composition of the receipts to the deposits when preparing the deposit slip. The Sheriff indicated checks are now restrictively endorsed upon receipt. Deposits are now made daily unless the dispatch clerk is not working and then they will be made the following day. We reviewed the receipt books for the various types of receipts and noted there were no gaps in the numerical sequence and receipt slips were complete and included the method of payment. In addition, receipt slips could be traced to the March 29, 2013, deposit reviewed. We reviewed the March bank statement and deposits were generally made each business day.
4.3 Sheriff - Bank Reconciliations	Monthly bank reconciliations were not always prepared for the Sheriff's or petty cash bank accounts.
Recommendation	The Sheriff prepare bank reconciliations monthly.
Status	<b>Implemented</b>  Bank reconciliations are now prepared monthly for the Sheriff's bank account. The prior Sheriff closed the petty cash bank account in 2012. We reviewed the March 2013 bank reconciliation and noted it was complete.
6. Personnel Policies and Procedures	The county had not established adequate written personnel policies and procedures. The county's policy manual had not been updated since May 2008. The Sheriff's office and County Clerk were not adequately tracking compensatory leave balances and overtime. In addition, the county's personnel policy did not address the number of hours to be worked by each employee in a normal day or work week, whether employees qualified for paid overtime or compensatory time, or the number of hours required before an employee earned benefits.
Recommendation	The County Commission should ensure the personnel manual includes essential county policies and procedures and is periodically updated.
Status	<b>Implemented</b>



Carter County  
Follow-up Report on Prior Audit Findings  
Status of Findings

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The County Clerk updated the personnel policies and the County Commission approved the revisions on April 15, 2013. The Sheriff implemented a compensatory time policy in March 2013.



Thomas A. Schweich  
Missouri State Auditor

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# FOLLOW-UP REPORT ON AUDIT FINDINGS

## Knox County



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May 2013

Report No. 2013-043

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<http://auditor.mo.gov>

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# Knox County

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\*Includes selected findings



# THOMAS A. SCHWEICH

## Missouri State Auditor

To the County Commission  
and  
Officeholders of Knox County

We have conducted follow-up work on certain audit report findings contained in Report No. 2012-144, *Knox County*, issued in December 2012, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the county about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the county, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed supporting documentation submitted by county officials and held meetings with county officials. Documentation provided by the county included the 2013 budget, bank statements and reconciliations, annual settlements, the County Clerk's account book, receipt and disbursement records, and leave records. This report is a summary of the results of this follow-up work, which was substantially completed during March 2013.

Thomas A. Schweich  
State Auditor

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# Knox County

## Follow-Up Report on Prior Audit Findings

### Status of Findings

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#### 1. Financial Condition

The financial condition of the General Revenue (GR) Fund and the Special Road and Bridge (SRB) Fund was poor. We noted several instances where the county made some poor financial decisions which impacted the county's financial condition and showed a disregard for statutory provisions and restricted funds. For example, the county incorrectly certified a 2010 general revenue property tax reduction resulting in a reduction of 2011 property tax collections by an estimated \$46,000 to 79,000. In an effort to reduce GR Fund expenditures, most fuel for Sheriff's department vehicles was paid from the SRB Fund during 2011, which is restricted for improvement and maintenance of county roads and bridges. In addition, during 2010, the county began collecting donations to the GR Fund from defendants as a condition of reducing charges filed on traffic tickets; however, it appeared the county lacked the authority to collect these funds.

#### Recommendation

The County Commission perform long-term planning and closely monitor the county's financial condition and continue to take the necessary steps to improve the financial condition of the General Revenue Fund and Special Road and Bridge Fund. In addition, the County Commission should ensure compliance with state laws regarding restricted funds and transfers, and consider repaying the Special Road and Bridge Fund from the General Revenue Fund for Sheriff's department fuel costs.

#### Status

##### **In Progress**

The County Commission indicated it continues to perform long-term planning and closely monitor the financial condition. According to the county's 2013 budget documents, cash balances for the year ended December 31, 2012, were \$140,563 for the GR Fund and \$226,820 for the SRB Fund. The budgeted ending cash balances for December 31, 2013, are \$49,500 for the GR Fund and \$50,720 for the SRB Fund. In April 2013 the county included on the ballot a county road tax to help fund purchases of road rock for the road and bridge department, but voters did not pass the issue. The County Commission indicated a lower (3 percent, rather than 5 percent) administrative service transfer was made from the SRB Fund to the GR Fund in 2012 as a repayment to the SRB Fund for the Sheriff's department fuel costs incorrectly paid from the SRB Fund.

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#### 2. Property Taxes

Controls and procedures over the property tax system needed improvement.

##### 2.1 Additions and Abatements

Procedures over property tax additions and abatements were not properly segregated or monitored. The County Collector posted the additions and abatements to the property tax system and the County Commission approved an annual report of additions and abatements from the property tax system. A significant control weakness existed because the County Collector was responsible for collecting property taxes, approvals were only made annually, and there was no reconciliation of approved court orders to



Knox County  
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actual changes made to the property tax system. The County Clerk was unable to post corrections to the property tax system because she lacked such access.

**Recommendation**

The County Commission and the County Clerk ensure procedures are adequately segregated and all property tax additions and abatements are properly and timely approved and monitored, and work with the computer programmer to design the new property tax system so the County Clerk can enter additions and abatements.

**Status**

**Implemented**

The County Clerk indicated she now has access to the property tax system, and ensures the additions and abatements posted to the system by the County Collector agree with the approved court orders. The County Commission approves property tax additions and abatements on a monthly basis.

**2.2 Account Book and Annual Settlements**

Property tax collection activities of the County Collector were not adequately monitored. The County Clerk did not maintain an account book or other records summarizing property tax charges, transactions, and changes. Additionally, the County Clerk and the County Commission did not perform procedures to verify the accuracy of the County Collector's monthly or annual settlements.

**Recommendation**

The County Clerk maintain an account book with the County Collector. In addition, the County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector's monthly and annual settlements.

**Status**

**In Progress**

The County Clerk now maintains an account book with the County Collector. Using the account book, the County Clerk verified the accuracy of the annual settlement for the year ended February 28, 2013. The County Clerk indicated she is developing a procedure to verify the County Collector's monthly and annual settlements; and once she has reviewed the settlements, she will submit them to the County Commission for approval.

**2.3 Tax Books**

The County Clerk did not prepare or verify the accuracy of the current or delinquent tax books. The County Collector prepared the tax books from the computer system and there was no independent review performed by the County Clerk.

**Recommendation**

The County Clerk prepare the current and delinquent tax books or, at a minimum, verify the accuracy of the tax books prior to charging the County Collector with property tax amounts.



Knox County  
Follow-up Report on Prior Audit Findings  
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Status	<b>Implemented</b>  The County Clerk indicated she verifies the accuracy of the tax books by entering the tax levies in the property tax system and verifying system calculations before charging the Collector with the amount of taxes to be collected.
2.4 Receipts	The method of payment (cash, check, or money order) for property tax receipts was not recorded in the property tax system. The County Collector indicated the property tax system lacked the functionality to record this information.
Recommendation	The County Collector work with the computer programmer to ensure the new property tax system provides for the recording of the method of payment for each receipt and the generation of a deposit report containing the composition of receipts.
Status	<b>In Progress</b>  The method of payment is now recorded in the property tax system for each receipt; however, the composition of receipts is not shown on the daily abstract of collections report. The County Collector indicated he plans to work with the computer programmer to include this information on the daily abstract reports.
3.1 Capital Improvement Sales Tax	The ballots, court orders, and county procedures supporting the capital improvement sales tax did not comply with state law. The April 2008 and 2012 ballots did not indicate the tax was a capital improvement tax or identify a capital improvement purpose, and incorrectly stated the sales tax was to be used "for the purpose of the General Revenue Fund." The county deposited the capital improvement sales tax receipts in the Special Road and Bridge Fund and did not separately account for receipts, disbursements, or balances of these monies. The County Clerk and County Commission indicated the April 2008 and 2012 ballots and court orders were written in error. In August 2012 voters approved a ballot proposal which clarified the sales tax was for the purpose of road and bridge building, repair, maintenance, and general capital improvement.
Recommendation	The County Commission and County Clerk implement procedures to ensure monies received from the capital improvement sales tax are tracked and spent in accordance with state law. In addition, the County Commission should consult with legal counsel regarding ballot language supporting future sales taxes proposed to voters.
Status	<b>Implemented</b>





Knox County  
Follow-up Report on Prior Audit Findings  
Status of Findings

The Capital Improvement Fund was established in January 2013 for the purpose of separately tracking capital improvement sales tax receipts and disbursements. The County Commission indicated no additional sales taxes have been proposed to voters; however, they will consult with legal counsel regarding any future sales tax proposals.

## 5.1 Fuel and Vehicle Use

Fuel logs were submitted to the County Clerk's office for all road and bridge and Sheriff's department vehicles and equipment, but did not provide sufficient data and were not reviewed or reconciled to fuel purchase records. Fuel logs maintained by the Sheriff's department lacked some mileage information and were not maintained separately by vehicle. Fuel logs maintained by the road and bridge department did not contain mileage or hour information.

### Recommendation

The County Commission and County Clerk require complete mileage and fuel logs be maintained for the road and bridge and Sheriff's departments, and these logs be reviewed for accuracy and reconciled to fuel purchases. Any significant discrepancies should be investigated.

### Status

#### **In Progress**

Beginning in February 2013 fuel for road and bridge and Sheriff's department vehicles, other than graders, is purchased at local fuel stations with fuel cards. County employees are required to enter the vehicle odometer reading at the fuel pump and the county receives invoices from the fuel vendor listing the fuel card number, date, odometer reading, and gallons purchased. The invoices are reviewed and approved by the Sheriff and the County Commission, and the County Clerk's office is currently developing a procedure to monitor the fuel purchases. Complete fuel and usage logs are now required for graders, which are fueled from metered bulk fuel tanks, and the County Commission indicated they plan to implement a procedure to reconcile bulk fuel purchases to the fuel and usage logs.

## 5.2 Employee Leave Records and Compensatory Time

Centralized records of leave balances and leave used and earned were not maintained for all employees. The County Clerk recorded and tracked leave balances for all county employees, except employees of the Assessor's and County Collector's offices. While these employees recorded their leave balances on their timesheets submitted to the County Clerk's office, the County Clerk did not review the balances for accuracy and compliance with county policy. In addition, the county did not calculate compensatory time for Sheriff's department employees in accordance with county policy.

### Recommendation

The County Commission and County Clerk maintain centralized leave records for all county employees, and the County Commission ensure Sheriff employees accrue compensatory time in accordance with county policy.



Knox County  
Follow-up Report on Prior Audit Findings  
Status of Findings

Status	<b>Implemented</b>  The County Clerk's office now maintains leave records for all county employees. The County Clerk's office has established procedures to ensure Sheriff employees' compensatory time is calculated in accordance with county policy.
7. Prosecuting Attorney's Controls	Procedures related to supervisory review, receipts and deposits, disbursements, and donations were in need of improvement.
7.1 Supervisory Review	Accounting duties were not adequately segregated, and the Prosecuting Attorney did not provide adequate oversight of financial functions and records. One secretary was responsible for the duties of receipting, recording, depositing, preparing and signing checks, and preparing bank reconciliations. The Prosecuting Attorney performed a documented review of bank reconciliations; however, a more detailed review of the receipting, recording, and disbursing functions would have helped ensure monies received were properly deposited, recorded in the accounting system, and appropriately disbursed.
Recommendation	The Prosecuting Attorney perform and document supervisory reviews of the receipting, recording, and disbursing functions.
Status	<b>Implemented</b>  Our review of bank reconciliations and canceled checks, and discussions with Prosecuting Attorney staff noted the Prosecuting Attorney or Assistant Prosecuting Attorney reviews the bank reconciliations, bank statements, receipt slips, and deposit slips on a monthly basis. In addition, the Assistant Prosecuting Attorney signs all checks.
7.2 Receipts and Deposits	The Prosecuting Attorney's office issued manual receipt slips for bad check and court-ordered restitution payments received and entered those receipts into the computer system. Receipts were not always deposited timely, receipt slips were not always issued as required, and receipt slips were not issued for donations. In addition, manual receipt records were not reconciled to computerized receipt records, manual and computerized receipt records were not reconciled to deposits, and the numerical sequence of receipt slips issued was not accounted for properly.
Recommendation	The Prosecuting Attorney deposit all monies in a timely manner; issue receipt slips for all monies collected; account for the numerical sequence of receipt slips issued; and reconcile receipt records, including composition of receipt slips issued, to the composition of deposits.



Knox County  
Follow-up Report on Prior Audit Findings  
Status of Findings

Status	<b>Implemented</b>  Deposits are made weekly or when receipts reach \$100, receipt slips are issued for all monies collected other than donations, manual receipt slip numbers are referenced to the corresponding computerized receipt numbers, and receipt slip numbers are written on deposits slips to account for the numerical sequence of receipt slips and to compare the composition of receipt slips issued to deposits. Receipts for donations are recorded on a spreadsheet in the Prosecuting Attorney's office and on receipt slips in the County Treasurer's office.
7.3 Disbursements	Bad check and court-ordered restitution fees were not disbursed to the County Treasurer in a timely manner, monies were not disbursed to victims in a timely manner, and checks were not always issued in numerical sequence.
Recommendation	The Prosecuting Attorney disburse all monies in a timely manner, issue checks in numerical sequence, and account for the numerical sequence of check numbers.
Status	<b>Implemented</b>  Our review of disbursement records and discussions with Prosecuting Attorney staff noted monies are disbursed on a monthly basis, checks are issued in numerical sequence, and procedures have been established to account for the numerical sequence of check numbers.
7.4 Liabilities and Unidentified Balances	Liabilities had not been identified and reconciled with cash balances, and some restitution receipts had not been disbursed at the time of our review. The Prosecuting Attorney's office prepared a list of liabilities which totaled \$2,199 at February 29, 2012, and a comparison of identified liabilities to the reconciled bank balance indicated an unidentified amount of \$203 in the bank account at that date.
Recommendation	The Prosecuting Attorney prepare monthly liability lists and reconcile the lists to cash balances. In addition, the Prosecuting Attorney should ensure restitution amounts are disbursed in a timely manner, and any remaining unidentified or unclaimed amounts are disbursed in accordance with state law.
Status	<b>In Progress</b>  Our review of bank reconciliations noted monthly liability lists are prepared and reconciled to cash balances. The Prosecuting Attorney indicated he plans to turn over unidentified monies totaling \$126 to the state's Unclaimed Property Section.



Knox County  
Follow-up Report on Prior Audit Findings  
Status of Findings

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## 7.5 Donations

Donations collected by the Prosecuting Attorney's office were not distributed in accordance with state law.

The Prosecuting Attorney frequently reduced charges filed on traffic tickets by requiring defendants to make a donation as a condition of reducing the charges. Since early 2011 all donations were deposited to the GR Fund. During 2010 donations were deposited to either the GR or Restitution Funds. Most 2011 cases where donations were required were speeding violations, which state law specifically excludes as violations for which assessments can be collected and deposited into the Restitution Fund. There appeared to be no authority for the Prosecuting Attorney to require a donation to the GR Fund to reduce charges filed on traffic tickets.

## Recommendation

The Prosecuting Attorney reevaluate the practice of requiring donations to the county as part of reducing charges filed.

## Status

### **Not Implemented**

The Prosecuting Attorney continues to require donations to the county. The Prosecuting Attorney indicated he plans to consult with representatives from the Missouri Association of Prosecuting Attorneys for direction and authority regarding the practice of donations and is willing to change this practice if deemed necessary.



**Thomas A. Schweich**  
Missouri State Auditor

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# FOLLOW-UP REPORT ON AUDIT FINDINGS

## McDonald County



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May 2013

Report No. 2013-044

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<http://auditor.mo.gov>

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# McDonald County

## Follow-Up Report on Audit Findings

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\*Includes selected findings



# THOMAS A. SCHWEICH

## Missouri State Auditor

To the County Commission  
and  
Officeholders of McDonald County

We have conducted follow-up work on certain audit report findings contained in Report No. 2012-145, *McDonald County*, issued in December 2012, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the county about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the county, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed the written status of selected findings and recommendations and supporting documentation submitted by county officials, and held meetings with county officials. Documentation provided by the county included bank statements, aggregate abstracts, annual settlements, and various other financial records. This report is a summary of the results of this follow-up work, which was substantially completed during April 2013.

Thomas A. Schweich  
State Auditor

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# McDonald County

## Follow-Up Report on Prior Audit Findings

### Status of Findings

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1. Prosecuting Attorney Controls and Procedures As a result of numerous control weaknesses, there was no assurance all monies were handled and accounted for properly.

1.1 Segregation of duties and adjustments The duties of receiving, recording, transmitting, depositing, and disbursing monies were not adequately segregated. The administrative assistant performed all of these duties, and the Prosecuting Attorney or other employees independent of these duties did not perform a comparison of monies received to those transmitted to victims or deposited. In addition, the administrative assistant and the legal assistant, who also received and recorded monies and prepared deposits, are sisters. Also, there was no independent approval to support adjustments posted to the accounting systems, and adequate documentation of the adjustments was not retained.

Recommendation The Prosecuting Attorney adequately segregate accounting duties or ensure supervisory reviews of accounting records are performed and documented, require someone independent of the accounting system to review and approve all adjustments, and ensure adequate documentation is retained to support such adjustments.

Status **Implemented**  
The Prosecuting Attorney implemented written policies and procedures for his office effective January 1, 2013, which segregate accounting duties, provide for a supervisory review of the accounting records and adjustments, and require adequate documentation of any adjustments to be maintained. The Prosecuting Attorney also indicated he will review and update policies and procedures of his office annually.

1.2 Receipting, posting, and depositing monies Receipts were not posted to the computerized accounting systems timely or intact. One of the computerized accounting systems allowed the user to enter the date of receipt into the system and the receipt dates entered into the system were not always accurate and in sequential order. Each receipting system tracked different information and none of the receipting systems contained a complete record of all monies received and processed. The numerical sequence of computer-generated receipt slips was not accounted for properly. Monies received were not always deposited intact and timely.

Recommendation The Prosecuting Attorney ensure all monies received are recorded promptly in the computerized accounting systems, dates are entered accurately, a complete record of all monies received is maintained, the numerical sequence of receipt slips issued is accounted for properly, and records are reconciled to deposits and transmittals. In addition, the Prosecuting Attorney should ensure monies are deposited timely and intact.

Status **Implemented**





McDonald County  
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The receipting and posting process has been improved substantially. With the exception of a \$443 money order which was deposited on February 15, 2013, but was not posted to the computerized accounting system until February 20, 2013, other monies received during February 2013 were recorded promptly in the computerized accounting systems. During February 2013 receipt dates were entered accurately for monies received, the numerical sequence of receipt slips issued was accounted for properly, accounting records were reconciled to deposits, and deposits and transmittals were made timely. The Prosecuting Attorney's office continues to use two accounting systems to record monies received; however, the two systems combined represented a complete record of all monies received during February 2013.

**1.3 Bank reconciliations  
and accounts, and  
liabilities**

Bank reconciliations had not been performed for any of the Prosecuting Attorney's six bank accounts during the 2 years ended December 31, 2011. Three of the six bank accounts were accounts for the former Prosecuting Attorney, and the current Prosecuting Attorney had already closed these accounts. The former Prosecuting Attorney's trust bank account had an unidentified balance of \$833 as of June 30, 2012, and had not been closed. The current Prosecuting Attorney opened a bank account in January 2011, but subsequently changed depository banks and opened another account in July 2011. This initial bank account had a balance of \$2,270 as of December 31, 2011, which consisted of eight outstanding checks issued between January and May 2011. Further, a monthly list of liabilities for the bank account currently in use by the Prosecuting Attorney was not prepared and reconciled to the cash balance.

**Recommendation**

The Prosecuting Attorney perform monthly bank reconciliations, follow up on old outstanding checks, dispose of unclaimed monies in accordance with state law, and close inactive bank accounts. In addition, the Prosecuting Attorney should prepare a list of liabilities and reconcile the list to the cash balance monthly. Any differences should be investigated and resolved.

**Status**

**In Progress**

A monthly bank reconciliation and list of liabilities was prepared and reconciled for the current Prosecuting Attorney's only bank account for February 2013; however, nine outstanding checks totaling \$1,753 listed on the bank reconciliation were over a year old. The Prosecuting Attorney indicated letters were sent to the payees of each of these outstanding checks; and if a response is received, he will reissue the checks to the payees, and if a response is not received, these monies will be turned over as unclaimed property in accordance with state law. The former Prosecuting Attorney's trust bank account was closed on April 3, 2013, and unclaimed monies in this account were turned over to the County Treasurer. The current Prosecuting Attorney indicated he plans to turn these unclaimed monies



McDonald County  
Follow-up Report on Prior Audit Findings  
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over to the State Treasurer's Office on July 1, 2013. The initial bank account of the current Prosecuting Attorney was closed in December 2012. Some of the outstanding checks were reissued to payees and the remaining outstanding checks were turned over to the State Treasurer's office in October 2012 as unclaimed property.

#### 1.4 Disbursements

Errors in disbursing restitution, delinquent taxes, and fees occurred, but were not detected due to posting errors, receipting problems, and the lack of proper month-end bank and liabilities reconciliation procedures. Monies received for restitution or delinquent tax payments were not always disbursed in a timely manner, and some fees collected were not disbursed monthly to the County Treasurer.

#### Recommendation

The Prosecuting Attorney review receipt and disbursement information to ensure all amounts paid have been properly disbursed to victims, disburse amounts received for restitution and delinquent taxes in a timely manner, prepare accurate monthly reports of fees, and disburse fees to the County Treasurer monthly.

#### Status

##### **Implemented**

The Prosecuting Attorney reviewed the February 2013 receipt and disbursement reports, restitution and fees collected were disbursed on March 11, 2013, and the monthly report of fees prepared was accurate and the Prosecuting Attorney's review was documented. The Prosecuting Attorney indicated delinquent tax payments are currently disbursed in a timely manner.

#### 1.5 Tracking procedures

The Prosecuting Attorney's office did not have adequate procedures in place to account for and monitor the disposition of all bad checks submitted to the office for collection.

#### Recommendation

The Prosecuting Attorney develop procedures and records that provide sufficient information to track the receipt and disposition of all bad check complaints.

#### Status

##### **Implemented**

The Prosecuting Attorney established a bad check log in July 2012 to track the receipt and disposition of all bad check complaints.

#### 2. Sheriff Controls and Procedures

The Sheriff paid himself mileage reimbursements from accountable fees, accounting duties were not adequately segregated, and controls and procedures over the Sheriff's bank accounts and seized property needed improvement.



McDonald County  
Follow-up Report on Prior Audit Findings  
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## 2.1 Sheriff mileage

The sheriff drove a personal vehicle when serving civil and criminal papers and paid himself \$13,080 from accountable fees for mileage to serve papers during the 2 years ended December 31, 2011. As a result, these disbursements were not approved by the County Commission. In addition, documentation of actual miles driven to serve the papers was not maintained by the Sheriff. The Sheriff paid himself a set \$20 mileage fee for every paper served. Our review of papers served during November 2011, showed the Sheriff was paid \$640 when he should have only been paid mileage fees of \$480 because some papers were served in the same location on the same day or no mileage was incurred. Further, while the Sheriff paid himself \$640 in mileage fees, we determined the mileage reimbursement would have been only \$244 using the rate prescribed by the Internal Revenue Service (IRS) and our estimate of miles driven based upon the location of papers served.

## Recommendation

The Sheriff turn over all fees to the County Treasurer on a monthly basis. In addition, the County Commission should require the submission of detailed and accurate mileage claims by the Sheriff, review the claims for reasonableness, and reimburse actual mileage driven based upon the mileage rate prescribed by the IRS. The County Commission should also evaluate the cost effectiveness of providing a county owned car to the Sheriff, compare actual reimbursements made to reimbursement amounts based on actual miles driven, and pursue reimbursement of any overpayments.

## Status

### **In Progress**

The current sheriff drives a personal vehicle when serving civil and criminal papers and paid himself \$227 from accountable fees for mileage to serve papers during February 2013. This disbursement was not approved by the County Commission. The current Sheriff indicated he plans to drive his personal vehicle, maintain documentation of actual miles driven to serve the papers, and be paid for mileage through the normal county disbursement process in the future.

The County Commission indicated it plans to pay the Sheriff for mileage through the county's normal disbursement process out of the Sheriff's Civil Fund and require adequate documentation of miles driven to be submitted in the future. Due to budget constraints, the County Commission does not plan to provide the Sheriff a county owned car. The County Commission has been advised by the County Prosecutor to not pursue reimbursement of any overpayments to the former Sheriff due to lack of documentation.

## 2.2 Segregation of duties

Accounting duties were not adequately segregated. The two administrative assistants both received, recorded, deposited, and disbursed monies, and



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Follow-up Report on Prior Audit Findings  
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reconciled the bank accounts; and none of these duties were properly segregated. The Sheriff did not perform a review of the accounting records.

**Recommendation**

The Sheriff adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.

**Status**

**In Progress**

The current Sheriff performed and documented a supervisory review of the February 2013 bank account reconciliations and statements. The current Sheriff indicated he plans to compare receipts to deposits periodically in the future.

**2.3 Inmate liabilities**

A monthly list of liabilities for the inmate bank account was not prepared and reconciled to cash balances.

**Recommendation**

The Sheriff prepare a list of liabilities for the inmate bank account and reconcile the list to the cash balance monthly. Any differences should be investigated and resolved.

**Status**

**Implemented**

A list of liabilities was prepared and reconciled to the cash balance of the inmate bank account as of February 28, 2013, and the current Sheriff indicated he plans to prepare a list of liabilities and reconcile it to the cash balance each month.

**2.4 Dormant bank accounts**

The Sheriff had two dormant bank accounts which should have been closed. The old civil account had a balance of \$208,473 as of December 31, 2011. This balance consisted of 11 checks which had been outstanding over a year. The old inmate account had a balance of \$2,377 as of December 31, 2011. This balance consisted of 113 checks which had been outstanding over a year.

**Recommendation**

The Sheriff follow up on outstanding checks, dispose of unclaimed monies in accordance with state law, and close the dormant accounts.

**Status**

**In Progress**

The current Sheriff indicated he is working with the County Prosecutor and the bank to close these accounts since he is not on the account, and he plans to turn these unclaimed funds over to State Treasurer's office.

**2.5 DARE bank account**

A Sheriff's deputy, who resigned in February 2012, maintained and continued to maintain a Drug Abuse Resistance Education (DARE) bank



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account for donations. There was no statutory authority allowing the Sheriff or his deputies to maintain this account outside the county treasury. Receipt slips were not issued and other records of donations received were not maintained. Adequate supporting documentation for some disbursements was not retained. Monthly bank reconciliations were not performed, and the check register balance was not accurately maintained.

**Recommendation**

The Sheriff turn all DARE monies over to the County Treasurer, ensure receipt slips or other records of donations received are maintained, and ensure adequate supporting documentation of disbursements is retained.

**Status**

**Implemented**

The DARE organization was incorporated as a Non Profit in November 2012, and the accounting records and bank account are currently maintained by the DARE organization rather than the Sheriff's office.

**2.6 Seized property**

Adequate controls over seized property had not been established. While a computerized list of seized property was maintained, it was not complete or accurate, and periodic inventories of property on hand were not conducted. Additionally, several items in the seized property storage area had been held for a long period of time.

**Recommendation**

The Sheriff maintain complete and accurate seized property inventory records. The Sheriff should perform a periodic inventory of seized property, compare it to the computerized list, and investigate any differences. The Sheriff should also make timely and appropriate dispositions of seized property.

**Status**

**In Progress**

The current Sheriff indicated he is in the process of cleaning the evidence room so that evidence and property can be inventoried and compared to the computerized records.

**5. Property Tax System  
Controls and Procedures**

Controls and procedures over the property tax system needed improvement.

**5.1 Tax books**

The County Clerk did not prepare or verify the accuracy of the current or delinquent tax books prepared by the County Assessor.

**Recommendation**

The County Clerk prepare the current and delinquent tax books, or at a minimum, verify the accuracy of the tax books prior to charging the County Collector with the property tax amounts to be collected. Procedures performed should be adequately documented.



McDonald County  
Follow-up Report on Prior Audit Findings  
Status of Findings

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Status

**In Progress**

The County Clerk indicated she plans to verify the accuracy of the current and delinquent tax books for the 2013 tax year. The County Clerk was unable to fully implement this recommendation because a new tax year had not been started at the time of our follow up meeting.

5.2 Review of activity

Neither the County Clerk nor the County Commission adequately reviewed the activities of the County Collector. The County Clerk did not maintain an account book or other records summarizing property tax charges, transactions, and changes, and no evidence was provided to indicate procedures were performed by the County Clerk or the County Commission to verify the accuracy and completeness of the County Collector's annual settlements.

Recommendation

The County Clerk maintain an account book with the County Collector. In addition, the County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector's monthly and annual settlements.

Status

**In Progress**

The County Clerk prepared a spreadsheet of monthly distributions for the 2012 tax year and reconciled it to the annual settlement. The County Clerk indicated she plans to accumulate additional spreadsheet information including monthly collections, distributions, additions, and abatements to compare to the annual settlement prepared by the County Collector at the end of the tax year. The County Clerk indicated she intends to have these reports and the County Collector's annual settlement verified by the County Commission for accuracy.

5.3 Aggregate abstracts

The land and personal, railroad and utility, and back tax aggregate abstracts were not prepared for the 2011 and 2010 tax year in a timely manner. In addition, the land and personal tax aggregate abstracts for the 2011 and 2010 tax years were incorrect and reported the valuation and tax for railroad and utility.

Recommendation

The County Clerk prepare and file accurate tax aggregate abstracts with the Department of Revenue (DOR) and State Tax Commission (STC) in a timely manner.

Status

**In Progress**

The aggregate abstracts were prepared for the 2012 tax year in a timely manner; however, the railroad and utility and back tax aggregate abstracts



McDonald County  
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were not accurate. The County Clerk prepared amended aggregate abstracts and indicated she plans to resubmit them to the DOR and STC.

#### 5.4 Additions and abatements

While the County Commission and County Clerk reviewed and approved court orders for additions and abatements monthly, a comparison of the initial addition and abatement information prepared by the County Assessor and the addition and abatements entered into the property tax system by the County Collector was not performed. In addition, the County Collector, who collects property taxes, should not have had access to the property tax system to make changes throughout the tax year. We compared initial addition and abatement information prepared by the County Assessor to amounts recorded in the property tax system for ten additions and abatements made during the period October 2011 to January 2012, and noted differences for two of the ten items reviewed. Reasons for the differences could not be determined.

#### Recommendation

The County Clerk and the County Commission restrict access to the property tax system to ensure the County Collector cannot make changes. In addition, the County Clerk and County Commission should ensure a comparison of approved additions and abatements to actual changes made to the property tax system is performed.

#### Status

##### **Partially implemented**

Access to the property tax system has not been restricted; however, the County Clerk and County Commission compared approved additions and abatements to actual changes made to the property tax system in January 2013, and no discrepancies were noted.

#### 5.5 Outlawed taxes

The County Commission did not approve personal property taxes outlawed each year. Taxes totaling approximately \$68,000 were outlawed and removed from the tax book by the County Collector during the 2 years ended February 29, 2012, without County Commission approval.

#### Recommendation

The County Collector work with the County Commission to establish proper controls over property taxes outlawed each year.

#### Status

##### **Implemented**

The County Commission approved outlawing the 2008 tax year personal property taxes totaling \$47,113 on March 11, 2013.



Thomas A. Schweich  
Missouri State Auditor

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# Thirty-Eighth Judicial Circuit

## Taney County

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May 2013

Report No. 2013-045



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<http://auditor.mo.gov>





# CITIZENS SUMMARY

## Findings in the audit of the Thirty-Eighth Judicial Circuit, Taney County

### Accounting Controls and Procedures

Money handling duties are not adequately segregated. Two clerks are able to receive, record, and disburse monies with no involvement or oversight by other employees and can print and sign checks with a facsimile stamp of the Circuit Clerk's signature. Receipts are not always timely processed, posted, or deposited, and audit staff found instances of cash and checks being returned to the issuer instead of being deposited and a refund issued. Monies received were not always secured, and checks and money orders are not restrictively endorsed immediately. The court still held \$26,000 in bond monies from six criminal cases which should have been disbursed, including \$5,000 forfeited in 2010 which should have been disbursed to the County Treasurer, and \$37,000 in a probate case held since 2009 with no case activity. Non-monetary and voided transactions were not always properly documented or reviewed by the Circuit Clerk, which increases the risk of misuse. At December 31, 2012, the court was owed approximately \$1 million, and the Circuit Clerk does not utilize all available collection capabilities to collect. Blank checks were not securely stored, and manual receipt slip books were not properly retained.

### Circuit Court Procedures

Budgets are not prepared for several funds, making it harder to effectively monitor actual costs and revenues. Drug court participants receive gift cards as they advance in the program, but no log is maintained to account for the gift cards, and participants do not have to sign anything to document receipt. The Judge's approval was not documented for two of the three 2012 disbursements reviewed from the Drug Court Fund.

In the areas audited, the overall performance of this entity was **Fair**.\*

### American Recovery and Reinvestment Act (Federal Stimulus)

The Thirty-Eighth Judicial Circuit, Taney County did not receive any federal stimulus monies during the audited time period.

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Thirty-Eighth Judicial Circuit

## Taney County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Presiding Judge and Court en banc  
and  
Circuit Clerk of the  
Thirty-Eighth Judicial Circuit  
Taney County, Missouri

We have audited certain operations of the Thirty-Eighth Judicial Circuit, Taney County in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the court's internal controls over significant financial functions.
2. Evaluate the court's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the court, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the court's management, the Office of State Courts Administrator, and Taney County and was not subjected to the procedures applied in our audit of the court.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the Thirty-Eighth Judicial Circuit, Taney County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Donna Christian, CPA, CGFM
In-Charge Auditor:	Roberta Bledsoe
Audit Staff:	David Olson

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# Thirty-Eighth Judicial Circuit

## Taney County

### Management Advisory Report - State Auditor's Findings

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#### **1. Accounting Controls and Procedures**

Significant weaknesses were identified with accounting controls and procedures.

According to court records, receipts collected during the year ending December 31, 2012, totaled approximately \$1.6 million. Fines, court costs, and bonds are collected, recorded in the Justice Information System (JIS), and deposited into the Circuit Clerk's main bank account by personnel of the Circuit Clerk's office.

##### **1.1 Segregation of duties and supervisory reviews**

The duties of receiving, recording, and disbursing monies are not adequately segregated. While there are 20 employees in the office and most can receipt monies, 3 clerks have receiving, recording, and daily reconciling responsibilities; and 2 of the 3 clerks also have disbursing and monthly reconciling responsibilities. As a result, there are instances where two clerks are responsible for transactions from initial receipt to disbursement without involvement from other clerks. Further, these two clerks can also print and sign checks with a facsimile stamp of the Circuit Clerk's signature; and only one signature is required. While the Circuit Clerk indicated she reviews the monthly reports, her reviews are not documented and she does not review daily receipt and deposit activity.

Thorough supervisory reviews help ensure all transactions are accounted for properly and assets are adequately safeguarded. Such reviews would reduce the possibility of errors, theft, loss, or misuse of funds going undetected. Internal controls would be improved by segregating duties to the extent possible, and the Circuit Clerk performing a thorough supervisory review that includes comparing daily receipt activity to deposits.

##### **1.2 Receipting and depositing**

Receipting and depositing procedures need significant improvement.

- Receipts are not always processed and posted to the JIS in a timely manner; and, as a result, receipts are not always deposited timely.

Manual receipt slips issued by the court are not recorded in the JIS in a timely manner and these monies are not deposited timely. Receipts are only included in daily deposits if they are recorded in the JIS as monetary transactions. Of the total 191 manual receipt slips issued in February, June, and August of 2012, 135 (71 percent) were not recorded in the JIS for 2 or more days. We noted some instances where monies recorded on manual receipt slips were not recorded in the JIS and deposited for as long as 27 days after being received. Many of these receipt slips were issued for cash.

Additionally, during a cash count of Probate Division funds conducted on September 19, 2012, we noted 11 of the 22 checks counted were dated in July and August 2012, and had not been receipted or recorded in the JIS. Several days after our cash count we determined the Probate



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Thirty-Eighth Judicial Circuit  
Taney County  
Management Advisory Report - State Auditor's Findings

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Clerk had not provided us with all funds on hand at the time of our September 19, 2012, cash count. On October 3, 2012, we conducted a second cash count of Probate Division funds and 26 checks were counted with 12 of those checks having been previously counted. Of the remaining 14 checks, 7 were dated in May, June, and July 2012 and had not been receipted or recorded in the JIS.

According to the Probate Clerk, not all documentation was provided by the attorneys for the unprocessed checks and she is unable to initiate the case filing process on the JIS; however, manual receipt slips had not been issued for these monies. Additionally, the Circuit Clerk indicated the Probate Clerk is several weeks behind in processing probate cases. These unprocessed checks were subsequently processed and deposited at various times between September 19 and December 6, 2012, except for one check dated in June 2012 which the Probate Clerk indicated was returned to the attorney on December 10, 2012. However, no supporting documentation was maintained for the returned check.

- Some cash and original checks are returned to the issuer instead of deposited and a refund check issued. While the Circuit Clerk indicated the practice of returning cash and checks to payees is not allowed, we identified numerous instances of this occurring. For example, a \$26,000 check received on May 7, 2012, was returned to a bonding company on May 9, 2012, \$90 cash received on April 25, 2012, was returned to the payee on May 3, 2012, and a \$38 check counted during our cash count on September 19, 2012, was returned to an attorney when a clerk thought the payment was a duplicate payment. However, the attorney returned the check and the check was posted to the JIS on October 5, 2012. Also, as indicated above, another check counted during the October 3, 2012, cash count was returned to the attorney on December 10, 2012.
- Monies received are not always maintained in a secure location. Some unprocessed monies received are maintained on the desks of various clerks throughout the office. For instance, during our cash count conducted on October 3, 2012, we noted 6 of 14 checks dating back to May and June 2012 were attached to files on the Probate Clerk's desk.
- Checks and money orders are not restrictively endorsed immediately upon receipt. The endorsement is applied at the time of deposit.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of monies received will go undetected. Proper receipting, recording, and depositing procedures are also necessary to ensure all monies received are handled and accounted for properly.



Thirty-Eighth Judicial Circuit  
Taney County  
Management Advisory Report - State Auditor's Findings

### 1.3 Liabilities

Liabilities are not adequately reviewed to ensure monies are disbursed in a timely manner. As of September 28, 2012, the Circuit Clerk's case liability listing totaled \$331,465. The Circuit Clerk indicated she reviews the listing approximately every 10 days and at month end; however, her review is not adequate to ensure liabilities are disbursed timely. There are numerous cases on the listing that appear inactive and have not been adequately reviewed. We reviewed 13 cases from this listing, and 7 cases had monies that should have been disbursed.

- Six criminal cases included bond monies totaling \$26,000 that should have been disbursed. One case had a \$5,000 bond that had been forfeited in 2010, but not disbursed to the County Treasurer. The remaining five cases had disposition dates included on the liability listing, and after our review, the Circuit Clerk consulted with the Judge and disbursed the bond monies to the proper parties.
- One probate case included monies totaling approximately \$37,000 that had been held since April 2009 with no activity in the case. The Circuit Clerk indicated she would consult with the Judge to determine the proper disposition of funds.

To properly monitor and ensure monies are appropriately disbursed as provided by state law, procedures should be followed to routinely investigate monies remaining on the liabilities list over a specific period of time.

### 1.4 Non-monetary transactions

Non-monetary and voided transactions in the JIS are not always properly documented or reviewed by the Circuit Clerk.

Non-monetary transactions, including judicial order transactions and uncollectible bad debt write-offs, are transactions where no monies are received; however, a credit is applied or the amount due is changed. All clerks are allowed to enter non-monetary transactions and to void receipt transactions in the JIS. Of the ten nonmonetary transactions we reviewed, eight were not supported by a court order reducing the defendant's debt owed. Additionally, while a report of voided receipt transactions is available through the JIS, this report is not printed and reviewed by the Circuit Clerk and an explanation is not always documented in the JIS to support the voided transaction.

To reduce the risk of loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly. Non-monetary transactions and voided receipt transactions should be supported by adequate documentation and reviewed by the Circuit Clerk to ensure such transactions are appropriate.



Thirty-Eighth Judicial Circuit  
Taney County  
Management Advisory Report - State Auditor's Findings

## 1.5 Accrued costs

The Circuit Clerk does not review the accrued cost list for accuracy and does not utilize all available collection capabilities to collect accrued costs.

At December 31, 2012, approximately \$1 million was due to the court. We reviewed 10 of the 233 cases with balance due amounts over \$500 that were included on the accrued cost list. We identified one case with a balance due of \$1,500 that was on the list erroneously. According to the case file, the \$1,500 had been collected and disbursed.

Additionally, the Circuit Clerk has not utilized the state's automated tax offset and collection programs for all cases. According to the Circuit Clerk, 2012 cases are enrolled in the collection programs; however, most of the older cases are not enrolled.

To ensure the accrued cost list is accurate, the list should be periodically reviewed. Section 488.5028, RSMo, authorizes courts to report debts in excess of \$25 to the Office of the State Courts Administrator (OSCA) to seek an offset of an income tax refund. Effective July 1, 2006, Missouri Supreme Court Operating Rule 21.06 requires courts utilizing the JIS to participate in the tax offset program. Section 488.5030, RSMo, authorizes courts to contract with a collection agency to pursue past-due court-ordered penalties, fines, restitution, sanctions, and court costs. It also allows fees or costs associated with such collection efforts be added to the amount due, but such fees and costs cannot exceed 20 percent of the amount collected.

## 1.6 Record storage and retention

Blank checks were not securely stored and manual receipt slip books were not properly retained. Blank checks are stored in an unlocked cabinet and in the printer with access by all employees. Additionally, manual receipt slip books containing receipt slips issued between January 2011 through November 2011 cannot be located by the Circuit Clerk.

To ensure records are properly safeguarded, the Circuit Clerk should ensure access to blank checks is properly restricted and all manual receipt slips books are retained. In addition, Supreme Court Operating Rule 8 requires the accounting records be maintained for a specified time period.

## Recommendations

The Circuit Clerk:

- 1.1 Segregate duties to the extent possible and implement appropriate reviews and monitoring procedures.
- 1.2 Record and deposit all monies received in a timely manner, establish procedures to account for and verify manual receipt slips have been recorded in the JIS on a timely basis, make all disbursements by check, maintain monies received in a secure location, and restrictively endorse checks immediately upon receipt.





Thirty-Eighth Judicial Circuit  
Taney County  
Management Advisory Report - State Auditor's Findings

- 1.3 Establish procedures to review the status of liabilities to determine the appropriate disposition of funds held on closed and inactive cases.
- 1.4 Implement procedures requiring non-monetary transactions and voids to be documented, reviewed, and approved.
- 1.5 Develop procedures to ensure accrued costs lists are accurate and take appropriate steps to ensure amounts owed are collected, including participating in the state's automated tax offset and collection programs.
- 1.6 Ensure access to blank checks is properly restricted and manual receipt slips books are properly retained.

## Auditee's Response

*The Circuit Clerk provided the following written responses:*

- 1.1 *I will make it a goal to review and monitor daily balancing, receipts, and disbursements; and work toward utilizing other clerks in the office.*
- 1.2 *Our goal is to get the files processed on a timely manner; however, we have to make sure they are correct before filing, and being short on personnel does create some time delays. Manual receipts will be accounted for daily. While it is not always possible, attempts will be made to record manual receipts into JIS and deposit daily, and all disbursements will be made by check. Checks and manual receipt slips have been relocated into a locked cabinet. Additional staff was hired through special projects, and this person has been assisting in the Probate Division. Again, waiting on correction documentation creates a time delay. Monies will be maintained in a secure location and checks will be restrictively endorsed as soon as we can.*
- 1.3 *I am working towards putting a procedure in place to review and dispose of funds on inactive and closed cases.*
- 1.4 *Voids are reviewed and approved on every transaction; however, a written explanation will be noted. I will ensure nonmonetary transactions are properly documented and will follow up on any discrepancies.*
- 1.5 *We are currently reviewing the accrued cost list and sending out payment plan contracts to every defendant placed on probation. The defendant and Probation Officer sign the contract and a signed copy is returned to us for our files. Attempts will be made to utilize the state's collection programs. I will consult with the Judge about these programs.*



Thirty-Eighth Judicial Circuit  
Taney County  
Management Advisory Report - State Auditor's Findings

1.6 *Blank checks and receipt books have already been relocated to a locked cabinet, and will be retained.*

## 2. Circuit Court Procedures

### 2.1 Budgets

Budgets are not prepared for the Circuit Clerk's Interest Fund, the Law Library Fund, and the Drug Court Fund. Further, controls over the Drug Court Fund and the Circuit Clerk's petty cash fund need improvement.

Budgets are not prepared for the Circuit Clerk's Interest Fund, the Law Library Fund, and the Drug Court Fund. The Circuit Clerk maintains separate bank accounts for interest and law library monies, and maintains drug court monies in the court's main bank account along with other court monies. Although the court is primarily funded by the state and county, the interest, law library, and drug court monies are spent at the discretion of the court, and during 2012 approximately \$31,000 was disbursed through these funds.

Preparing a budget for public funds aids in the fiscal management of the monies, provides a means to effectively monitor actual costs and revenues, and provides an avenue for both the county and the public to be fully informed of the court's financial picture.

### 2.2 Drug court purchases

A log is not maintained for gift cards purchased and given to drug court participants, and the Judge's approval of disbursements from the Drug Court Fund is not always documented.

The Circuit Clerk receives and disburses funds related to operating the drug court. Gift cards are purchased from the Drug Court Fund and the Judge gives the gift cards to participants as they advance in the drug court program. The participant is not required to sign any record to indicate receipt of the gift cards and a log is not maintained to account for gift cards purchased, disbursed, and on hand. Approximately \$1,600 was disbursed for gift card purchases during 2012.

Additionally, two of the three disbursements reviewed from the Drug Court Fund during 2012 did not include documentation of the Judge's approval. During the year ended December 31, 2012, \$6,380 was disbursed from the Drug Court Fund.

To ensure gift cards are accounted for properly and disbursements are properly authorized, a log should be maintained of gift cards purchased, disbursed, and on hand; and all disbursements from the Drug Court Fund should be authorized by the Judge.



Thirty-Eighth Judicial Circuit  
Taney County  
Management Advisory Report - State Auditor's Findings

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## Recommendations

The Circuit Clerk and the Circuit Judge:

- 2.1 Prepare annual budgets for the Circuit Clerk's Interest Fund, the Law Library Fund, and the Drug Court Fund; and provide copies of these budgets to the county budget officer.
- 2.2 Ensure a gift card log is maintained to properly document the purchase, disbursement, and inventory on hand of gift cards, and maintain documentation of the Judge's authorization of all disbursements from the Drug Court Fund.

## Auditee's Response

*The Circuit Judge and Circuit Clerk provided the following written responses:*

- 2.1 *The court will work toward preparing budgets for the Law Library Fund, Circuit Clerk Interest Fund and Drug Court Fund within the statutory requirements for the authorized expenditure of these funds.*
- 2.2 *The Circuit Clerk and Probation Office in charge of drug court have recently began a process that requires drug court participants to sign for any gift cards received and a record is maintained of all cards purchased, disbursed, and on hand. Drug court funds are only disbursed upon approval of the Judge. The court, the probation office and the circuit clerk will work together to fully document that approval.*

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# Thirty-Eighth Judicial Circuit

## Taney County

### Organization and Statistical Information

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The Thirty-Eighth Judicial Circuit consists of Taney County as well as Christian County.

The Thirty-Eighth Judicial Circuit consists of one circuit judge and four associate circuit judges. The circuit judge hears cases in Taney and Christian Counties. Of the four associate circuit judges, two are located in Taney County and preside over Associate Circuit Divisions I and II. The other two associate circuit judges are located in Christian County. Circuit personnel located in Christian County are not included in the scope of this audit.

#### Personnel

At December 31, 2012, the judges, Circuit Clerk, and Juvenile Officer of the Thirty-Eighth Judicial Circuit, Taney County, were as follows:

Title	Name
Circuit Judge	Mark Orr
Associate Circuit Judge, Division I	Tony Williams
Associate Circuit Judge, Division II	James K. Justus
Circuit Clerk	Brenda Kay Neal
Juvenile Officer	Michael Scofield

#### Financial Information

Receipts of the Thirty-Eighth Judicial Circuit, Taney County, were as follows:

	Year Ended December 31, 2012
Court deposits, fee, bonds, and other	\$1,673,507
Drug Court	16,339
Interest Income	2,030
Total	\$1,691,876

#### Caseload Information

From the Office of State Courts Administrator Missouri Judicial Reports, case filings of the Thirty-Eighth Judicial Circuit, Taney County were as follows:

	Year Ended June 30, 2012
Civil	3,152
Criminal	4,011
Juvenile	166
Probate	240
Total	7,569



Thirty-Eighth Judicial Circuit  
Taney County  
Organization and Statistical Information

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American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)

The Thirty-Eighth Judicial Circuit, Taney County did not receive any federal stimulus monies during the year ended December 31, 2012.



**Thomas A. Schweich**  
Missouri State Auditor

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# Early Childhood Development, Education, and Care Fund



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**June 2013**  
**Report No. 2013-046**

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Early Childhood Development, Education and Care Fund

Contract Compliance	The DSS needs to improve its procedures for funding Start Up and Expansion (SUE) child care facilities. Three child care facilities receiving new funding awards in fiscal years 2010 and 2011 stopped participating in the program but did not repay \$171,500 the facilities had received. The DSS paid one facility \$22,500 to operate a child care facility that no children ever attended. The DSS paid another facility \$60,000 to create 16 licensed slots at a new center, but the facility was never built, and the money was not repaid. The DSS paid a third facility \$89,000 to add 24 slots, but the owner only added 14 slots and then sold the facility 3 months later to a buyer who chose not to participate in the SUE program. The DSS also paid the Accreditation Facilitation contractor for more facilities than the contractor reported serving, and more per-unit than the contract required.
Conflict of Interest	The previous Assistant Commissioner of the Department of Elementary and Secondary Education (DESE) Office of Early and Extended Learning simultaneously served as the Director of a DESE and Department of Social Services (DSS) contractor. The contractor, the Center for Family Policy and Research at the University of Missouri-Columbia, was funded in part by the Early Childhood Development, Education and Care (ECDEC) Fund. The Assistant Commissioner served from April 2010 until August 2012 and remains employed by the DESE. During the Assistant Commissioner's tenure, both state agencies awarded this contractor additional contracts without using a competitive process, resulting in an apparent conflict of interest.
Program Efficiency	The DSS uses two types of contract awards to administer early childhood programs, resulting in program inefficiencies and duplicated efforts. The DSS administers some early childhood programs through competitively and noncompetitively selected contractors, which are subject to different contract requirements, overlap service areas, and provide different levels of funding. The DSS requires facilities in St. Louis City and County to apply to Area Resources for Community and Human Resources (ARCHS), while facilities in all other parts of the state are allowed to apply through the DSS or their local community partnership.
DESE Monitoring	The DESE does not adequately monitor ECDEC Fund contractors to ensure monies are spent in accordance with contractual requirements for the Missouri Preschool Project (MPP) or the Parents as Teachers (PAT) programs. The DESE does not perform formal documented on-site monitoring of MPP contractors and does not adequately review supporting documentation of expenditures claimed on a periodic basis. Due to unresolved technical issues, the DESE temporarily suspended its PAT reporting requirements, and, as a result, contractors did not submit post-expenditure reports for fiscal years 2011 and 2012. The DESE relies on other monitoring procedures to identify school districts for non-compliance; however, these procedures do not extend to private child care facilities.

DSS Monitoring	The DSS did not always ensure corrective action was timely or adequate to address noncompliance and did not use a consistent methodology to determine how many files to review during on-site monitoring. One Stay at Home Parent (SAHP) program contractor remained noncompliant throughout the terms of four contracts, and the DSS had not performed a formal on-site monitoring of the contractor since December 2009. Another SAHP contractor did not submit a corrective plan when it was requested, but the DSS did not perform a follow-up visit for almost a year.
Child Care Assistance Program Controls	Significant weaknesses exist in DSS controls within the Child Care Assistance program, as noted in Report No. 2013-024, <i>State of Missouri Single Audit</i> . In response to deficiencies identified in previous audits, the DSS implemented new controls over eligibility determinations, but it is as yet unknown what impact the changes will have on the error rate for eligibility determinations. In addition, none of the changes address control weaknesses over payments to child care providers.
Statutory Compliance	The General Assembly did not appropriate enough monies to various programs operated by the DSS to meet statutory requirements. Pursuant to Section 161.215, RSMo, for fiscal year 2013 the General Assembly was required to appropriate \$10,500,000 to various programs operated by the DSS but only appropriated \$3,074,500, a deficit of \$7,425,500.
Cost Allocation Transfers	The Office of Administration (OA) continues to transfer monies from the ECDEC Fund to the General Revenue Fund for central services costs, which appears questionable based upon legal restrictions. State law limits the ECDEC Fund's uses to, voluntary, early childhood development, education and care programs. In response to Report No. 2010-029, <i>Central Services Cost Allocation Plan</i> , the OA formalized its fund eligibility analysis, but it classified the ECDEC Fund as eligible without any comments or other justification to support this classification.

In the areas audited, the overall performance of this entity was **Poor**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The Early Childhood Development, Education, and Care Fund did not receive any federal stimulus monies during the audited time period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Early Childhood Development, Education, and Care Fund

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Members of the General Assembly  
and  
Dr. Chris Nicastro, Commissioner of Education  
Department of Elementary and Secondary Education  
and  
Brian Kinkade, Acting Director  
Department of Social Services  
and  
Douglas Nelson, Commissioner  
Office of Administration  
Jefferson City, Missouri

We have audited certain operations of the Early Childhood Development, Education, and Care Fund, as required by Section 161.215.8, RSMo. The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2012. The objectives of our audit were to:

1. Evaluate internal controls over significant management and financial functions related to the fund.
2. Evaluate compliance with certain legal provisions related to the fund.
3. Evaluate the economy and efficiency of certain management practices and operations related to the fund, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the agencies that administer the fund; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the departments' management and was not subjected to the procedures applied in our audit of the fund.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Early Childhood Development, Education, and Care Fund.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Kelly Davis, M.Acct., CPA, CFE
In-Charge Auditor:	Travis Owens, MBA, CPA, CFE
Audit Staff:	Angela M. McFadden
	Kimberly Shepard

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# Early Childhood Development, Education, and Care Fund

## Management Advisory Report

### State Auditor's Findings

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#### **1. Contract Compliance**

DSS procedures for funding Start Up and Expansion (SUE) child care facilities need improvement. In addition, the DSS paid the Accreditation Facilitation (AF) contractor for more services than provided and did not have documentation to support increased fees paid to the contractor.

##### **1.1 Start Up and Expansion program**

The DSS needs to limit the amount of SUE funding advanced to child care facilities and develop formal procedures to recoup grant monies from child care facilities participating in the program that do not comply with contract requirements. The DSS requires child care facilities participating in the SUE program to increase licensed capacity within 6 months of the effective date of the contract. The contract requires a 4 year commitment by the contractor to maintain the increased capacity.

To facilitate the increased capacity, the DSS provides funding to the facility in each of the first 3 years of the contract if the facility continues to meet capacity requirements. Child care facilities do not receive monies in the fourth contract year, but the DSS requires the facility to maintain the increased licensed capacity. The DSS advances the facility 50 percent of the first year funding prior to the 6 month deadline to increase capacity. The remaining 50 percent is paid after the DSS verifies the facility met the licensed capacity requirement. The DSS reduces the annual funding by 25 percent in the second and third year of the contract. For example, if the DSS awarded a facility \$100,000 in the first year of the contract, \$75,000 would be awarded in the second year, and \$50,000 in the third year of the contract. The DSS pays contractors in quarterly installments during the second and third years of the contract. The DSS suspends future payments if the child care facility does not create the required increased capacity in the allotted timeframe. The DSS may terminate the contract if the child care facility fails to comply with contractual requirements and child care facilities may voluntarily terminate the contract at any time.

Three of the 18 child care facilities (17 percent) receiving new funding awards in state fiscal years 2010 and 2011 stopped participating in the program before the 4 year agreements expired. The DSS has not required these three child care facilities to repay any of the approximately \$171,500 paid before the facility owners voluntarily or the DSS terminated the contracts.

- The DSS paid a facility \$22,500 to operate an in-home child care facility that no children attended. Of the \$22,500 paid between September 2010 and May 2011, an estimated \$18,700 was budgeted for the owner's salary. The child care facility created the required four slots within the allotted timeframe, but according to the owner, she received no interest in anyone attending her facility. In a May 2011 monitoring visit, the DSS requested the child care facility submit a corrective action plan due to the lack of enrollment. The child care facility owner



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## Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

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voluntarily terminated the contract in July 2011 and informed the DSS she closed the business. The DSS did not request a repayment of any monies paid to the facility and the facility owner did not refund any of the monies.

- The DSS paid a child care facility \$60,000 between September 2009 and February 2010 to create 16 licensed slots at a new center the owner never built. Building project delays occurred while the contractor tried to obtain additional grant funding and complete necessary environmental studies, and the facility owner never began construction of the facility. The DSS suspended payments to the child care facility in February 2010 and placed the child care facility on a corrective action plan after facility officials informed the DSS they would be unable to create the required capacity within the allotted time. The child care facility continued to update the DSS on its progress; however, in July 2010 the DSS terminated the contract because the child care facility owner failed to begin construction.

In July 2010, the DSS requested but did not receive repayment of the \$60,000 paid. In August 2010, the DSS requested the child care facility submit documentation detailing how the facility spent the \$60,000 to determine whether equipment was purchased which could be sold to repay monies to the DSS. However, the majority of the facility's grant budget was for personnel and construction costs with only a small portion budgeted for equipment. The facility did not submit expenditure documentation and did not repay any funds, and the DSS performed no additional follow-up to pursue repayment.

- The DSS paid \$89,000 to a child care facility to increase capacity by 14 slots for only 3 months. The DSS paid the child care facility between September 2010 and May 2011 to expand the facility's licensed capacity by 24 slots; however, the facility owner sold the facility within the first year of the SUE contract. The facility budgeted the majority of the funding for teacher salaries and the remaining for remodeling, equipment, education and training, and administrative costs. The facility became licensed and began accepting additional children in February 2011. During a May 2011 monitoring visit, the facility owner informed the DSS she had only filled 14 of the 24 licensed slots for children under age 2 and notified the DSS of her intent to sell the business. DSS officials initially informed the owner she would need to repay all monies received and suggested she sell items purchased with grant funds prior to the transfer of ownership to generate monies to help repay the DSS. The owner voluntarily terminated the contract upon the sale of the facility because the new owner did not wish to assume the requirements of the SUE grant. The facility owner did not repay any



## Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

funds and the DSS could not confirm the final disposition of the items purchased with grant funds.

The SUE contract terms and conditions allow the DSS to recoup funds if a contract is terminated. One clause in the contract indicates, in the event of involuntary termination, the DSS may recoup all funds not already expended by the child care facility and the DSS, at its discretion, may request repayment of all funds paid. Other clauses in the contract require full repayment for either a voluntary termination or involuntary termination. DSS officials could provide no specific reason why repayment was not pursued or followed-up on for these three contracts. At the time of our audit, DSS officials indicated they had not consulted with the Division of Legal Services (DLS), the legal support unit of the DSS, regarding repayment on any of the above contracts. After we questioned the lack of repayment, officials contacted the DLS and expressed their desire to recoup monies paid to the first and second child care facilities and a portion of the funding paid the third facility.

The DSS could reduce the amount of monies subject to noncompliance by facilities by limiting the amount of monies advanced. Reimbursing facilities for expenditures rather than advancing funding would reduce the risk payments are made to noncompliant contractors. To ensure SUE funding is used appropriately to improve the quality and quantity of early childhood programs, the DSS should review the need to advance funding to child care facilities. In addition, formal specific procedures are necessary to ensure the DSS makes timely and appropriate decisions regarding contract terminations and grant repayments.

A similar condition was noted in our prior audit report.

### 1.2 Accreditation Facilitation program

The DSS paid the AF contractor for more services than provided and did not have documentation to support increased fees paid to the AF contractor. The contract was effective from July 2007 through November 2011. The DSS issued a new request for proposal in 2011, and awarded the same contractor the new contract in late 2011. The DSS paid this contractor approximately \$645,000 and \$708,000 for fiscal years ended June 30, 2012 and 2011, respectively.

#### Overbilling

The DSS paid the AF contractor to provide accreditation guidance to 150 child care facilities per month, regardless of the actual number of facilities served or enrolled. The DSS required the contractor to report the actual number of facilities served at the same time invoices were submitted for payment. We compared this information to the amounts the DSS paid for the 34 month period between July 2009 and April 2012. For 10 of the 34 months (29 percent), the DSS paid the contractor for more facilities than the contractor reported serving. For these 10 months, the DSS paid the



## Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

contractor \$17,268 for 40 facilities that were billed but not reported as served. After we brought this to their attention, DSS officials reviewed the invoices and additional information provided by the contractor. DSS personnel identified, in some cases, the contractor served a larger number of facilities than the contractor originally reported.

DSS officials indicated they did not originally adjust billed amounts because the contract terms were vague, did not specifically prohibit the contractor from billing for more facilities than actually served, and did not define what services the contractor must offer for a facility to qualify as served. In January 2010, a new DSS employee began reviewing invoices and approving payments for this contract and questioned the contractor's billing practices. The employee discussed the issues with her supervisor and the supervisor indicated the DSS could not modify the billing or payment methods until the DSS issued a new contract. Program officials could not confirm if they consulted the DLS or the DSS Contract Management Unit on this matter. Contract terms should be clear and definite to avoid confusion over contractual requirements.

The new contract specifies what services the contractor must offer to a facility to qualify as a facility served during a given month. The DSS also reviews invoices and related reports to ensure the DSS only pays the contractor for facilities actually served during the month.

### Contract pricing

Prior to July 2009, the DSS increased the per-unit price paid for contracted services from \$360 per facility served as stated in the contract to \$432 per facility, a 20 percent increase. Officials could not provide documentation to explain the price increase and the contract stated no price increases were allowed for the original contract or annual renewals. In addition, the DSS reduced the proposed number of facilities to serve from 180 to 150 per month. The contractor stated the price increased because the DSS requested an increase of 4 hours of service per year to be provided to facilities. However, the contract does not specify a minimum number of service hours the contractor must provide.

To ensure contractors provide required services and bill appropriately, contract terms should be specific and the DSS should only pay contractors for actual services provided. Additionally, price increases, if allowed, should be supported by documentation.

## Recommendations

The DSS:

- 1.1 Evaluate the need to advance SUE funding to child care facilities and develop policies and procedures specifying terms and conditions applicable when a contract is voluntarily or involuntarily



## Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

terminated, including full or partial repayment of grant funds. The DSS should continue to work with the DLS to enforce contract provisions and recoup monies owed to the state.

- 1.2 Ensure contract terms are specific, and if contract price increases are allowed proper documentation is retained. In addition, the DSS should determine if recovery of overpayments is warranted.

## Auditee's Response

*The DSS provided the following responses:*

- 1.1 *The DSS agrees with the recommendations to strengthen policies and procedures. While funds are no longer appropriated for this program, DSS will use this finding as an opportunity to ensure the terms and conditions of payment for goods and services are clearly communicated in its contracts. The DSS will also ensure specific contract language and written policies exist regarding recoupment of funds for noncompliant contractors.*

*In July 2011, the DSS consolidated all purchasing and procurement functions under the Division of Finance and Administrative Services (DFAS); this has allowed better oversight and management of the contract development and purchasing/procurement processes. Staff managing the Purchasing/Procurement Unit is knowledgeable of contract payment terms and work closely with the Office of Administration on all purchasing/procurement activities.*

*On April 17, 2013, the DSS issued letters requesting repayment from two of the three child care facilities referenced in the finding. A legal review of the third facility found that the contractor met contractual obligations and the DSS could not pursue repayment.*

- 1.2 *The DSS agrees the contract terms should be more specific. As stated in the audit finding, the DSS issued a new contract in FY 2011 with more specific contract terms. While funds are no longer appropriated for this particular program, the DSS will use this finding as a reminder to ensure its contract language and intent is specific and clear. Additionally, proper documentation will be maintained for all contracts and amendments.*

## 2. Conflict of Interest

The previous Assistant Commissioner of the Department of Elementary and Secondary Education (DESE) Office of Early and Extended Learning simultaneously served as the Director of a DESE and Department of Social Services (DSS) contractor, funded in part by the Early Childhood Development, Education, and Care (ECDEC) Fund. The Assistant Commissioner served from April 2010 until August 2012 and remains employed by the DESE. During the Assistant Commissioner's tenure, both state agencies awarded additional contracts to this contractor without using





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## Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

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### Department of Elementary and Secondary Education

a competitive procurement process, and DSS contracts list the Assistant Commissioner as overseeing the contracts in her capacity as Director, resulting in an apparent conflict of interest. The DESE paid the contractor approximately \$203,000 from the ECDEC Fund during the 2 years ended June 30, 2012. The DSS paid the contractor approximately \$1,007,000 from the ECDEC Fund during the 2 years ended June 30, 2012.

While serving as the Assistant Commissioner of the Office of Early and Extended Learning, the Assistant Commissioner continued to serve as the Director of the Center for Family Policy and Research at the University of Missouri - Columbia (University), referred to as the Opportunities in a Professional Education Network (OPEN). In September 2010, the Office of Early and Extended Learning awarded the OPEN a contract to perform educational assessments of facilities participating in the Missouri Preschool Project. The DESE awarded the contract without using a competitive procurement process because the Office of Administration (OA) allows state agencies, including the DESE and DSS, to exempt contracts with other governmental entities from the competitive process. A contractor affiliated with a public school district previously performed the assessments. Officials indicated they were satisfied with the work of the previous contractor and could provide no specific reason or documentation why they changed contractors after the Assistant Commissioner assumed responsibility over early childhood education programs.

Upon appointment as Assistant Commissioner, officials with the DESE and the University reviewed their procedures and determined there was no conflict because the Assistant Commissioner would not approve contracts or payments between the DESE and the OPEN. The Assistant Commissioner was also removed as administrator at the OPEN on existing contracts between the DESE and the OPEN. However, letters from the University to the DESE state she ". . . will continue working on the contract(s)" in her capacity at the OPEN. The Assistant Commissioner's job duties included supervising employees and formulating policies and procedures at both entities. While the Assistant Commissioner did not directly approve contracts at the DESE or OPEN, she continued to work on the contracted programs and was the immediate supervisor of DESE officials responsible for issuing early childhood contracts allowing for influence over contract decisions and program management. DESE policy requires employees avoid any interest or activity which improperly influences, or gives the appearance of improperly influencing, the conduct of their official duties.

The position of Assistant Commissioner was unfunded for fiscal year 2013 due to budgeted staffing reductions and the DESE reduced the position effective August 31, 2012. The DESE rehired the former Assistant Commissioner as a Special Assistant to the Commissioner on September 1, 2012. Her current job duties consist solely of overseeing implementation



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## Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

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and progress of an early childhood pilot assessment project planned during the time she served as Assistant Commissioner. The pilot project is in progress and does not involve the OPEN. The Assistant Commissioner position remains unfunded and vacant and the DESE merged employees of the Office of Early and Extended Learning into other offices of the DESE for supervisory purposes.

### Department of Social Services

The DSS awarded two new contracts to the OPEN in October 2010 and September 2011 to perform educational assessments of child care facilities participating in the Start Up and Expansion (SUE) and Accreditation Facilitation programs. The DSS also continued to fund another contract, originally established in November 2009, for technical assistance to contractors participating in the SUE program. All three DSS contracts list the Assistant Commissioner as overseeing, in her capacity as the OPEN Director, the DSS contracts at the OPEN and the DSS paid a portion of her OPEN salary with ECDEC Fund monies through these contracts. DSS officials indicated a factor for selecting the OPEN to perform assessments was the DESE's existing contractual relationship with OPEN for educational assessments.

DSS officials indicated they did not believe this situation presented a conflict because the DSS did not employ the Assistant Commissioner. Additionally, officials stated the DSS negotiated directly with University purchasing officials, not employees of the OPEN, when awarding these contracts. However, a conflict exists because the DESE and the DSS are the primary agencies responsible for implementation of early childhood programs statewide and coordinate their activities to accomplish similar objectives.

While the Assistant Commissioner was not directly involved in the contract award process by either state agency and did not approve payments for the various contracts, personal interests in the business matters of the DESE and the DSS create the appearance of a conflict of interest and should be avoided.

### Recommendation

The DESE and the DSS avoid the appearance of conflicts of interest.

### Auditee's Response

*The DESE provided the following response:*

*The DESE concurs with the recommendation and will continue to avoid apparent conflicts of interest.*

*The DSS provided the following response:*

*The Department of Social Services (DSS) understands the importance of the need to avoid appearances of conflict of interest. The DSS structures*



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*functions and processes to identify and manage conflicts of interest. Regarding the contracts discussed in this finding, the DSS purchasing/procurement staff worked with the University of Missouri purchasing/procurement staff for contract execution. The Assistant Commissioner (an employee of the Department of Elementary and Secondary Education - DESE, not the DSS) was not a party to contract negotiations.*

### 3. Program Efficiency

The DSS uses two types of contract awards to administer early childhood programs, resulting in program inefficiencies and duplicated efforts. The DSS has not evaluated the need for the two types of contracts, or the funding allocated between the two types of contractors. Additionally, DSS procedures to administer the Start Up and Expansion (SUE) program differ among regions of the state. The DSS expended approximately \$13.8 million and \$14.2 million from the ECDEC Fund for the years ended June 30, 2012 and 2011, respectively.

#### 3.1 Competitive and noncompetitive awards

The DSS administers some early childhood programs through competitively and noncompetitively selected contractors. The types of contractors are subject to different contract requirements, overlap service areas, and provide different levels of funding. The DSS has not periodically assessed the need for and efficiency of the two types of contracts, or the funding allocated to the noncompetitive contractors.

The DSS contracts with not-for-profit organizations through the competitive solicitation process to administer the Accreditation Facilitation (AF) and Stay at Home Parent (SAHP) programs and provides direct grants to competitively selected child care facilities for the SUE program. The DSS also contracts with ten noncompetitively selected local community partnership agencies to administer the AF, SAHP, and SUE programs. The OA grants the DSS authority to exempt the community partnership contracts from competitive solicitation. Community partnership agencies are non-profit organizations established to administer the Caring Communities program that was created by Executive Order in 1993. The partnerships work with local, state, and federal partners to meet local social service needs.

The DSS allocates \$3.2 million in early childhood funding each year to the same ten community partnerships the DSS originally awarded AF, SAHP, and/or SUE funding to in 1998, when the General Assembly created the ECDEC Fund. The amounts allocated to the ten community partnerships remain constant each year and have not changed from the original 1998 funding levels. If the DSS receives reduced appropriations for any of the three early childhood programs, the noncompetitive awards remain the same while the DSS reduces competitive awards. As noted above, the DSS has not periodically evaluated these funding allocations.



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### Accreditation Facilitation and Stay at Home Parent programs

AF and SAHP contract requirements differ for competitive and noncompetitive contractors even though the services provided are similar. As a result, the DSS must perform additional work to administer and monitor the programs. In addition, some noncompetitive contractors subgrant their SAHP funding to entities already receiving funding through competitive grants. At least one community partnership agency participates in the SAHP program through the competitive award process.

The DSS pays competitive contractors a fixed price per program or family served. The DSS reimburses noncompetitive contractors for actual expenditures, including fixed administrative costs, up to a maximum award amount regardless of the number of facilities or families served. Noncompetitive contractors are not required to submit supporting documentation for expenditures and submit less detailed information on services provided to clients, while competitive contractors submit a copy of their general ledger and detailed information on all programs or families served during the month. The use of multiple types of contracts requires DSS staff to use different monitoring procedures and tools and increases the overall number of contracts to monitor.

In addition, at least two noncompetitive contractors for the SAHP program subcontract with entities that the DSS awarded funds to through the competitive solicitation process. For these, the noncompetitive contractor retains a portion of the contract monies for administrative purposes, although they perform limited work. Additionally, at least one community partnership not already participating in the noncompetitive program bid to be a competitive contractor for the SAHP program. If noncompetitive contract monies are flowing to entities already participating in the competitive contracts and community partnerships are willing to participate in the competitive process, the use of multiple types of contracts may not be necessary.

### Start Up and Expansion program

Noncompetitive contractors subaward only a portion of their SUE funding to child care facilities reducing ECDEC Fund monies used for direct early childhood services. The DSS paid noncompetitive SUE contractors approximately \$1.4 million in fiscal year 2011, of which only \$727,000 (52 percent) was passed through to child care facilities. The remaining 48 percent funded operating costs of the contractors and the costs of providing technical assistance to child care facilities receiving grants. By comparison, the DSS only paid approximately \$194,000, 11 percent of the \$1.7 million total competitive awards, for technical assistance provided to child care facilities receiving competitive grants from the DSS. The noncompetitive contract allows contractors to set the level of funding they will distribute to child care facilities.

### Duplicate service areas

For the AF and SAHP programs, noncompetitive contractors serve regions of the state where services are already offered by competitive contractors,



## Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

resulting in duplicated efforts. Additionally, for the SUE program, with the exception of St. Louis City and St. Louis County, the DSS awards competitive grants to child care facilities statewide including the same areas where noncompetitive contractors award SUE grants.

DSS officials indicated they award the two types of contracts because this is historically how the programs have been administered. DSS officials also indicated they utilized community partnership agencies to administer the programs in accordance with Section 205.565, RSMo, which allows the DSS to administer and award grants to qualifying entities to carry out the Caring Communities program. However, the statute is not specific to the ECDEC Fund.

### Conclusions

Efficient administration of the various early childhood programs, including evaluating the need for two types of contracts and the funding levels for each type of contract, and requiring sufficient documentation to support contractor expenditures, is necessary to ensure ECDEC Fund monies are used as intended to improve the quality and quantity of early childhood programs. Simplifying the mechanism for distributing ECDEC Fund monies would reduce the level of effort necessary to administer and monitor the program, may result in increased funding to facilities statewide, and would prevent duplicated service areas. Allowing only one type of contract award with uniform contract requirements would simplify monitoring procedures and ensure the most ECDEC funding possible is provided for direct early childhood services in accordance with the purpose of the fund.

### 3.2 St. Louis area funding

The DSS does not administer the SUE program consistently throughout the state. DSS policies require facilities in St. Louis City and County to apply to Area Resources for Community and Human Services (ARCHS), a community partnership for SUE grants, while child care facilities in all other parts of the state are allowed to apply through the DSS or their local community partnership. The DSS paid ARCHS \$959,440 during each of the years ended June 30, 2012 and 2011 to fund SUE grants.

ARCHS provides child care facilities in St. Louis City and St. Louis County 3 year SUE grants with a maximum of \$90,000. If facilities applied for the DSS competitive grants they could receive 3 year grants with a maximum of \$270,000. Additionally, the ARCHS grant requires facilities to add a minimum of 21 slots to receive the maximum funding while the DSS grant only requires facilities to add a minimum of 13 slots to receive maximum funding.

The DSS established the policy to restrict applicants in these areas because, when compared to the other community partnerships, ARCHS receives the largest amount of SUE funding. However, to ensure facilities have an equal



## Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

opportunity to obtain funding for SUE projects, the DSS should allocate funding consistently on a statewide basis.

### Recommendations

The DSS:

- 3.1 Perform a comprehensive analysis to determine whether current funding allocations between competitive and noncompetitive selected contractors result in the most efficient delivery of early childhood services. In addition, the DSS should require all contractors to submit sufficient documentation to support expenditures and reported services provided.
- 3.2 Allocate SUE funding consistently statewide.

### Auditee's Response

*The DSS provided the following responses:*

- 3.1 *The DSS will complete an analysis on Stay at Home Parent program (SAHP) funding allocations to determine the best way to distribute funds. As part of the analysis, the DSS will ensure there are processes and procedures in place to require all contractors to submit appropriate documentation to support contract requirements and expenditures. Beginning FY 2013, the General Assembly did not authorize funding for the remaining two programs included in this finding.*
- 3.2 *While the Start Up and Expansion program is not currently funded, if funding were appropriated in the future, the DSS would develop a methodology to allocate funds statewide. This methodology would consider factors such as, number of families receiving subsidy and availability of child care providers accepting child care subsidy families by geographical areas.*

## 4. DESE Monitoring

The DESE does not adequately monitor ECDEC Fund contractors to ensure monies are spent in accordance with contractual requirements for the Missouri Preschool Project (MPP) or the Parents as Teachers (PAT) programs. The DESE has not created an on-site monitoring policy and performs only limited, informal on-site monitoring of early childhood contractors. The DESE assigned a supervisor to each of the three regions of the state to monitor MPP and PAT programs within the region, but due to budget constraints, caseloads per supervisor increased thereby limiting its ability to effectively monitor early childhood contractors.

The DESE expended approximately \$14.8 million from the ECDEC Fund in each of the years ended June 30, 2012 and 2011. The DESE issued approximately 165 grants and contracts for the MPP program and over 520 grants for the PAT program during the year ended June 30, 2012.



## Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

### Missouri Preschool Project

The DESE does not have procedures in place to perform formal documented on-site monitoring of MPP contractors. The DESE performed limited informal on-site monitoring of MPP contractors, but did not document the results of the monitoring visits. In addition, the DESE does not adequately review supporting documentation of expenditures claimed on a periodic basis. MPP contractors submit periodic reports of expenditures when requesting payment from the DESE. These reports do not include vendor invoices, payroll records, or other supporting documentation.

The DESE conducted informal on-site monitoring of MPP contractors identified as at-risk for non-compliance based on reports from the DESE technical assistance provider. DESE officials could not provide any statistics; however, they indicated there is not a method in place to capture the number of visits made. Due to reduced ECDEC appropriations in fiscal year 2012, the DESE reduced technical assistance funding, limiting the potential identification of at-risk contractors.

### Parents as Teachers reports

The DESE does not obtain information needed to properly monitor PAT contractors. DESE reimburses PAT contractors on a fee per-unit basis for each screening or parent education visit completed. DESE policy requires personnel use contractor post-expenditure reports to compare contractor actual expenditures to contractor annual budgets. DESE policy also requires PAT contractors submit self-monitoring reports every 5 years. The self-monitoring reports include information regarding supervision, record keeping, budget, and reporting, and also require school district personnel to provide certain assurances related to compliance with DESE policies.

Due to unresolved technical problems with the DESE computer system, PAT contractors are unable to submit the post-expenditure or self-monitoring reports. Effective September 2011, the DESE temporarily suspended the reporting requirements due to the technical issues. Contractors did not submit post-expenditure reports for state fiscal years 2011 and 2012. The post-expenditure and self-monitoring reports were the DESE's only procedures to review the fiscal and programmatic practices of each PAT contractor. When DESE officials identified the issues in 2011, they notified the Office of Administration - Information Technology Services Division (OA-ITSD) about the technical issues.

### Other monitoring

The DESE relies on other monitoring procedures, including cash management desk monitoring and review of financial audit reports of public school districts to identify at-risk districts for non-compliance. However, these procedures, do not extend to private child care facilities receiving MPP awards. In addition, during fiscal year 2012, the DESE included only four public schools receiving MPP or PAT grants in its cash management desk monitoring.



## Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

Timely monitoring of contractors is necessary to ensure expenditures are adequately supported, monies are used for intended purposes, and program objectives are attained. Additionally, critical system issues should be addressed timely to ensure existing program monitoring procedures are not interrupted.

### Recommendation

The DESE implement periodic on-site monitoring procedures for early childhood contractors, including monitoring of compliance with contractual requirements and fiscal practices, and review of supporting documentation for expenditures. In addition, the DESE should work with the OA-ITSD to ensure system functionality is restored in a timely manner.

### Auditee's Response

*The DESE provided the following response:*

*The DESE concurs with the recommendation. A three-tiered monitoring system has been implemented to address the monitoring requirements. In addition, the Department will continue to emphasize the critical nature of the system functionality issues and work with the OA-ITSD to address these.*

## 5. DSS Monitoring

The DSS did not always ensure corrective action was timely or adequate to address noncompliance. In addition, the DSS does not use a consistent methodology to determine how many files to review during on-site monitoring. DSS policy requires periodic visits every 1, 2, or 3 years based on the dollar value of the contract for the Stay at Home Parent (SAHP), Start Up and Expansion (SUE), Accreditation Facilitation (AF), and Early Head Start (EHS) programs.

We reviewed the most recent monitoring reports for 20 early childhood contracts and noted several weaknesses.

- One SAHP contractor remained noncompliant throughout the terms of four SAHP contracts in effect between October 2007 and December 2012. In addition, the DSS has not performed formal on-site monitoring of the contractor since December 2009. As of March 2012, the contractor had only served the 25 families per month requested by the corrective action plan for 8 contract months for one contract and 2 months for another contract, and never met the monthly requirement for the other two contracts.

The DSS indicated an evaluator made several informal on-site visits, but did not prepare any reports to document the additional visits. Since December 2009, the contractor has operated under a corrective action plan and the DSS performs additional desk monitoring for the contractor. The DSS only paid the contractor based on the actual number of families served each month; however, the overall effectiveness of the program may be limited by serving less families.





## Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

- In June 2010, the DSS performed on-site monitoring of another SAHP program contractor and requested, but the contractor did not submit, a corrective action plan. Corrective action plans are due within 10 days of request as required by DSS policy. The DSS did not perform a follow-up visit with the contractor until March 2011. The contractor did submit a corrective action plan for this review.
- DSS monitoring instruments do not always include a methodology for determining how many files should be reviewed. DSS evaluators use standard monitoring tools to review samples of child or family files to verify contractors meet eligibility and other requirements. Evaluators also review personnel files to ensure the contractor's employees meet educational and background check requirements. Only three of the seven monitoring instruments used include instructions on the number of files to review. Two of the three instruments instruct the evaluator to review five children files and the other instrument instructs the evaluator to review three facility files. This selection method does not consider the size of the population or risk factors, such as previous noncompliance. For the remaining four instruments, officials indicated they try to review 10 percent of the population; however, this standard is not included in written policies or procedures and workers do not document the number reviewed.

Monitoring procedures should be designed to ensure deficiencies are corrected timely and adequately, and include a documented methodology for determining sample sizes that considers population size and risk. Without adequate procedures in place there is an increased risk contractor noncompliance will not be detected or corrective action taken.

### Recommendation

The DSS improve monitoring procedures to ensure corrective action is taken for noncompliant contractors and sampling methodologies consider population size and risk.

### Auditee's Response

*The DSS provided the following response:*

*The DSS agrees that monitoring procedures should be improved. The CD is working with the DFAS Compliance and Quality Control Unit (CQCU) and the Division of Legal Services (DLS) to develop a sanctions policy and process that will ensure corrective action is taken for all noncompliant contractors.*

*The DSS is evaluating and revising the current contract monitoring policy to include a risk-based approach to monitoring. The DFAS CQCU has recently provided Monitoring training to all DSS staff and provided tools that will be used to assist staff in determining risk and developing a monitoring plan that considers both population size and risk.*



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## Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

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*The Children's Division (CD) is also developing a comprehensive contract management system to account for its Early Childhood Development Education and Care Contracts and all other quality contracts. This system will provide for enhanced tracking of expenditures, corrective action plan statuses, monitoring information, documentation of visits and execution, and termination of contracts.*

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### **6. Child Care Assistance Program Controls**

As noted in Report No. 2013-24, *State of Missouri Single Audit*, issued in March 2013, significant weaknesses exist in DSS controls over Child Care Assistance program eligibility and provider payments. Controls over eligibility and provider payments are not sufficient to prevent and/or detect payments on behalf of ineligible clients or improper payments to child care providers. The DSS operates a statewide Child Care Assistance program funded by both federal and state revenue sources. The DSS expended approximately \$3.1 million and \$2.1 million from the ECDEC Fund for the Child Care Assistance program for the years ended June 30, 2012 and 2011, respectively.

As noted in the 2013 audit report, the DSS lacks sufficient controls to ensure eligibility determinations are accurate and payments are proper and adequately supported. At least three significant factors contribute to the weak control system including limited supervisory review of child care eligibility determinations, failure to perform on-site contract compliance reviews of child care providers and minimal other procedures in place to review provider attendance records, and poor case management and document retention.

In response to deficiencies identified in previous audits, the DSS implemented new controls over eligibility determinations. Although the DSS has a system for monthly supervisory reviews of eligibility determinations by caseworkers statewide for other DSS assistance programs, the review system did not previously include the Child Care program. Effective March 1, 2012, the DSS requires all eligibility supervisors to review a minimum of three child care cases each month in the case review system. While the new procedures improve controls over eligibility determinations, there are no requirements for random case selection and only limited procedures to ensure the monthly case reviews are performed.

The case review system discussed above only applied to 4 months of fiscal year 2012, and it is unknown what impact the changes will have on the error rate for eligibility determinations. In addition, none of these changes address control weaknesses over payments to child care providers. The lack of controls over eligibility determinations and payments to providers can result in provider overpayments and reimbursements for ineligible clients and/or unallowable costs.



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## Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

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### Recommendation

The DSS continue to review and strengthen policies and procedures regarding child care eligibility determinations, provider payments, and case record documentation and retention. These procedures should include sufficient monitoring of eligibility determinations and provider payments, and follow-up on errors identified.

### Auditee's Response

*The DSS provided the following restatement of the DSS Corrective Action Plan submitted in response to the FY12 Statewide Single Audit finding:*

*The DSS, CD continues to review and revise its child care policy regarding child care eligibility determinations, provider payments and case record documentation and retention requirements. Policy changes are reviewed and approved by the Family Support Division (FSD) prior to implementation. This is a continuous quality improvement effort between the two divisions.*

*The majority of the CD Child Care manual has been re-reviewed, revised and posted for staff. Staff is advised of changes through memorandums. Also, both FSD and CD staff receive support through Practice Points and Practice Alerts, as needed, to enforce and clarify program policy. Technical assistance is provided to field staff on a regular basis with in person meetings with FSD and CD management.*

*The CD continues to work with the FSD to improve the quality of training for Eligibility Specialist and Supervisors in order to improve child care case management. The CD will seek technical assistance from U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care Region VII office on what other states are doing to reduce and eliminate instances of missing and insufficient documentation.*

*Currently, the CD is working with the FSD to develop a child care calculation worksheet to assist workers in calculating the amount of child care for children and families until future system enhancements can be implemented. The DSS is exploring implementation of an electronic time and attendance system.*

*The CD is working with the DFAS to implement a Child Care Compliance Review Team (CCRT) to conduct both desk and on site reviews. The CCRT will establish a "risk based" compliance model, perform data mining, work directly with the CD's Child Care Provider Relations Units (CCPRU) and with the DLS/Investigations to determine which child care providers will be reviewed. The proposed team will have staff to perform data mining, reviews, and following through with implementation of corrective actions to address findings. This will ensure a consistent approach to performing reviews of child care providers.*



## Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

*With the implementation of a case review system in March 2012, FSD supervisors were trained to review child care cases starting in June 2012. This system provides monitoring of eligibility determinations. Child Care program and policy staff provides ongoing technical assistance to supervisors to support the reading of child care cases. Data is being gathered from the case review system and reviewed to determine which local FSD offices are in need of Program Enhancement Plans (PEP). The PEP will be introduced to FSD by Summer 2013, in an effort to support controls over eligibility determinations.*

*The 2014 Governor's Budget recommendation includes funding for a new eligibility and enrollment system. If appropriated by the General Assembly, the new system will include enhanced internal controls and document imaging for Child Care eligibility case files. Funding for a new eligibility, enrollment and document imaging system will allow the FSD to implement a new structure for income maintenance programs eligibility and case work. This new structure includes the specialization of case work across Missouri. When implemented, Child Care eligibility will be maintained in specific offices and will allow for a higher level of expertise in the area of Child Care eligibility determinations and Child Care case work.*

### 7. Statutory Compliance

ECDEC Fund appropriations passed by the General Assembly and signed by the Governor for the year ended June 30, 2013, do not comply with amounts required by state law.

The General Assembly did not appropriate enough monies to various programs operated by the DSS to meet statutory requirements. Section 161.215, RSMo, requires the General Assembly to appropriate at least 10 percent of fund revenues to the Early Head Start (EHS) program, 10 percent to Accreditation Facilitation (AF), and 10 percent to the Stay at Home Parent (SAHP) program. The table below shows the amounts required by law, amounts actually appropriated, and the amounts of noncompliance.

FY13 DSS Appropriations Subject to  
the 10 percent Requirement

Program	10 Percent Requirement <sup>1</sup>	Appropriated	Shortage
EHS	\$ 3,500,000	0 <sup>2</sup>	3,500,000
AF	3,500,000	0	3,500,000
SAHP	3,500,000	3,074,500	425,500
Total	\$ 10,500,000	3,074,500	7,425,500

<sup>1</sup>The required amount is based on 10 percent of at least \$35 million required by House Bill 1731 to be appropriated to the ECDEC Fund.

<sup>2</sup>The General Assembly did not appropriate any funds for the EHS program. The DSS plans to use \$2,676,737 from its general child care assistance appropriation under Section 11.285 of House Bill 2011 for the EHS program.

The General Assembly passed and the Governor signed House Bill 1731 in 2012 changing the source of revenues from gaming revenues to the Master



## Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

Tobacco Settlement monies for the ECDEC Fund for fiscal year 2013 and subsequent years. The bill requires the State to appropriate at least \$35 million annually to the ECDEC Fund from the Master Tobacco Settlement monies.

To ensure amounts appropriated comply with state law, the DSS should work with the General Assembly to ensure required amounts are appropriated or existing statutes are revised.

### Recommendation

The DSS work with the General Assembly to ensure future appropriations are in compliance with state law.

### Auditee's Response

*The DSS provided the following response:*

*The General Assembly has the authority to appropriate funds for the programs referenced in this finding without a request from the DSS. The Governor's FY 2014 budget recommendations included \$3.5 million in ECDEC funds for an Accreditation Facilitation Program and \$3.5 million in ECDEC funds for The Early Head Start Program.*

## 8. Cost Allocation Transfers

Central services cost allocation transfers made by the OA from the ECDEC Fund to the General Revenue Fund continue to appear questionable based on legal restrictions. In addition, while the OA made changes to its procedures in response to a 2010 State Auditor's office report, current procedures still do not require personnel to document reasons for including a fund in the cost allocation plan. The OA transferred \$388,068 and \$351,547 from the ECDEC Fund for a portion of central services costs during the years ended June 30, 2012 and 2011, respectively.

Central services are services provided to other state agencies by state offices including the OA, State Auditor, Governor, Lieutenant Governor, Secretary of State, Attorney General, General Assembly, Capitol Police, and Department of Revenue. Examples of central services costs allocated include accounting services, facilities management, technology services, budget and planning, personnel, and purchasing services provided by the OA; audits performed by the State Auditor's office; and the administration of revenue and taxation duties by the Department of Revenue.

Report No. 2010-29, *Central Services Cost Allocation Plan*, issued in March 2010, questioned the propriety of some cost allocation transfers, including those from the ECDEC Fund based on statutory language limiting the fund's use. Section 161.215, RSMo, states all moneys in the ECDEC Fund ". . . shall be annually appropriated for voluntary, early childhood development, education and care programs serving children in every region of the state not yet enrolled in kindergarten."



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## Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

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The OA changed cost allocation procedures in response to the 2010 audit report, including formalizing the review of fund eligibility through an analysis model to ensure consistency and performing an additional examination of all funds classified in earlier fiscal years. Officials provided us with documentation of the review of all funds for the year ended June 30, 2012, and indicated the annual review includes a review of statutory language. The OA classifies the ECDEC Fund as eligible for inclusion in cost allocation plan transfers, but there are no comments or other justification provided to indicate why the OA considers central services cost allocation transfers from the fund allowable.

If the OA intends to continue making transfers from the ECDEC Fund, clear and sufficient legal basis for doing so should be documented.

### Recommendation

The OA review the legal basis for including the ECDEC Fund in the cost allocation transfer and document specific reasons why the transfer is allowable.

### Auditee's Response

*The OA provided the following response:*

*One component of OA's analysis model that is used to determine if a fund should be included or excluded from the cost allocation plan is a review of the statutory authorization of the fund. Programs established in statute could not function without the associated administrative costs and those administrative costs are part of the cost of the program. Therefore, unless the statute specifically prohibits use of a fund for administrative purposes, it is assumed that administrative expenses are permitted. This is consistent with the legislative process that annually appropriates the authority to charge funds for central administrative costs. The ECDEC fund statute (Section 161.215 RSMo) authorizes funding of programs, those programs require administrative costs in order to function, the annual cost allocation transfer that is appropriated by the legislature acknowledges those costs, and the ECDEC fund statute does not prohibit use of the fund for administrative purposes.*

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# Early Childhood Development, Education, and Care Fund

## Organization and Statistical Information

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The General Assembly created the Early Childhood Development, Education, and Care (ECDEC) Fund in 1998 under Section 161.215, RSMo. Prior to July 2012, fund revenues consisted of transfers from the Gaming Commission Fund and interest earned on fund balances. In accordance with Section 313.835, RSMo, all revenues received by the Gaming Commission from license fees, penalties, admission fees, and administrative fees were deposited into the Gaming Commission Fund. Gaming Commission Fund revenues less expenditures and other statutorily required transfers were transferred to the ECDEC Fund to be used to support programs that prepare pre-kindergarten age children to enroll in kindergarten and annually appropriated for voluntary programs serving children in every region of the state. Effective July 2012, the ECDEC Fund no longer receives transfers from the Gaming Commission Fund and revenues now consist solely of monies received from the state Master Tobacco Settlement.

The General Assembly appropriates ECDEC funds annually to the Department of Social Services (DSS), Children's Division, and Department of Elementary and Secondary Education (DESE), Office of Early and Extended Learning. In addition, the Department of Health and Senior Services (DHSS), Division of Regulation, receives approximately \$260,000 in annual appropriations for costs related child care licensure and regulation.

The ECDEC funded programs at the DESE for the 2 years ended June 30, 2012, are as follows:

- Missouri Preschool Project - The purpose of the Missouri Preschool Project is to increase capacity and quality at child care facilities statewide. The program provides funding to public schools and private child care centers that offer educational instruction for children 1 to 2 years from kindergarten entry.
- First Steps - The First Steps program helps families improve their child's development, learning, and participation in family and community life. The program provides early intervention services for children, birth to age 3, with developmental delays or disabilities.
- Parents as Teachers - The Parents as Teachers (PAT) program serves families from pregnancy until their child enters kindergarten and enhances child development as well as supports parents in their role as a child's first teacher. PAT is available to all families in Missouri and provides personal visits with a certified parent educator, group meetings, developmental screenings, and access to community resources.

The ECDEC funded programs at the DSS for the 2 years ended June 30, 2012, are as follows:



## Early Childhood Development, Education, and Care Fund Organization and Statistical Information

- Start Up and Expansion program - The purpose of the Start Up and Expansion program is to increase capacity at facilities offering infant and toddler child care for ages birth to 2 or 3 years old, depending on the contract type. The program provides funding for equipment, supplies, initial staff salaries, minor remodeling to meet licensing guidelines, and education and training of staff.
- Early Head Start - The Early Head Start program serves families with children birth to age 3 and pregnant women whose incomes are below 185 percent of the federal poverty level. Services offered include child care, parent education and support, developmental screenings, access to a medical home, support toward attaining family self-sufficiency, and mental health services including substance abuse counseling.
- Stay at Home Parent Program - The Stay at Home Parent program offers assistance, including building on existing resources in the community, to eligible parents whose family income does not exceed 185 percent of the federal poverty level and who wish to care for their children under 3 years of age in the home.
- Accreditation Facilitation - The purpose of the Accreditation Facilitation program is to improve the quality of early childhood programs by establishing more accredited providers. The program provides grants to early childhood facilities to provide the technical and financial assistance necessary to become accredited, including training and professional instruction. The program also provides scholarships to teachers for continuing education or certification.
- Child Care Assistance program - The Missouri Child Care Assistance program assists eligible parents or guardians with the costs of child care on a sliding fee basis. The purpose of the program is to provide adequate child care and enable families to gain employment and remain employed.

American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)

The Early Childhood Development, Education, and Care Fund did not receive any federal stimulus monies during the 2 years ended June 30, 2012.



## Appendix A

### Early Childhood Development, Education, and Care Fund

#### Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

	Year Ended June 30,	
	2012	2011
<b>RECEIPTS</b>		
Interest	\$ 38,768	40,842
Refunds	41,536	6,018
Cost Recovery and other	6,398	150
Total Receipts	<u>86,702</u>	<u>47,010</u>
<b>DISBURSEMENTS (by agency)</b>		
Elementary and Secondary Education	14,876,157	14,876,157
Social Services	13,832,932	14,216,828
Health and Senior Services	230,926	234,326
Office of Administration	7,956	35,937
Total Disbursements	<u>28,947,971</u>	<u>29,363,248</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS BEFORE TRANSFERS</b>	<u>(28,861,269)</u>	<u>(29,316,238)</u>
<b>TRANSFERS</b>		
Transfers from Gaming Commission Fund	29,227,622	30,998,622
Transfers to:		
OA-Worker's Compensation	0	(88)
OA-Cost Allocation	(388,068)	(351,547)
Fringe benefits	(109,876)	(113,215)
Total Transfers	<u>28,729,678</u>	<u>30,533,772</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS</b>	<u>(131,591)</u>	<u>1,217,534</u>
<b>CASH AND INVESTMENTS, JULY 1</b>	<u>5,011,306</u>	<u>3,793,772</u>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<u>\$ 4,879,715</u>	<u>5,011,306</u>

Appendix B

Early Childhood Development, Education, and Care Fund  
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2012			2011		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION						
Early Childhood Program	\$ 11,757,600	11,404,872	352,728	14,757,600	14,314,872	442,728
First Steps	578,644	561,285	17,359	578,644	561,285	17,359
Parents as Teachers	3,000,000	2,910,000	90,000	0	0	0
Total Department of Elementary and Secondary Education	15,336,244	14,876,157	460,087	15,336,244	14,876,157	460,087
DEPARTMENT OF SOCIAL SERVICES						
Early Childhood Startup and Expansion	3,689,400	2,631,275	1,058,125	3,689,400	3,192,767	496,633
Childhood Development (Early Head Start)	3,074,500	2,980,122	94,378	3,074,500	2,982,265	92,235
Childhood Development Certificate (Stay at Home Parent)	3,074,500	2,607,980	466,520	3,074,500	2,469,696	604,804
Purchase of Child Care	2,676,737	2,596,435	80,302	2,676,737	2,618,297	58,440
Accredited Providers	3,074,500	2,974,984	99,516	3,074,500	2,911,389	163,111
Personal Service	44,283	41,253	3,030	44,283	41,755	2,528
Expense and Equipment	11,856	0	11,856	11,856	0	11,856
State Owned Facilities	904	883	21	679	659	20
Total Department of Social Services	15,646,680	13,832,932	1,813,748	15,646,455	14,216,828	1,429,627
DEPARTMENT OF HEALTH AND SENIOR SERVICES						
Personal Service	206,785	200,568	6,217	206,785	200,488	6,297
Expense and Equipment	57,561	30,358	27,203	57,561	33,838	23,723
Child Care Improvement Program	0	0	0	728,740	0	728,740
Total Department of Health and Senior Services	264,346	230,926	33,420	993,086	234,326	758,760
OFFICE OF ADMINISTRATION						
Personal Service	1,482	1,437	45	1,482	1,438	44
Expense and Equipment	24,279	6,369	17,910	54,279	34,462	19,817
Unemployment Benefits	261	150	111	38	37	1
Total Office of Administration	26,022	7,956	18,066	55,799	35,937	19,862
Total Early Childhood Development, Education, and Care Fund	\$ 31,273,292	28,947,971	2,325,321	32,031,584	29,363,248	2,668,336

## Appendix B

### Early Childhood Development, Education, and Care Fund Comparative Statement of Appropriations and Expenditures

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,	
	2012	2011
Early Childhood Development, Education, and Care Fund		
DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION		
Early Childhood Program	\$ 352,728	442,728
First Steps	17,359	17,359
Parents as Teachers	90,000	0
DEPARTMENT OF SOCIAL SERVICES		
Early Childhood Startup and Expansion	110,682	110,682
Childhood Development (Early Head Start)	92,235	92,235
Childhood Development Certificate (Stay at Home Parent)	92,235	92,235
Purchase of Child Care	80,302	58,440
Accredited Providers	92,235	92,235
Personal Service	1,328	1,328
Expense and Equipment	356	356
State Owned Facilities	21	20
DEPARTMENT OF HEALTH AND SENIOR SERVICES		
Personal Service	6,204	6,204
Expense and Equipment	1,727	1,727
Child Care Improvement Program	0	728,740
OFFICE OF ADMINISTRATION		
Personal Service	44	44
Expense and Equipment	728	728
Unemployment Benefits	8	0
Total Early Childhood Development, Education, and Care Fund	\$ 938,192	1,645,061

Appendix C

Early Childhood Development, Education, and Care Fund  
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2012	2011	2010	2009	2008
Salaries and wages	\$ 243,257	243,681	251,969	71,094	242,740
Travel, in-state	10,010	0	1,399	5,444	4,329
Travel, out-of-state	257	0	301	1,053	1,455
Supplies	2,592	1,073	2,463	2,437	14,442
Professional development	0	0	0	0	1,303
Communication service and supplies	131	11,755	0	0	400
Services:					
Professional services	15,898	5,390	54,698	619,002	570,772
Maintenance and repair	5,844	23,053	13,176	55,000	900
Equipment:					
Computer	526	28,700	21,467	0	35,268
Office	0	4,713	0	0	245
Other	0	0	0	0	77
Building lease payments	883	659	603	662	1,309
Miscellaneous expenses	0	0	47	0	615
Program distributions	28,668,573	29,044,224	28,975,717	25,649,184	33,997,854
Total Expenditures	\$ <u>28,947,971</u>	<u>29,363,248</u>	<u>29,321,840</u>	<u>26,403,876</u>	<u>34,871,709</u>



Thomas A. Schweich  
Missouri State Auditor

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## ADMINISTRATION

# Review of Article X, Sections 16 Through 24, Constitution of Missouri Year Ended June 30, 2012



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June 2013

Report No. 2013-047

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the review of Article X, Sections 16 through 24, Constitution of Missouri

### Background

The Constitution of Missouri was amended in 1980 to add Article X, Sections 16 through 24, commonly referred to as the Hancock Amendment. This tax limitation amendment imposes restrictions on the amount of personal income used to fund state government and the amount by which fees and taxes can be increased. Mathematical formulas are used to determine the relevant threshold amounts each year.

The Hancock Amendment limits the amount of Missourian's personal income that may be used to fund state government to no greater than the portion used to do so in 1981. In other words, since 5.6 percent of Missourian's personal income went to fund state government in 1981, then no more than 5.6 percent can be used to do so in future years, unless revenues are specifically excluded by a vote of the people.

The Hancock Amendment also requires voter approval before taxes or fees can be increased by the General Assembly beyond a certain annual limit. Based upon the calculation provided by the Office of Administration, Division of Budget and Planning, the relevant annual revenue limit for fiscal year 2012 was \$80.2 million.

### Fiscal Year 2012 Findings

For the fiscal year ended June 30, 2012, our review determined no refunds were due. In fact, total state revenue was approximately \$3.9 billion under the refund threshold. In addition, the Office of Administration, Division of Budget and Planning determined that net taxes and fees decreased by \$1.3 million. As a result, our review concluded the state complied with these provisions of the Hancock Amendment.

The revenue limit has not been exceeded since the year ended June 30, 1999.

Because of the limited objective of this review, no overall rating is provided.

American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)

Not applicable to this report.

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# Review of Article X, Sections 16 Through 24, Constitution of Missouri

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Members of the General Assembly  
and  
Douglas E. Nelson, Commissioner  
Office of Administration  
Jefferson City, Missouri

We have conducted a review of revenues of the state of Missouri for the year ended June 30, 2012, and the application to those revenues of Article X, Sections 16 through 24, Missouri Constitution, more commonly referred to as the Hancock Amendment (included as an Appendix). We had previously reported on revenues of the state for the years ended June 30, 1982 through 2011. The amendment, which was adopted by the voters of Missouri on November 4, 1980, limits the growth of state revenues collected in any fiscal year. The objectives of this review were to:

1. Evaluate the formula to calculate the state's revenue limit.
2. Determine the specific items included in total state revenues.
3. Verify the accuracy of the revenue limit computation and compare that limit to total state revenues.
4. Review the state's overall compliance with the provisions of the amendment.

Our review included only the application of the revenue limit to state revenues and, accordingly, did not include a review of the effects of the amendment on any local governmental unit.

Our methodology to accomplish these objectives included discussions with personnel of the Office of Administration, Division of Budget and Planning, inspecting relevant records and reports compiled by that office, and reviewing data and reports from the statewide accounting system.



The Executive Summary and the Background, Methodology, and Conclusions present our comments, findings, and conclusions concerning the state's overall compliance with the provisions of Article X, Sections 16 through 24, Missouri Constitution.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Jeffrey Thelen, CPA, CISA
Audit Manager:	Robyn Vogt, M.Acct., CPA

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# Review of Article X, Sections 16 Through 24, Constitution of Missouri

## Executive Summary

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### **Executive Summary**

The amendment, commonly referred to as the Hancock Amendment, requires that no greater portion of Missourians' personal income (MPI) be used in any future year to fund state government than was the case in fiscal year 1981, except as authorized by a vote of the people.

The results of our review determined that for the year ended June 30, 2012, total state revenue (TSR) was approximately \$3.9 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2012.

The amendment also imposes an additional revenue limit, which states the general assembly shall not increase taxes or fees in any fiscal year without voter approval that in total produce new annual revenues greater than \$50 million adjusted annually by the percentage change in the personal income of Missouri for the second previous year, or one percent of total state revenues for the second fiscal year prior to the general assembly's action, whichever is less.

For the year ended June 30, 2012, the Office of Administration, Division of Budget and Planning has determined that as a result of legislative actions net taxes and fees decreased by a total of \$1.3 million. As a result, the state also complied with this provision of the amendment.

The revenue limit has not been exceeded since the year ended June 30, 1999. Over the last 5 years the amount of TSR under the refund threshold has increased from \$1.4 billion to \$3.9 billion.

A bar graph of TSR compared to the refund threshold follows:

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,  
CONSTITUTION OF MISSOURI  
CHART OF TOTAL STATE REVENUE VERSUS REFUND THRESHOLD

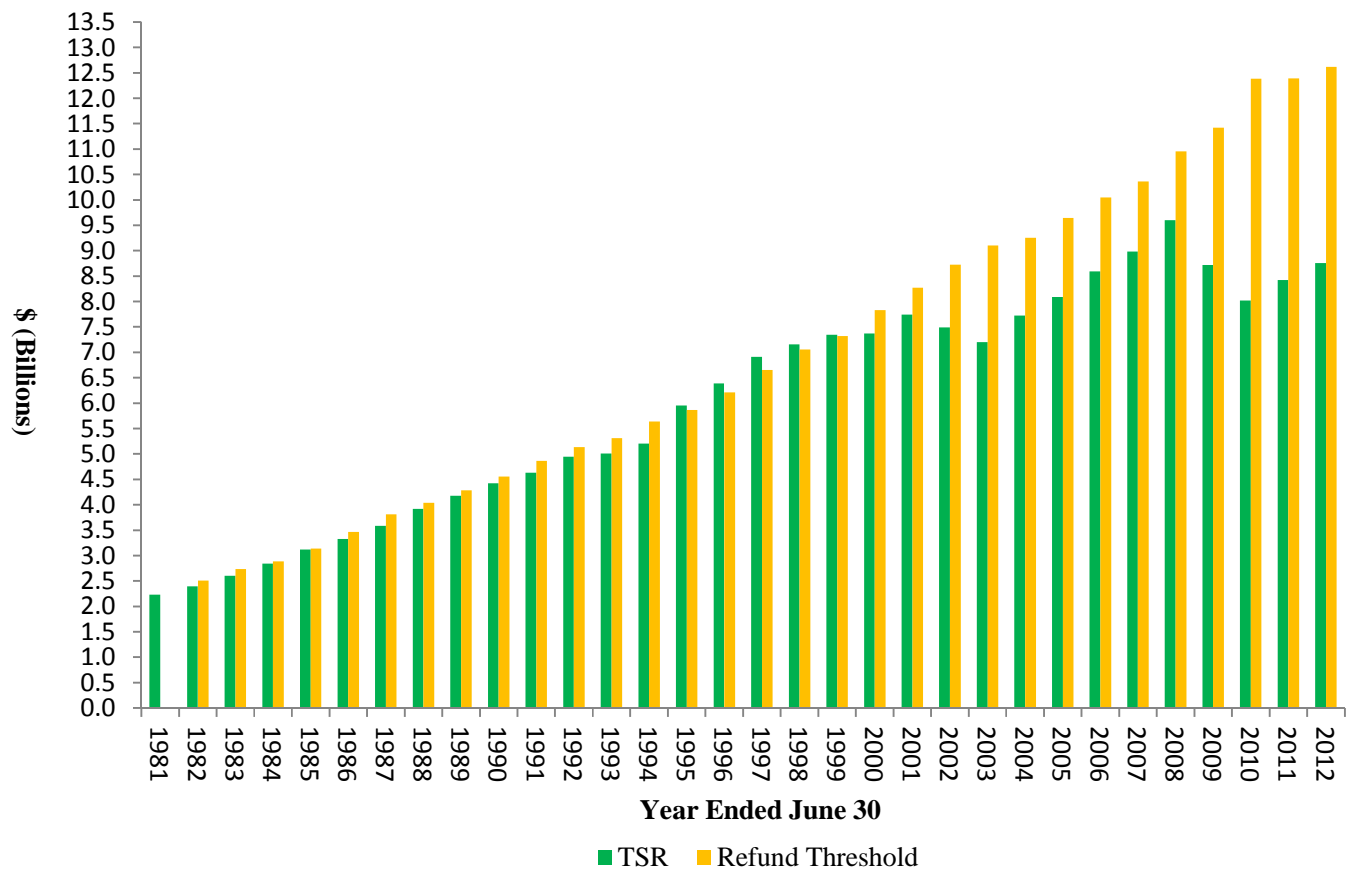


Exhibit A

Review of Article X, Sections 16 Through 24, Constitution of Missouri  
Summary of Total State Revenue and Refund Calculations  
(In Millions)

		Year Ended June 30,				
		2008	2009	2010	2011	2012
<b>TOTAL STATE REVENUE (TSR)</b>						
Total state receipts	\$	22,939.03	22,962.81	25,392.29	25,114.40	24,304.54
Less excluded revenue		(12,021.91)	(12,742.02)	(15,836.59)	(15,298.29)	(14,220.97)
Less expenditure refunds		(1,321.37)	(1,504.91)	(1,543.13)	(1,414.46)	(1,342.75)
Add refundable tax credits		2.75	5.66	9.95	22.77	14.85
TSR	\$	9,598.50	8,721.54	8,022.52	8,424.42	8,755.67
<b>REVENUE LIMIT AND REFUND THRESHOLD</b>						
Missouri personal income	\$	191,413.00	199,655.00	216,547.00	216,637.00	220,635.00
Base year ratio	x	0.056395	0.056395	0.056395	0.056395	0.056395
Base limit		10,794.74	11,259.54	12,212.17	12,217.24	12,442.71
Judicial article amendment		49.06	50.53	50.53	50.53	50.53
Revenue limit		10,843.80	11,310.07	12,262.70	12,267.77	12,493.24
1 percent adjustment		108.44	113.10	122.63	122.68	124.93
Refund threshold	\$	10,952.24	11,423.17	12,385.33	12,390.45	12,618.17
<b>REFUND CALCULATION</b>						
TSR	\$	9,598.50	8,721.54	8,022.52	8,424.42	8,755.67
Less refund threshold		10,952.24	11,423.17	12,385.33	12,390.45	12,618.17
Over (Under) Threshold		(1,353.74)	(2,701.63)	(4,362.81)	(3,966.03)	(3,862.50)
1 percent adjustment		0.00	0.00	0.00	0.00	0.00
Refund	\$	0.00	0.00	0.00	0.00	0.00

## Exhibit B

Review of Article X, Sections 16 Through 24,  
 Constitution of Missouri  
 Schedule of Total State Revenues

Revenue Source Code	Type of Revenue	Year Ended June 30,				
		2008	2009	2010	2011	2012
1001	Sales and use tax	\$ 2,029,365,907	1,927,035,752	1,839,221,316	1,860,913,153	1,928,981,152
1003	(l) Parks sales and use tax	41,177,179	38,627,585	37,541,193	38,326,978	40,226,069
1005	(k) Soil and water sales and use tax	41,177,637	38,627,589	37,541,196	38,326,982	40,226,073
1007	General revenue reimbursements - local sales and use tax	1,836,920	1,361,895	1,194,248	2,009,254	1,749,610
1009	Motor vehicle sales tax	29,084,872	2,974,344	2,870,175	2,470,456	2,503,662
1009	(bb) Motor vehicle sales tax - Amendment 3	171,801,305	161,889,790	166,257,149	178,836,881	188,378,783
1011	(t) Conservation sales and use tax	102,945,079	96,571,218	93,854,189	95,818,337	100,566,000
1013	(f) Proposition C sales and use tax	807,214,841	758,897,169	737,027,830	751,790,411	789,216,003
1015	Sales and use taxes paid under protest	679,617	1,321,174	485,684	1,073,324	118,018
1016	Suspense holding	(1)	-	-	-	-
1022	Individual income tax	6,118,983,440	5,949,177,456	5,495,243,112	5,641,731,318	5,851,240,169
1024	Individual income taxes paid under protest	107,119	89,239	98,582	80,953	31,430
1026	Corporate income tax	520,955,635	434,036,242	408,935,647	455,662,447	432,582,659
1028	Corporate income taxes paid under protest	22,040	2,036	150	-	-
1033	County foreign insurance tax	209,554,552	203,798,991	194,396,970	211,060,727	191,997,525
1037	Worker's compensation insurance tax	13,945,412	12,043,776	9,386,753	12,452,781	13,245,133
1039	Worker's compensation insurance tax - second injury	60,287,228	54,647,952	43,216,506	37,800,696	41,671,672
1041	Excess lines of insurance tax	25,699,706	21,920,932	23,053,334	22,300,553	23,254,218
1049	Heavy beer tax	8,436,959	8,466,036	8,270,996	8,222,901	8,151,881
1051	Light beer tax	33,457	37,836	15,330	-	-
1053	Liquor tax	18,045,107	18,839,100	19,476,179	19,560,786	20,621,338
1055	Wine tax	4,657,885	4,646,495	5,023,673	5,175,458	5,568,215
1057	Cigarette tax	97,150,389	94,799,204	91,151,815	89,965,910	88,609,043
1059	Tobacco product tax	12,214,822	13,065,193	15,011,542	15,551,490	16,308,821
1060	Motor vehicle fuel tax	410,494,152	399,565,091	401,519,109	399,527,478	393,010,333
1060	(g) Motor vehicle fuel tax	175,543,409	168,061,247	169,008,528	169,467,566	166,913,857
1060	(bb) Motor vehicle fuel tax - Amendment 3	155,798,599	149,158,016	149,998,750	150,406,156	148,139,684
1062	Special fuel non-gas tax	3,331,931	1,483,582	782,210	370,352	270,729
1062	(bb) Special fuel non-gas tax - Amendment 3	115,290	104,383	114,205	133,520	148,356
1064	Aviation fuel tax	343,894	254,811	251,472	254,394	295,198
1070	Corporation franchise tax	92,508,381	94,337,368	93,155,521	81,733,747	70,171,529
1073	Estate tax	3,451,099	3,068,343	263,642	2,117,782	170,966
1074	(p) Bingo tax	2,154,878	2,142,815	2,198,919	2,157,214	2,113,377
1076	(q) Gaming commission gross receipts tax	293,171,756	316,072,724	334,287,278	341,376,377	337,316,302
1079	County private car tax	-	-	-	-	2
1080	Real and personal property tax	25,689,796	26,699,750	26,051,387	26,547,565	26,395,744
1082	Delinquent real and personal property tax	3,280,619	3,332,155	3,486,501	3,170,652	3,013,387
1084	Hazardous waste fees	1,713,325	1,594,056	1,466,805	1,417,393	1,426,033
1088	Nursing facility reimbursement allowance	12,831,315	13,503,123	14,020,417	14,661,394	17,009,046
1089	Pharmacy reimbursement allowance	10,806,129	37,988,202	66,335,897	92,850,277	95,230,655
1090	Federal reimbursement allowance	11,284,451	6,320,261	6,292,537	7,693,473	42,381,428
1093	Athletic events tax	120,933	140,907	104,843	136,650	159,800
1094	Ambulance service reimbursement allowance	-	-	-	-	5,252,545
1095	Surcharges	396,679	410,904	317,448	288,301	236,155
1096	Special taxes and assessments	-	-	31,637	-	-
1097	Agency collected sales taxes	352,093	352,820	345,639	312,488	205,722
1099	Other taxes	83,118	12,151,473	12,411,499	12,013,430	285,249
1100	Professional licenses or permits	21,312,199	25,563,003	24,637,691	24,641,882	25,311,321
1102	Recreational licenses or permits	4,547,798	5,013,650	5,153,559	5,684,827	5,525,790
1104	All-terrain vehicle licenses or permits	326	1	2	-	-
1106	Motor vehicle licenses or permits	126,655,950	127,213,317	128,852,046	122,777,623	121,364,737
1106	(bb) Motor vehicle licenses or permits - Amendment 3	55,960,916	52,894,364	54,833,952	54,761,828	53,890,370
1108	Interstate transportation licenses or permits	49,744,434	49,686,448	44,535,890	47,312,197	50,488,456
1108	(bb) Interstate transportation licenses or permits - Amendment 3	21,632,031	21,591,711	20,092,995	21,406,443	22,855,732
1110	Driver's licenses or permits	6,839,329	7,675,442	7,374,159	5,891,775	7,187,607
1110	(bb) Driver's licenses or permits - Amendment 3	8,718,336	9,438,170	9,101,225	7,631,863	8,580,448
1112	Land reclamation commission permits	674,024	645,713	593,636	563,010	570,035
1114	Salesman licenses or permits	186,320	79,340	328,500	629,900	618,310
1116	Vehicle and boat manufacturer and dealer licenses	977,540	920,472	892,228	891,432	877,445
1118	Liquor licenses or permits	4,764,537	4,740,555	4,889,334	4,963,343	4,964,474

Exhibit B

Review of Article X, Sections 16 Through 24,  
Constitution of Missouri  
Schedule of Total State Revenues

Revenue Source Code	Type of Revenue	Year Ended June 30,				
		2008	2009	2010	2011	2012
1120	Gaming commission licenses	1,712,730	1,769,544	1,617,970	1,732,484	1,601,155
1122	Beer licenses or permits	6,117	345,800	350	-	-
1124	Motor carrier licenses	94,593	2,672,893	1,604,642	3,813,345	2,553,651
1126	Hunting and fishing licenses and commission permits	29,390,276	30,505,122	31,059,506	30,206,611	31,361,102
1127	Hunting and fishing special tags	1,154,059	1,243,205	1,188,356	1,068,541	1,127,630
1128	Hazardous waste transporter licenses	303,265	315,291	310,352	288,314	316,891
1130	Water pollution control permits	4,509,288	4,105,784	4,154,272	2,755,242	4,487,263
1132	(bb) Overdimension/overweight permits - Amendment 3	8,155,732	7,836,787	7,304,243	7,716,060	8,752,113
1134	Merchant licenses	1,196,319	1,291,850	1,312,555	1,379,239	1,466,297
1136	Tobacco licenses	25,910	27,210	28,600	26,100	27,300
1138	Temporary licenses	500	300	600	225	1,100
1140	Duplicate plates	26,353	4,861	614,506	1,573,920	1,574,829
1142	Duplicate driver license	-	-	739,435	1,943,207	1,917,506
1149	Other licenses and permits	3,457,744	3,623,316	3,880,320	3,858,723	3,949,879
1149	(bb) Other licenses and permits - Amendment 3	2,746,278	1,164,998	1,220,854	969,641	1,497,535
1150	Lobbyist registration fees	12,190	12,000	10,630	11,400	11,020
1152	Motorboat fees	9,600,457	8,351,195	8,752,777	9,779,948	11,848,667
1154	Narcotics and dangerous drugs fees	714,987	1,018,475	811,160	811,020	562,899
1156	Occupational boards exam fees - individual exam fees	644,623	694,968	699,961	714,469	751,999
1160	(bb) Non-motor fuel decal fees - Amendment 3	74,587	70,820	75,514	67,474	109,476
1162	Filing fees	19,875,870	19,086,452	17,575,031	17,653,490	24,409,792
1163	Certifying/authenticating fees	43,727	34,797	29,439	141,542	37,876
1164	Transfer fees	26,328	23,188	22,584	26,420	31,088
1165	Service contract registration fee	73,250	79,300	82,600	86,950	95,200
1169	Other registration fees	8,610,985	8,463,011	8,249,204	10,573,548	4,477,531
1174	Asbestos fees	254,582	240,043	253,980	275,160	290,136
1178	Milk control fees	62,986	75,681	2,737	224,549	124,514
1180	Home health care license fees	115,450	131,350	114,600	123,300	116,050
1182	Nursing home license fees	129,076	148,000	144,875	144,174	129,945
1184	Title V emissions fees	9,928,734	9,475,409	8,418,337	8,294,850	7,913,341
1185	Emission fees/non Title V facilities	414,460	360,787	354,252	376,707	354,144
1186	Boarding home license fees	719,196	706,990	700,607	719,900	707,457
1188	Public utilities fees	20,929,841	20,573,416	20,969,774	19,424,369	19,494,211
1190	Hospital license fees	80,140	85,855	88,588	81,151	83,123
1192	Grain warehouse license fees	35,493	35,662	35,307	34,920	36,604
1194	Missouri primacy fees	4,430,383	4,769,823	4,733,195	4,581,461	4,723,917
1198	Transport load fees	23,608,574	15,360,359	11,451,506	11,474,813	11,302,684
1200	Storage tank registration fees	43,420	218,785	211,800	223,930	52,215
1202	Tourist cabin permit fees	190,413	186,418	190,096	181,740	181,022
1206	Solid waste disposal fees	12,708,281	12,062,594	10,801,800	11,062,761	11,307,064
1208	New tire fees	2,193,715	2,075,192	2,126,713	2,139,197	2,084,386
1209	Battery fee	770,341	689,178	659,823	688,745	683,152
1210	Ground water protection fees	582,549	553,520	703,057	723,147	710,064
1211	Radioactive waste transport fee	-	-	62,375	168,825	286,075
1214	Insurance regulatory fees, renewals and purchasing groups	2,323,828	2,409,276	2,068,293	2,720,667	2,451,999
1216	Air conservation commission permit fees	536,063	319,173	262,253	270,803	253,489
1218	Bingo license fees	48,790	44,755	42,505	46,815	41,730
1220	Lab fees	4,345,438	4,611,505	5,559,077	4,707,017	5,256,158
1222	Program administration fees	958,714	1,126,032	1,084,579	1,059,357	1,055,518
1223	Confined animal feed operation indemnity fees	9,176	2,143	3,882	1,993	2,143
1224	Railroad assessments	817,934	1,215,231	251,242	665,300	820,331
1227	Enhanced vehicle emission inspection fees	1,879,945	1,769,830	1,801,168	1,885,301	1,934,155
1233	Grain warehouse inspection fees	1,868,115	1,608,105	2,061,344	2,158,349	2,178,611
1235	Milk inspection fees	1,298,899	1,256,812	1,297,735	1,242,699	1,215,032
1237	Ice cream products inspection fees	31,560	30,930	34,400	32,260	36,430
1239	Mine inspection fees	66,054	66,435	54,881	63,038	80,344
1241	Mobile home and recreational vehicle inspection fees	692,098	456,887	408,598	361,545	364,287
1243	Oil inspection fees	2,529,258	2,421,394	2,405,616	2,424,084	2,384,809
1249	Other inspection fees	1,669,840	1,788,609	1,877,287	2,020,607	2,513,585
1250	Collection fees	23,608,199	23,539,510	22,382,813	24,645,324	26,285,623

Exhibit B

Review of Article X, Sections 16 Through 24,  
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Schedule of Total State Revenues

Revenue Source	Code	Type of Revenue	Year Ended June 30,				
			2008	2009	2010	2011	2012
	1251	Bankruptcy collections	-	14,045	-	-	6,398
	1252	Admission fees	1,163,583	1,083,498	1,206,370	1,221,915	1,250,114
	1252	(q) Admission fees - riverboat gambling	50,443,830	52,232,350	54,445,159	54,296,354	51,348,977
	1254	State auditor fees	539,400	118,764	190,808	254,001	182,644
	1260	Grade crossing safety fees	1,252,031	1,409,774	1,269,468	1,285,657	1,273,362
	1262	Loan administration fees	5,521,764	5,738,930	6,297,549	6,240,808	6,372,132
	1262	(c) Loan administration fees - Fund 881	6,725,473	915,043	94,643	2,781	-
	1264	Court fees	37,470,842	39,960,611	39,216,151	44,203,725	41,058,636
	1266	Financial institutions examination fees	7,909,159	8,669,478	10,226,204	8,962,723	10,104,394
	1268	Consumer finance license fees	1,208,234	1,007,100	1,064,775	1,087,800	1,044,175
	1270	Transcript fees	147,615	136,551	108,464	95,754	102,947
	1274	Marketing development fees	33,821	42,539	32,667	41,602	38,258
	1276	Miscellaneous insurance fees	223,250	101,120	93,180	91,920	89,220
	1278	Gaming commission administrative income	42	51	389	53	314
	1279	(a) Lottery commission fees	310,335	291,569	268,130	273,771	277,070
	1280	Motor vehicle inspection sticker fees	4,528,447	4,518,331	4,165,029	3,701,374	3,767,945
	1282	Logo sign advertising fees	5,650,254	5,890,321	6,177,218	2,049,123	4,602,664
	1284	Public defender fees	1,838,506	1,675,741	1,656,372	1,598,188	1,424,603
	1286	Witness fees	7,315	8,961	10,188	14,068	9,141
	1288	County recorders fees	7,956,681	7,153,824	6,794,853	6,718,174	6,750,687
	1290	Training or conference fees	199,278	238,543	151,682	140,844	127,634
	1294	Electronic monitoring fee	758,683	390,938	212,126	140,469	115,177
	1295	Intervention fees	-	-	-	-	9,137,637
	1298	Substance abuse offender program fees	4,044,125	4,506,829	4,512,493	6,288,725	6,737,998
	1302	Criminal records check fees	9,092,462	9,544,860	9,298,093	9,531,901	10,333,134
	1303	Other fees	25,639,072	24,715,293	23,499,863	22,636,060	12,788,351
	1305	(h) Bond sales proceeds	591,204,336	135,638,581	1,107,698,801	74,305,145	1,867,300
	1306	Proceeds from capital leases	-	-	120	-	1,486,676
	1310	Land sales	4,796,703	6,069,069	4,651,641	5,051,065	4,403,124
	1312	Sales of natural resources products	4,104,935	4,096,409	3,366,092	4,601,621	3,667,239
	1314	Sales of agriculture products	1,718,766	1,872,632	2,023,963	2,168,597	2,391,119
	1316	Manufactured product sales	9,267,484	10,279,039	11,014,608	9,873,622	8,505,830
	1318	Information sales	3,108,519	4,147,230	2,409,400	2,474,349	2,500,392
	1320	Souvenir sales	484,982	516,912	476,837	543,123	452,030
	1322	Surplus property sales - state	1,838,028	1,969,908	2,028,011	2,423,525	3,082,652
	1322	(z) Surplus property sales - state - Fund 710	2,406,296	1,442,420	1,220,352	1,523,162	1,331,787
	1324	Surplus property sales - federal	3,227,475	2,741,375	1,959,831	2,150,411	2,950,034
	1326	Unclaimed property sales	-	-	-	-	876
	1328	Sales of fixed assets - control	8,610,355	6,314,677	7,797,363	7,876,231	10,762,095
	1330	Vital records sales	1,623,663	1,388,392	1,327,953	1,205,929	1,047,539
	1332	(a) Lottery ticket sales	426,619,333	415,724,608	416,039,046	434,022,539	464,048,652
	1334	Cafeteria sales	810,586	947,866	699,433	586,874	546,748
	1338	Other sales	301,386	165,471	243,013	382,372	371,843
	1342	Supply sales	252	429	450	445	143
	1401	Land rentals/leases	802	5,020	5,406	5,405	17,090
	1403	State facilities rentals/leases	883,696	744,704	834,070	911,961	985,555
	1404	Parking rentals/leases	57,527	59,971	61,885	63,930	60,356
	1405	Concessions and recreational rentals/leases	2,118,733	2,312,217	2,552,306	2,542,114	2,471,197
	1407	Housing/building rentals/leases	490,125	479,543	1,092,018	393,486	237,191
	1409	Other leases and rentals	859,985	1,178,807	913,786	1,399,403	1,385,089
	1414	(e) Medicare	15,286,228	16,766,843	10,975,222	8,768,553	7,544,088
	1418	(e) Medicaid	91,248,819	103,783,950	85,028,450	92,207,991	96,595,375
	1420	(e) Medicaid - community based	127,076,851	115,281,339	145,309,030	168,504,569	193,452,249
	1422	Private payments	6,404,747	7,510,050	5,934,601	5,613,049	2,067,010
	1424	Insurance payments	1,955,642	1,722,218	1,291,657	808,332	714,174
	1426	Other payments	23,242	13,444	120,433	5,416	11,555
	1434	Institutional support fees	32,466	-	-	66,796	248,416
	1436	Room and care	28,463,349	28,265,453	27,033,482	26,450,131	26,341,112
	1442	Mail/freight services	-	-	-	16	-
	1444	Telephone billing	-	-	-	1,010	1,330

Exhibit B

Review of Article X, Sections 16 Through 24,  
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Revenue Source	Code	Type of Revenue	Year Ended June 30,				
			2008	2009	2010	2011	2012
	1446	Printing service	189,891	200,348	186,357	155,295	197,214
	1448	Computer services	3,739	3,412	1,980	1,040	846
	1450	Administration services	-	-	10	-	-
	1501	Private donations	4,957,335	5,918,919	5,523,556	3,796,587	4,836,387
	1502	Other governmental entity donations	232,942,595	1,077,338	50,000	30,000,000	30,103,121
	1504	Donated assets-state agencies	268,140	-	-	-	-
	1507 (e)	NASAO (airport inspections)	29,603	11,000	33,000	17,400	20,150
	1510 (e)	US Department of Agriculture	381,641,506	420,410,665	457,571,495	447,130,718	487,260,888
	1512 (e)	US Department of Defense	4,060,015	4,651,803	23,767,533	31,454,764	29,677,895
	1513 (e)	US Department of Homeland Security	682,977	2,042,282	39,057,825	9,471,900	4,625,937
	1514 (e)	US Department of Housing and Urban Development	31,411,897	31,289,602	49,360,455	70,778,353	61,464,304
	1516 (e)	US Department of Interior	20,279,925	23,070,474	22,699,052	26,612,937	26,594,330
	1518 (e)	US Department of Justice	69,045,688	56,902,635	3,816,756	2,269,245	2,730,436
	1520 (e)	US Department of Labor	68,105,755	58,743,547	152,277,061	144,779,543	155,545,244
	1522 (e)	US Department of Education	645,983,360	658,786,433	619,202,729	637,105,051	660,448,985
	1522 (c)	US Department of Education - Fund 880	8,583,560	9,240,882	9,889,521	6,182,000	4,972,235
	1522 (c)	US Department of Education - Fund 881	68,627,016	69,496,551	87,353,849	103,667,608	87,420,487
	1524 (e)	US Department of Transportation	966,375,333	907,815,007	929,620,189	1,402,202,201	934,758,552
	1526 (e)	National Foundation for the Arts and Humanities	3,997,117	3,926,131	4,030,270	4,436,977	4,002,915
	1528 (e)	US Veterans Administration	33,325,809	39,646,428	54,492,264	50,961,946	53,316,924
	1530 (e)	US Environmental Protection Agency	77,554,953	68,660,802	35,838,751	44,310,100	91,435,790
	1532 (e)	US Department of Energy	7,199,609	8,153,289	5,594,925	4,450,006	2,982,042
	1534 (e)	Federal Emergency Management Agency	100,158,631	93,612,003	139,707,918	63,343,101	74,016,355
	1536 (e)	US Department of Health and Human Services	5,173,517,451	5,962,380,121	6,016,121,798	6,034,950,237	6,506,141,900
	1538 (e)	National/community services	-	-	-	-	1,732,313
	1540 (e)	US Social Security Administration	31,986,280	34,225,980	40,514,268	43,705,857	43,570,139
	1542 (e)	National Archives and Records	2,847	7,883	17,353	93,136	30,882
	1544 (e)	Elections Assistance Commission	-	-	-	5,456,068	-
	1546 (e)	US Department of Treasury	14,131	-	19,625	8,886,997	8,886,997
	1549 (e)	Miscellaneous federal revenues	39,257,277	41,423,945	68,127,965	62,084,275	35,316,069
	1551	County mental health programs	14,145,722	17,279,085	18,167,071	19,286,288	17,999,724
	1557 (e)	American Recovery and Reinvestment Act	-	218,840,784	2,002,794,267	1,788,700,092	475,424,794
	1558 (e)	American Recovery and Reinvestment Act - other	-	-	8,023,274	2,440,576	367,067
	1560 (e)	Federal pass-through grants	25,400,556	29,303,116	25,120,494	70,016,585	78,646,931
	1601	Time deposits interest	29,926,290	12,009,416	6,253,940	2,167,040	3,614,152
	1601 (f)	Time deposits interest - Fund 688	641,067	216,290	163,391	37,851	67,544
	1601 (a)	Time deposits interest - Fund 657	273,873	100,337	66,243	13,258	15,067
	1601 (k)	Time deposits interest - Fund 614	358,018	140,951	103,734	20,915	33,456
	1601 (l)	Time deposits interest - Fund 613	72,808	17,798	14,736	5,753	17,005
	1601 (b)	Time deposits interest - Fund 905	48,307	18,420	14,778	3,691	6,853
	1601 (p)	Time deposits interest - Fund 289	8,238	3,650	3,395	865	1,359
	1601 (q)	Time deposits interest - Fund 285	148,375	56,151	47,805	10,069	17,176
	1601 (d)	Time deposits interest - Fund 963	381	146	1,952	527	882
	1601 (t)	Time deposits interest - Fund 609	249,889	93,732	75,531	17,373	34,554
	1601 (c)	Time deposits interest - Fund 880	254,027	110,497	101,593	19,456	23,809
	1601 (c)	Time deposits interest - Fund 881	283,429	123,463	95,229	23,317	40,064
	1603	U.S./agency securities interest	165,547,425	98,431,256	38,510,748	31,640,225	25,185,835
	1603 (f)	U.S./agency securities interest - Fund 688	2,378,829	1,292,741	503,800	353,267	295,075
	1603 (a)	U.S./agency securities interest - Fund 657	885,649	549,694	235,454	128,797	74,052
	1603 (k)	U.S./agency securities interest - Fund 614	1,168,927	770,521	319,530	201,400	146,904
	1603 (l)	U.S./agency securities interest - Fund 613	252,923	98,993	42,694	50,430	72,001
	1603 (b)	U.S./agency securities interest - Fund 905	156,670	100,277	44,708	34,139	29,935
	1603 (p)	U.S./agency securities interest - Fund 289	26,900	20,342	10,444	8,338	6,305
	1603 (q)	U.S./agency securities interest - Fund 285	513,853	316,656	136,156	90,728	75,941
	1603 (d)	U.S./agency securities interest - Fund 963	2,594	2,330	6,043	6,917	5,879
	1603 (t)	U.S./agency securities interest - Fund 609	821,176	515,226	232,165	161,971	147,624
	1603 (c)	U.S./agency securities interest - Fund 880	813,773	593,614	294,831	193,399	107,257
	1603 (c)	U.S./agency securities interest - Fund 881	908,536	684,046	305,371	221,653	177,753
	1605	Other investment interest	611,213	414,850	102,828	128,207	410,035
	1605 (d)	Other investment interest - Fund 963	-	-	194	-	-



Exhibit B

Review of Article X, Sections 16 Through 24,  
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Revenue Source Code	Type of Revenue	Year Ended June 30,				
		2008	2009	2010	2011	2012
1608	Realized gains and losses	-	-	19	7,891	-
1608	(d) Realized gains and losses - Fund 963	-	-	1	273	-
1610	Interest on loans	1,105,177	1,237,598	1,453,361	3,031,747	2,545,606
1612	Interest - federal	4,213,149	125	70	-	23,802,563
1614	Interest on receivables	19,012	37,829	17,202	10,584	9,082
1616	Interest on settlements	66,588	108,045	805,015	9,653	2,718
1618	Other interest	157,670	34,041	194,809	39,240	36,972
1618	(c) Other interest - Fund 880	57,651	-	-	4,796	-
1618	(t) Other interest - Fund 609	431	88	-	-	-
1620	Safety responsibility	15	-	-	-	-
1621	Penalties	8,484,577	9,334,634	10,405,711	6,795,157	8,788,554
1621	(c) Penalties - Fund 881	1,622	22,044	250	74	487
1622	Penalties - control	-	-	-	-	50
1624	Settlements	49,350,712	1,283,220	5,845,579	2,085,472	6,183,019
1626	Court awards	2,106,126	12,331,225	9,368,911	5,803,584	1,801,074
1628	Insufficient funds charges	5,600	5,061	6,575	6,420	4,415
1634	Estates	756	38,120	1,256	588	508
1636	Unclaimed properties	66,694,449	57,078,780	75,944,392	82,406,170	81,360,731
1700	(i) Salary refunds - federal	589,826	614,761	537,615	685,275	557,115
1701	(i) Salary refunds - state	25,423	18,399	15,712	15,075	15,792
1702	(i) Salary refunds - local/other	17,151	16,418	24,360	20,491	44,337
1703	(i) General relief pension refunds	16,784	4,955	5,291	2,086	3,469
1704	(i) Blind pension refunds	9,433	10,319	4,777	1,994	7,624
1706	(i) Dependent children pension refunds	290,147	275,511	326,393	443,858	424,232
1715	(i) Day care refunds	191,875	53,530	35,345	25,126	34,888
1717	(i) Medicare - Medicaid refunds	258,377,975	294,632,462	340,610,206	482,052,781	507,643,669
1719	(i) Cost in criminal cases refunds	761,476	863,183	977,526	859,303	846,638
1720	(i) American Recovery and Reinvestment Act refunds	-	-	591,913	2,027,020	901,781
1721	(i) Vendor refunds - federal	1,657,882	777,934	2,629,247	1,280,623	798,046
1722	(i) Vendor refunds - state	1,203,020	566,893	1,268,213	1,018,335	1,373,828
1722	(a) Vendor refunds - state - Fund 657	831	5,318	989	1,974	6,121
1722	(c) Vendor refunds - state - Fund 880	54,278	2,345	524	5	-
1722	(c) Vendor refunds - state - Fund 881	945,118	-	-	-	-
1723	(i) Vendor refunds - local/other	234,455	1,163,024	1,839,205	1,541,924	3,375,783
1723	(c) Vendor refunds - local/other - Fund 880	-	-	2,279	-	80,441
1724	(i) Political subdivision refunds	25,023	3,373	9,988	6,128	63
1725	(i) Excess court payment refunds	818,399	1,359,396	1,384,433	3,460,515	227,053
1727	(i) School refunds	8,222,948	6,649,921	12,773,166	10,205,891	9,909,164
1727	(c) School refunds - Fund 880	-	-	-	7,758	-
1728	(i) Scholarship refunds	274,898	240,482	227,907	173,655	102,782
1729	(i) Audit findings - federal	-	43,331	7,880	823	41,960
1730	(i) Audit findings - state	-	40,980	-	-	152,887
1731	(i) Audit findings - local/other	434,776	104,984	349,002	84,447	158,129
1732	(i) Utility refunds	17,744	32,023	26,130	37,472	27,323
1733	(i) Fuel tax refunds	151,592	(106,840)	243,111	245,974	219,368
1735	(i) Tax incremental financing (TIF) refund	-	-	-	-	2
1737	(i) Other refunds	5,873,148	4,096,155	6,804,855	3,968,580	5,253,820
1737	(a) Other refunds - Fund 657	134,433	-	-	-	-
1737	(c) Other refunds - Fund 880	3,503	-	-	244	1,073
1737	(c) Other refunds - Fund 881	-	10,396	35	-	-
1806	(v) Recovery costs	168,814,932	189,968,684	157,227,270	151,037,762	150,426,085
1806	(a) Recovery costs - Fund 657	-	845	-	-	-
1808	Deposit of surplus property funds	-	-	921	4,599	-
1811	(y) Local match	3,367,687	72,096,316	87,931,854	91,490,039	127,367,017
1812	(w) Cost reimbursements - federal	528,325	1,447,120	1,046,340	638,071	727,844
1813	(w) Cost reimbursements - state	24,793,321	75,467,210	55,264,763	79,229,099	71,087,608
1813	Cost reimbursements - state (included)	11,640,527	13,832,495	12,832,252	14,301,943	15,004,668
1813	(c) Cost reimbursements - Fund 880	465	-	-	-	-
1814	(w) Cost reimbursements - local/other	157,061,744	183,357,141	229,800,753	191,294,541	204,205,080
1814	(c) Cost reimbursements - local/other - Fund 880	-	284	-	-	2,890

Exhibit B

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Revenue Source	Code	Type of Revenue	Year Ended June 30,				
			2008	2009	2010	2011	2012
	1816	Bond account	7,677,792	7,110,689	7,513,599	7,368,307	8,968,358
	1818	(u) Employee expense reimbursement - federal	112	1,414	2,930	-	6,030
	1819	(u) Employee expense reimbursement - state	5,199	671	1,301	688	-
	1820	(u) Employee expense reimbursement - local/other	-	-	27	3	73,000
	1821	(u) Employee personal expense reimbursement	94,250	63,910	46,387	183,172	97,665
	1821	(c) Employee personal expense reimbursement - Fund 880	3	-	-	-	-
	1822	(n) Outlawed checks	5,993,548	5,619,566	8,545,958	7,037,537	6,813,442
	1822	(b) Outlawed checks - Fund 905	9,348	5,176	5,302	7,945	17,028
	1824	(x) Canceled checks	2,562,124	1,779,409	4,390,790	2,430,074	2,036,483
	1824	(a) Canceled checks - Fund 657	-	120	-	686	-
	1824	(b) Canceled checks - Fund 905	2,967	2,318	550	-	875
	1824	(c) Canceled checks - Fund 880	-	-	-	-	-
	1826	(m) Redeposit of investments principal	1,304,050	1,801,100	22,021,895	1,216,650	2,837,450
	1826	(d) Redeposit of investments principal - Fund 963	-	-	721,761	-	-
	1828	(o) Redeposit of loan principal	41,337,044	46,089,055	53,273,825	55,411,431	61,093,018
	1830	Telephone commissions	819,800	840,814	867,887	893,850	1,171,093
	1832	Commission on sales	28,177	27,522	15,629	11,653	10,096
	1834	Rebates	927,252	1,924,379	886,600	923,074	1,040,862
	1834	(a) Rebates - Fund 657	978	897	902	2,243	5,979
	1834	(c) Rebates - Fund 880	7,112	5,029	969	3,478	230
	1834	(aa) Rebates - WIC	39,542,659	43,522,102	44,278,144	44,989,878	54,902,466
	1836	Housing and maintenance receipts	61,735	47,823	47,394	47,609	28,552
	1838	Loan defaults	336,208	573,499	489,467	903,996	561,905
	1840	(s) Loan proceeds	42,630,952	25,878,784	10,458,915	20,704,819	12,938,384
	1842	(o) Loan repayment	109,797	84,983	120,767	134,928	169,744
	1842	(c) Loan repayment - Fund 880	-	-	-	(1,600)	2,358
	1842	(c) Loan repayment - Fund 881	51,746,648	58,430,783	44,714,602	56,958,607	63,747,551
	1843	(o) Loans receivable contra account	3,035,032	3,457,702	3,074,095	3,219,769	3,859,410
	1844	Insurance proceeds	500	2,343	100	26,989	1,886
	1846	Capital credits/dividends	67,838	56,056	70,718	67,873	60,241
	1846	(d) Capital credits/dividends - Fund 963	-	-	62	-	-
	1848	Recycling receipts	301,545	144,022	203,522	352,568	380,262
	1850	Forfeitures	1,803,287	1,699,515	3,012,793	1,572,364	4,888,368
	1852	Overpayments	2,654,717	1,286,358	794,761	250,613	518,149
	1852	(c) Overpayments - Fund 880	-	-	-	765	-
	1856	(e) Other miscellaneous receipts - federal	7,979,360	8,114,311	5,080,717	5,920,959	5,030,652
	1858	Other miscellaneous receipts - state	2,124,232	2,324,164	1,504,015	2,317,557	2,883,176
	1858	(a) Other miscellaneous receipts - state - Fund 657	4,902	9,667	4,131	4,865	10,541
	1858	(b) Other miscellaneous receipts - state - Fund 905	11,136,779	11,956,369	11,444,550	12,628,615	13,780,374
	1860	Other miscellaneous receipts - local/other	3,695,397	35,975,437	6,709,058	4,141,399	8,082,121
	1860	(a) Other miscellaneous receipts - local/other - Fund 657	410,501	2,460,146	2,644,908	862,178	3,148,119
	1860	(c) Other miscellaneous receipts - local/other - Fund 880	-	-	-	2,195	403
	1862	Fees for copying public records	304,600	260,326	276,682	249,776	241,633
	1862	(a) Fees for copying public records - Fund 657	6,653	1,340	12	55	97
	1866	Federal share of grantee sales	85,111	197,237	367,625	310,955	179,984
	1868	Receivable overpayment - federal	-	-	-	-	161
	1870	Receivable overpayment - state	4,936	5,989	6,036	6,584	2,841
	1872	Receivable overpayment - local	241	452	(61)	1,550	944
	6001	(j) Supply sales	1,240	1,354	275,708	521,662	408,216
	6002	(j) Open records fees	14,607	9,677	11,171	11,337	8,874
	6003	(j) Fleet services operations/maintenance	1,399,792	1,428,340	1,366,715	1,574,218	2,149,619
	6005	(j) Fleet services replacement	1,643,902	1,815,707	730,248	870,185	1,476,091
	6006	(j) Criminal records check fees	551,019	548,855	414,162	392,457	326,864
	6007	(j) Mail/freight services	4,623,797	5,206,206	8,561,257	11,506,019	10,803,757
	6009	(j) Telephone billing	29,296,050	30,228,498	30,585,852	30,773,403	32,302,801
	6011	(j) Printing service	6,758,675	7,245,959	6,440,655	5,682,997	6,042,427
	6013	(j) Reimbursement/recovery cost	27,588,347	37,796,274	28,796,499	28,033,182	33,101,501
	6015	(j) Leased facility	28,115,044	89,825,994	91,329,415	101,160,500	104,557,774
	6017	(j) Sale of material, supplies, and services	1,023,568	635,852	659,046	452,218	691,783
	6019	(j) Training	1,370,505	1,078,692	588,818	438,684	340,177

Exhibit B

Review of Article X, Sections 16 Through 24,  
Constitution of Missouri  
Schedule of Total State Revenues

Revenue Source		Year Ended June 30,				
Code	Type of Revenue	2008	2009	2010	2011	2012
6021	(j) Computer services	20,108,887	19,477,666	21,864,293	22,116,269	23,599,449
6023	(j) Administration services	538,893	618,124	642,348	548,877	396,676
6025	(j) Flight operations services	306,660	379,838	382,198	374,033	349,239
6027	(j) Sale of manufactured products	27,259,106	29,179,527	21,134,511	21,070,342	19,842,283
6029	(j) Interagency receipts	22,106,993	23,416,792	25,746,374	34,778,712	39,991,261
6029	(c) Interagency receipts - Fund 880	-	-	-	-	20,237
6029	(c) Interagency receipts - Fund 881	439,461	491,591	474,062	659,991	552,518
6030	(j) Sampling &/or analysis	19,023	614,983	607,533	797,593	597,162
6031	(r) Redeposit of state funds	91,307	199,713	2,916,492	68,696	69,352
6032	(j) Deposit of unclaimed property	-	300	-	-	-
6033	(j) Permits	46,380	83,427	53,758	11,479	40,995
6034	(j) Registration fees	85,920	81,635	51,715	45,642	59,342
6035	(j) Taxes	1,028,358	7,671,468	6,462,818	7,500,691	7,954,247
6036	(j) Transcript fees	6,563	8,658	17,296	15,825	19,309
	Total revenues	22,939,031,965	22,962,810,345	25,392,293,299	25,114,403,059	24,304,536,535
Fund Exclusions:						
(a)	Lottery Enterprise - Fund 657	428,647,487	419,144,543	419,259,815	435,310,365	467,585,697
(b)	Alternative Care Trust Fund - Fund 905	11,354,071	12,082,560	11,509,889	12,674,389	13,835,065
(c)	Student Loan Funds 626, 851, 880, and 881	139,451,675	140,126,568	143,327,758	167,946,528	157,149,793
(d)	Pansey Johnson-Travis Memorial State Gardens Trust - Fund 963	2,974	2,476	730,013	7,717	6,761
Revenue Source Exclusions:						
(e)	Federal funds	7,921,621,979	8,907,850,373	10,944,202,688	11,231,060,138	10,041,620,205
(f)	Proposition C sales and use tax/interest	810,234,737	760,406,201	737,695,022	752,181,529	789,578,622
(g)	Proposition A gas tax and license fee increases	175,543,409	168,061,247	169,008,528	169,467,566	166,913,857
(h)	Bond sales	591,204,336	135,638,581	1,107,698,801	74,305,146	1,867,300
(i)	Refunds	279,193,974	311,461,193	370,692,274	508,157,378	532,119,753
(j)	Interagency sales and receipts	173,893,330	257,353,826	246,722,388	268,676,324	285,059,847
(k)	Soil and water sales and use tax/interest	42,704,582	39,539,061	37,964,460	38,549,297	40,406,433
(l)	Parks sales and use tax/interest	41,502,910	38,744,377	37,598,624	38,383,162	40,315,076
(m)	Redeposit of investment principal	1,304,050	1,801,100	22,021,895	1,216,650	2,837,450
(n)	Outlawed checks	5,993,548	5,619,566	8,545,958	7,037,537	6,813,442
(o)	Redeposit of loan principal	44,481,873	49,631,740	56,468,686	58,766,128	65,122,173
(p)	Bingo	2,190,015	2,166,806	2,212,759	2,166,417	2,121,040
(q)	Riverboat gambling	344,277,815	368,677,880	388,916,397	395,773,528	388,758,396
(r)	Redeposit of state funds	91,307	199,713	2,916,492	68,696	69,352
(s)	Loan proceeds	42,630,952	25,878,784	10,458,915	20,704,819	12,938,384
(t)	Conservation sales and use tax/interest	104,016,575	97,180,265	94,161,885	95,997,681	100,748,178
(u)	State employee expense account reimbursement	99,562	65,995	50,645	183,863	176,695
(v)	Recovery costs	168,814,932	189,968,684	157,227,270	151,037,762	150,426,085
(w)	Cost reimbursements	182,383,390	260,271,471	286,111,856	271,161,711	276,020,532
(x)	Canceled checks	2,562,124	1,779,409	4,390,790	2,430,074	2,036,483
(y)	Local match	3,367,687	72,096,316	87,931,854	91,490,039	127,367,017
(z)	Proceeds of surplus property sales - Fund 710	2,406,296	1,442,420	1,220,351	1,523,162	1,331,787
(aa)	WIC rebates	39,542,659	43,522,102	44,278,144	44,989,878	54,902,465
(bb)	Constitutional amendment No.3	425,003,075	404,149,038	408,998,888	421,929,866	432,352,498
	CMIA interest payment to the federal government	2,117,351	1,629,506	215,748	24,499	22,013
	Agency remitted sales tax	415,655	400,123	380,227	369,084	247,169
	Abandoned funds claim payments	30,642,979	25,133,509	33,675,322	34,703,091	36,413,796
	Federal interest	4,213,149	125	70	-	23,802,563
	Total exclusions	12,021,910,458	12,742,025,558	15,836,594,412	15,298,294,024	14,220,965,927
	Total revenues after exclusions	10,917,121,507	10,220,784,787	9,555,698,887	9,816,109,035	10,083,570,608
	Less expenditure refunds (Exhibit C)	(1,321,367,348)	(1,504,906,007)	(1,543,126,545)	(1,414,459,977)	(1,342,748,745)
	Add refundable tax credits:					
	Business Facility	92,579	13,702	35,878	2,907,965	402,578
	Enterprise Zone	50,111	33,142	38,836	185,922	280,469
	BUILD	2,570,811	3,252,101	4,998,107	7,956,937	2,316,971

Exhibit B

Review of Article X, Sections 16 Through 24,  
Constitution of Missouri  
Schedule of Total State Revenues

Revenue Source Code	Type of Revenue	Year Ended June 30,				
		2008	2009	2010	2011	2012
	Missouri Quality Jobs	37,366	1,877,275	3,116,592	5,322,994	7,360,207
	New Enhanced Enterprise Zone	126	16,842	1,246,148	2,885,117	3,067,886
	Residential Dwelling Accessibility	-	11,372	17,984	23,186	5,266
	Self-employed Health Insurance	-	451,605	476,471	1,558,354	1,082,658
	Public Safety Officer Surviving Spouse	-	6,170	18,149	20,899	28,212
	Brownfield Jobs and Investment Credit	-	-	-	1,906,660	304,395
	Total State Revenue	\$ 9,598,505,152	8,721,540,989	8,022,520,507	8,424,417,092	8,755,670,505

Exhibit C

Review of Article X, Sections 16 Through 24,  
Constitution of Missouri  
Schedule of Expenditure Refunds

Object Code	Description	Year Ended June 30,				
		2008	2009	2010	2011	2012
	SAM II Expenditure Refunds:					
3200	Bond refunds	\$ 2,970,993	3,142,134	3,406,613	3,624,472	3,381,743
3206	Deposit and escrow refunds	79,807	75,915	53,517	75,167	100,829
3212	Federal share grantee sales refunds	-	-	386	-	-
3213	Tax credit debt offset	227,342	238,495	259,589	159,943	424,562
3215	Debt offset refunds	9,513,639	9,101,435	9,616,812	10,724,197	10,184,106
3218	Motor vehicle license fee refunds	1,162,009	450,450	458,604	342,352	385,841
3221	Driver's license fee refunds	71,902	69,368	57,742	58,495	48,367
3227	License and permit fee refunds	164,254	145,499	183,361	147,645	163,468
3230	Registration fee refunds	9,653	5,200	9,990	4,341	37,308
3233	Regulatory fee refunds	52,960	12,487	7,714	16,754	59,869
3236	Inspection fee refunds	32,265	51,104	52,865	41,178	52,862
3239	Miscellaneous fee refunds	265,248	468,145	321,503	298,548	442,860
3242	Sales refunds	4,995	19,375	9,829	3,455	10,391
3245	Lease and rentals refunds	4,108	13,281	4,996	4,551	5,702
3248	Medical services refunds	6,420,842	6,600,044	6,002,089	6,525,413	6,331,354
3251	Contributions refunds	50	5,857,204	14,488,536	16,298,595	5,886,037
3254	Federal refunds	375,453	441,708	3,621,387	355,286	1,514,909
3255	Financial institutions tax refunds	60	-	-	-	-
3257	Penalty and court award refunds	98,591	145,810	48,478	14,444	31,479
3260	Interagency billing refunds	1,277	-	12,061	-	295
3261	Receivable overpayment refunds	54,017	32,948	70,421	180,639	328,765
3267	Deferred revenue refunds	4,754,448	2,415,893	4,176,768	1,545,606	2,445,006
3269	Other refunds	600,632	643,992	1,425,466	2,411,778	3,313,740
3272	Sales and use tax protested refunds	13,101	-	782	200,205	156,632
3281	County foreign insurance tax refunds	23,577,535	14,220,444	16,943,164	17,921,126	27,158,118
3284	County domestic insurance tax refunds	-	-	-	-	2,694,044
3287	Worker's compensation insurance tax refunds	1,447,545	2,118,877	725,543	2,212,394	286,762
3293	Cigarette tax refunds	39,838	-	-	146,382	19,851
3296	Tobacco products tax refunds	4,349	-	-	-	-
3299	Aviation fuel tax refunds	16,155	58,079	4,957	6,304	8,902
3305	Special fuel (non-gas) tax refunds	28,343,359	24,411,746	23,022,799	25,710,530	22,218,784
3308	Fuel tax refunds	9,336,130	11,297,330	10,599,366	10,237,237	10,042,959
3311	Sales tax refunds	3,612	262	468	36	104
3314	Food tax exemption refunds	831,966	-	-	-	-
3317	General sales and use tax refunds	69,427,541	70,654,335	60,007,381	49,875,140	28,009,782
3326	Motor vehicle sales tax refunds	3,867,997	2,883,786	2,889,341	3,110,419	3,395,473
3329	Motor vehicle use tax refunds	1,043,711	821,239	837,107	955,515	1,128,147
3335	Boat tax refunds	4,339	4,610	4,787	6,390	5,036
3338	Individual tax refunds	900,112,335	1,059,238,817	1,050,281,318	993,083,426	930,792,552
3341	Senior citizens tax refunds	100,165,523	118,574,491	118,595,070	114,887,118	117,603,638
3344	Corporation tax refunds	151,204,765	164,028,331	212,907,168	149,575,393	157,035,524
3347	Franchise tax refunds	3,760,724	6,133,165	1,512,990	2,189,789	5,214,992
3350	Inheritance tax refunds	310,823	38,417	18,345	172,440	8,628
3356	Other tax refunds	991,455	491,591	487,232	1,337,274	1,819,324
	Total SAM II Expenditure Refunds	\$ 1,321,367,348	1,504,906,007	1,543,126,545	1,414,459,977	1,342,748,745

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# Review of Article X, Sections 16 Through 24, Constitution of Missouri Background, Methodology, and Conclusions

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The following identifies the various components of the amendment and the application of the amendment to state revenues.

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## Formula

Article X, Section 18(a), Missouri Constitution, establishes the revenue limit formula as follows:

Revenue limit for FY 20XX	=	$\frac{\text{Total state revenue (TSR)in FY 1981}}{\text{CY 1979 Missouripersonal income (MPI)}}$	x	The greater of MPI in the calendar year (CY) prior to the CY in which appropriations are made for FY 20XX or Average MPI for three CYs preceding FY 20XX.
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The formula is composed of two principal parts. The first part of the formula, the base year ratio (BYR), is as follows:

$$\frac{\text{TSR in FY 1981}}{\text{CY 1979 MPI}}$$

The application of this ratio to the second part of the formula (future years' MPI) ensures that no greater portion of a future year's personal income will be used to fund state government than was the case at the time of passage of the amendment. The MPI amounts used in the formula for the base year and subsequent years are reported by the U.S. Department of Commerce (DOC).

The Office of Administration, Division of Budget and Planning (OA-BP) does not adjust the BYR for changes already made or for future changes or adjustments to this amount by the DOC. Article X, Section 17(2) refers to ". . . total income . . . as defined and officially reported by" the DOC. Even though the amendment does not specifically refer to such adjustments, this wording suggests that the BYR should be adjusted whenever CY 1979 MPI is adjusted by the DOC. The use of the initial reporting of MPI does provide an unchanging BYR for future years, which provides at least two benefits. First, the state can more easily plan and make appropriate adjustments to stay under the revenue limit. Second, if the initial MPI is subsequently adjusted, retroactive refunds are a possibility. That is, an adjustment to MPI for any prior year (including the base year) could reduce the revenue limit for a prior year below that year's TSR, providing a refund where one previously was not due. Therefore, we find this approach reasonable so long as it is followed consistently.

As with the BYR, the OA-BP uses the MPI first officially published by the DOC after the close of the CY to calculate the revenue limit for the applicable fiscal year. For the reasons expressed in the preceding paragraph, we find this approach reasonable so long as it also is followed consistently.



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Review of Article X, Sections 16 Through 24,  
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Background, Methodology, and Conclusions

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The BYR was calculated by the OA-BP as follows (dollar amounts are in millions):

$$\frac{\$2,232.204096}{\$ 39,581.0} = .05639584891$$

In its calculations of the revenue limit the OA-BP rounded the BYR to .056395.

Article X, Section 18(b) allows the state to exceed the revenue limit by 1 percent before a refund is due. Therefore, to determine the point at which the refund provision takes effect (the refund threshold) the revenue limit is adjusted upward by 1 percent. However, should TSR exceed the refund threshold, all revenues in excess of the revenue limit are subject to refund.

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## Adjustments

Article X, Section 18(d) provides that the revenue limit may be adjusted, ". . . if responsibility for funding a program or programs is transferred from one level of government to another, as a consequence of constitutional amendment . . . provided that the total revenue authorized for collection by both state and local governments does not exceed that amount which would have been authorized without such a change."

The OA-BP has adjusted the revenue limit for the transfer of deputy circuit clerks from the county payroll to the state payroll under Section 483.245, RSMo, which was effective on July 1, 1981. In past years, the SAO disagreed with this adjustment because state funding of these salaries was required by statute instead of by consequence of constitutional amendment. In addition, the Judicial Article Amendment was effective on August 3, 1976, which was prior to the time the Hancock Amendment was adopted by the voters on November 4, 1980. However, the Supreme Court ruled in its decision on January 27, 1998, that an adjustment to the revenue limit for the transfer of deputy circuit clerks from the county payroll to the state payroll is appropriate.

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## Composition of Total State Revenues

An integral part in applying the provisions of the amendment to state revenues is to determine what constitutes TSR. The amendment does not specify the methodology to be used to determine TSR. Consequently, procedures to calculate TSR have been established and certain decisions as to items that would be either included or excluded have been made, except for items ruled on by the Attorney General or the Missouri courts.

TSR includes all revenues recorded in the Statewide Accounting System for Missouri (SAM II) and receipted by the state treasurer, which may only be withdrawn pursuant to an appropriation or which stand appropriated by the Constitution of Missouri. Various funds not in the state treasury are not included in TSR. These funds include university local funds, local sales tax



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Review of Article X, Sections 16 Through 24,  
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fund collections made by the Department of Revenue, various funds held in trust for inmates, patients, etc., and various quasi-governmental agencies such as the Board of Public Buildings, the Housing Development Commission, the Higher Education Loan Authority, the Health and Educational Facilities Authority, and the state's retirement systems. The Hancock Amendment states the composition of TSR is, "defined in the budget message of the governor for fiscal year 1980-81." The funds described above were not addressed in the governor's budget message for that year since the funds were not in the state treasury and were not appropriated. Thus, it seems reasonable to conclude that these funds should not be included in TSR.

## Excluded Funds

From the revenue amounts obtained from SAM II, certain funds are entirely excluded to arrive at TSR, as defined in Article X, Section 17(1), Missouri Constitution, as follows:

### A. Lottery

In November 1984, the voters approved Article III, Section 39(b), Missouri Constitution, which authorized the creation of the Missouri State Lottery. This provision states that revenues produced from the conduct of a state lottery shall not be a part of TSR. Since the voters approved the state lottery, all revenue and expenditure refunds related to the state lottery are excluded.

### B. Alternative Care Trust Fund

The Alternative Care Trust Fund was established in 1989 under Section 210.560, RSMo. The Department of Social Services uses this fund to account for funds held in trust for the benefit of children who have been placed in the legal custody of the state. The Department of Corrections, Department of Mental Health, and the Missouri Veterans Commission hold funds in trust for inmates and patients; however, these funds are not in the state treasury and are not included in TSR. Funds held in trust are not state funds since the funds remain the property of the individual. Since the Alternative Care Trust Fund does not account for state funds, it is excluded.

### C. State Guaranty Student Loan Funds

Federal legislation passed in 1997 made changes in the accounting required for federal education loans. Starting in federal fiscal year 1998, the federal government considers all monies in these funds as property of the federal government or guaranty agency. As a result, the state excludes these funds held in trust.

### D. Pansey Johnson-Travis Memorial State Gardens Trust Fund

The state received an endowment in 1987 for the purpose of establishing a memorial state garden. The state is to invest the endowment for 100 years before using the funds to establish the memorial garden. Since the funds cannot be appropriated until 2087, the revenue is excluded from TSR.





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Review of Article X, Sections 16 Through 24,  
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Background, Methodology, and Conclusions

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**Excluded Revenues**

From the revenue amounts obtained from SAM II, certain types of revenues are excluded to arrive at TSR, as defined in Article X, Section 17(1), Missouri Constitution, as follows:

- |  |   |
|--|---|
| E. Federal Funds   | Article X, Section 17, Missouri Constitution, specifically excludes federal funds.  |
| F. Proposition C Sales and Use Tax/Interest  | In November 1982, the voters approved Proposition C, which increased the state sales and use tax by 1 percent. Since Proposition C received direct voter approval as provided in Article X, Section 16, Missouri Constitution, the proceeds from the additional 1 percent sales and use tax, including any interest earned on the investment of such taxes, are excluded.                               |
| G. Proposition A Gas Tax and License Fee Increases   | In April 1987, the voters approved Proposition A, which increased the motor fuel tax by 4 cents per gallon and increased the annual registration fee for certain motor vehicles, effective July 1, 1987. Since the increase in tax and fees received direct voter approval, these revenues are excluded. Also, see item BB. below.  |
| H. Bond Sales  | An attorney general opinion concluded that proceeds of the state's general obligation bonds were not to be included in TSR.   |
| I. Refunds   | Refunds received due to the overpayment of obligations by the state, as identified by certain revenue source codes, are excluded.   |
| J. Interagency Sales and Receipts  | Since interagency transactions do not generate additional revenue for the state as a whole, interagency sales and receipts, as identified by certain revenue source codes, are excluded.  |
| K. Soil and Water Sales and Use Tax/Interest<br>and<br>L. Parks Sales and Use Tax/Interest | In August 1984, the voters approved a one-tenth of 1 percent sales tax for soil and water conservation and state parks. Article IV, Section 47(c), Missouri Constitution, states that the additional revenue provided by the tax shall not be part of TSR. Since the voters approved the sales tax, the sales tax and any interest earned on the investment of the balance in these funds are excluded. |
| M. Redeposit of Investment Principal   | The redeposit of investment principal is excluded.  |
| N. Outlawed Checks   | Outlawed checks, which are state checks that were not cashed by the payee within the time allowed, are redeposited in the state treasury and are excluded.  |
| O. Redeposit of Loan Principal   | Redeposits of loan principal are excluded.  |



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Review of Article X, Sections 16 Through 24,  
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Background, Methodology, and Conclusions

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P. Bingo

The August 1992 amendment to Article III, Section 39(d), Missouri Constitution, related to gaming activities also applies to bingo games, in that all state revenues derived from the conduct of gaming activities shall be appropriated beginning July 1, 1993, solely for public education and shall not be included in TSR. Section 313.007, RSMo, requires the bingo tax to be deposited in the Bingo Proceeds for Education Fund. The bingo tax, certain fees, and the interest earned on the investment of the fund are excluded from TSR.

Q. Riverboat Gambling

In August 1992, the voters approved an amendment to Article III, Section 39(d), Missouri Constitution. This constitutional amendment requires that all state gaming revenues must be appropriated for public education and excludes these revenues from TSR.

In 1993, the Missouri General Assembly enacted Senate Bills 10 and 11. This comprehensive gaming legislation established riverboat gaming in the state. This law repealed House Bill 149 related to riverboat gaming which had been enacted by voters as Proposition A in November 1992.

Under Senate Bills 10 and 11, the legislature imposed a 20 percent tax on adjusted gross receipts from gambling games. In November 2008, the voters approved increasing the tax to 21 percent. The state treats 90 percent of this revenue as state gaming revenues under Article III, Section 39(d), Missouri Constitution, and earmarks the revenues to the Gaming Proceeds for Education Fund. The remaining 10 percent of this revenue is allocated to the home dock city or county. Under Article III, Section 39(d), Missouri Constitution, the 90 percent portion of the adjusted gross receipts tax is exempted from TSR. The remaining 10 percent portion of the adjusted gross receipts tax is also excluded from TSR because these funds are distributed by the Department of Revenue without deposit in the state treasury and without appropriation.

Under Senate Bills 10 and 11, the legislature also established a Gaming Commission Fund in the state treasury and authorized gaming commission license fees, penalties, administrative fees, reimbursements, and admission fees to be deposited in this fund and expended pursuant to state appropriation for various purposes.

On November 24, 1998, the Missouri Court of Appeals, Western District entered its final decision in Kelly v. Hanson, et. al., 984 S.W. 2d 540 (Mo. 1998). The Missouri Court of Appeals, Western District ruled that revenue from the one dollar portion of the state imposed two dollar admission fee payable to the state is not included in TSR, while the revenue from the payments to the state to recoup public safety and regulatory enforcement costs is included in TSR. The remaining one dollar portion of the two dollar admission fee is also excluded from TSR because these funds are distributed



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Review of Article X, Sections 16 Through 24,  
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by the Department of Revenue without deposit in the state treasury and without appropriation.

- R. Redeposit of State Funds      The redeposit of state funds for which a state expenditure was originally incurred, such as from closing a petty cash fund and returning the funds to the state treasury, is excluded.
- S. Loan Proceeds      The state receives loans or advancements from the federal government, local governments, or private sources, to finance the acceleration of state projects. Since the loans must be repaid in the future, they are excluded.
- T. Conservation Sales and Use Tax/Interest      Pursuant to the Supreme Court decision in Conservation Federation of Missouri, et. al., v. Richard Hanson, et. al., 994 S.W. 2d 27 (Mo. Banc. 1999), the revenue derived from the one-eighth of one percent conservation sales tax, and any interest earned on the investment of these funds, are excluded.
- U. State Employee Expense Reimbursement      The state receives reimbursement from private individuals, firms, partnerships, corporations, etc., for state employee expenses incurred in providing testimony in a court of law, for which the employee has already been reimbursed by a state expense account. These reimbursements are excluded.
- V. Recovery Costs      Monies received from others for costs incurred by the state or to be incurred by the state are excluded. Also, see item W. below.
- W. Cost Reimbursements      Monies received from other governments for reimbursements of costs incurred by the state are excluded.
- Regarding items V. and W., the state has excluded from TSR receipts for cost reimbursements since fiscal year 1982 and receipts for recovery costs since fiscal year 1988. Although the constitution does not specifically mention cost reimbursements and recovery costs and they have not been the subject of a court decision, we have agreed with such exclusions because from an accounting standpoint, they would not be considered revenue.
- X. Canceled Checks      Receipts derived from the redeposit of state checks that have been canceled are excluded.
- Y. Local Match      Local governments provided funds to the state to use as a local match to qualify for federal or state funding. Since these local match funds are not state funds, they are excluded.
- Z. Proceeds of Surplus Property Sales      The proceeds from some sales of surplus property are initially deposited into the Proceeds of Surplus Property Sales Fund then disbursed from this fund to the state fund that owned the property. To avoid counting the same



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receipts in TSR twice, the state excludes amounts disbursed from the Proceeds of Surplus Property Sales Fund to other state funds.

**AA. WIC Rebates**

The Department of Health and Senior Services (DHSS) issues food instruments for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to program participants who use them to obtain formula at participating grocery stores and pharmacies. The participating grocery stores and pharmacies then redeem the food instruments. The food instruments are processed through the Federal Reserve System and the WIC program is charged for the food instruments presented. The DHSS records the redeemed food instruments and sends a monthly invoice to the contracted infant formula manufacturer who then rebates a portion of the sales proceeds to the state.

**BB. Amendment 3 Revenue  
Derived From Highway  
Users**

In November 2004, the voters approved an amendment to Article IV, Sections 29 and 30(a) through 30(c) and added Section 30(d), Missouri Constitution, effective July 1, 2005.

Section 30(a) provides for the apportionment and distribution of net proceeds of motor fuel tax. This section further provides that, ". . . The net proceeds of fuel taxes apportioned, distributed and deposited under this section to the state road fund, counties, cities, towns and villages shall not be included within the definition of "total state revenues". . . ."

Section 30(b) provides for the use and distribution of revenue derived from highway users as an incident to their use or right to use the highways of the state (including all state license fees and taxes on motor vehicles, trailers and motor vehicle fuels and excepting sales tax on motor vehicles and trailers which are not distributed to the state road fund). This section further provides that, ". . . The moneys apportioned or distributed under this section to the state road fund, the state transportation fund, the state road bond fund, counties, cities, towns or villages shall not be included within the definition of "total state revenues". . . ."

As a result, motor vehicle sales tax and special fuel non-gas tax, and fees from motor vehicle licenses or permits, interstate transportation licenses or permits, driver's licenses or permits, overdimension/overweight permits, other licenses and permits, and non-motor fuel decals credited to the State Road Fund, State Road Bond Fund, and/or State Transportation Fund are excluded from TSR.

The increase in interstate transportation license or permits for certain motor vehicles excluded under this section were previously excluded and, as a result, have no impact on TSR. (See item G. above.)

Sections 29, 30(c), and 30(d) have no apparent Hancock implications.



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Review of Article X, Sections 16 Through 24,  
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**Other Exclusions and  
Limits**

Other exclusions and limits have been considered to arrive at TSR, as follows:

**Cash Management Improvement  
Act**

The state has to enter into an agreement with the federal government which governs the timing of when the state can obtain federal grant monies. If the state holds federal funds longer than needed, the state has to reimburse the federal government for interest earnings. Since the interest was earned on federal funds and has to be returned to the federal government, it is excluded from TSR.

**Agency Remitted Sales Tax**

Some state agencies sell goods or services to the public and collect sales tax. To avoid counting the same receipts in TSR twice, the sales tax remitted by state agencies to the Department of Revenue is excluded from TSR.

**Abandoned Funds Claim  
Payments**

Under Section 447.543, RSMo, the state receives abandoned funds from various sources (banks, businesses, insurance companies, etc.). These funds are placed in the state Abandoned Fund Account. The rightful owner may receive these funds if properly claimed. The state includes the receipts in TSR. Starting in fiscal year 1998, the state excludes from TSR amounts paid to the rightful owner.

**Expenditure Refunds**

According to Article X, Section 17(1), Missouri Constitution, total state revenue shall exclude the amount of any credits based on actual tax liabilities. Refunds disbursed due to the excess collection by the state of liabilities owed the state, largely tax refunds, as identified by certain expenditure object codes are excluded. The method used to determine expenditure refunds is not specified in the amendment. Although the OA-BP initially used the appropriation basis to determine expenditures refunds, during fiscal year 1984, the OA-BP changed to the cash basis. The SAO had consistently used the appropriation basis to measure refunds. As a result, a difference existed. However, in its decision of January 27, 1998, the Supreme Court indicated that a cash basis of accounting should be used to determine compliance with the Hancock Amendment. As a result, the SAO changed its calculation of expenditure refunds to the cash basis.

**Tobacco Master Settlement  
Agreement Proceeds**

The OA-BP has excluded \$135,246,224 received from tobacco companies during fiscal year 2012. The Master Settlement Agreement was entered into effective November 23, 1998, between the major cigarette manufacturers and the states' Attorney Generals. Missouri received its first payments under the settlement agreement during fiscal year 2001 and future payments from tobacco companies extend in perpetuity. The payment received in 2001 included amounts under the settlement agreement for 1998, 2000, and 2001. The settlement agreement did not require a payment for 1999. Payments for fiscal years 2001 through 2011 were as follows:



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Fiscal Year	Amount
2001	\$ 338,230,653
2002	172,679,543
2003	166,895,179
2004	142,829,966
2005	144,964,644
2006	133,078,222
2007	139,292,616
2008	153,277,453
2009	168,066,958
2010	140,318,927
2011	132,631,552

The amounts received were coded in the state's accounting system to revenue source code 1806 - recovery costs, which is excluded from TSR. Recovery costs are defined under revenue source code 1806 as, "*all money recovered from others for costs incurred by the state or to be incurred by the state.*" The OA-BP believes these receipts should be excluded from TSR because the amounts represent a recovery of health care costs previously incurred or to be incurred by the state attributable to smoking.

Public information was not readily available to determine if the amounts recovered from the tobacco companies under the master settlement agreement were more or less than the health care costs incurred. For our fiscal year 2001 report, we reviewed three extensive research projects conducted by experts. We limited our analysis to Medicaid costs incurred in fiscal years 1998 through 2001. We did not consider Medicaid costs from past years prior to 1998. In addition, we did not consider other costs incurred by the state, such as employee health care costs attributable to smoking. These three research projects showed that Medicaid costs attributable to smoking were higher than the amount the state received from the tobacco companies under the settlement agreement. As a result, in our 2001 report we concluded it was proper for the OA-BP to exclude the amounts received from the tobacco companies as a recovery cost.

A study, "Tobacco Damages to the State of Missouri" by Glenn W. Harrison, was commissioned by the Missouri Attorney General's Office for use in a lawsuit against tobacco companies filed May 12, 1997. This lawsuit was dropped because Missouri joined a consortium of states in December 1998, in the Master Settlement Agreement with the tobacco companies. As a result, the Harrison study was not fully completed. However, the draft report provided an estimate of Medicaid costs attributable to smoking for 1970 through 2007 and an estimate of state employee health care costs attributable to smoking for 1970 through 1997. This study estimates that state costs attributable to smoking were higher than the amount the state



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received. OA officials could not locate any current studies but believe continued exclusion is reasonable.

Federal Reimbursement  
Allowance and Nursing Facility  
Reimbursement Allowance

The Federal Reimbursement Allowance and the Nursing Facility Reimbursement Allowance tax imposed by the state to pay the state's share of the costs of the Medicaid program when collected by an offset against Medicaid claims, is not directly deposited in the state treasury. As a result, this revenue is not included in TSR.

Local use tax

The local use tax imposed by the state under Section 144.748, RSMo, until repealed on May 21, 1996, and distributed to local governments is not deposited in the state treasury and is not appropriated. As a result, this revenue is not included in TSR.

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## Compliance

On November 4, 1980, the voters of Missouri passed Constitutional Amendment No. 5 which added Article X, Sections 16 through 24 to the Constitution of Missouri. The amendment, commonly referred to as the Hancock Amendment, requires that no greater portion of Missourians' personal income (MPI) be used in any future year to fund state government than was the case in fiscal year 1981, except as authorized by a vote of the people.

Exhibit A presents a summary of the calculations of limited total state revenue (TSR) for the years ended June 30, 2012, 2011, 2010, 2009, and 2008. The results of our review determined that for the year ended June 30, 2012, TSR was approximately \$3.9 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2012.

Article X, Section 18(e), Missouri Constitution, imposes an additional revenue limit, which states the general assembly shall not increase taxes or fees in any fiscal year without voter approval that in total produce new annual revenues greater than \$50 million adjusted annually by the percentage change in the personal income of Missouri for the second previous year, or 1 percent of total state revenues for the second fiscal year prior to the general assembly's action, whichever is less. For fiscal year 2012, the OA-BP calculated these limits at \$103.2 million for the Missouri Personal Income amount and \$80.2 million for the 1 percent of total state revenues amount.

For fiscal year 2012, the OA-BP has determined that as a result of legislative actions net taxes and fees decreased by a total of \$1.3 million. As a result, it appears the state complied with Article X, Section 18(e).

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# Review of Article X, Sections 16 Through 24, Constitution of Missouri Appendix

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## Article X, Sections 16 through 24, Constitution of Missouri (Adopted November 4, 1980, Amended April 2, 1996\*)

### TAXATION

**Section 16. Taxes and state spending to be limited--state to support certain local activities--emergency spending and bond payments to be authorized.** Property taxes and other local taxes and state taxation and spending may not be increased above the limitations specified herein without direct voter approval as provided by this constitution. The state is prohibited from requiring any new or expanded activities by counties and other political subdivisions without full state financing, or from shifting the tax burden to counties and other political subdivisions. A provision for emergency conditions is established and the repayment of voter approved bonded indebtedness is guaranteed. Implementation of this section is specified in sections 17 through 24, inclusive of this article.

**Section 17. Definitions.** As used in sections 16 through 24 of Article X:

- (1) **"Total state revenues"** includes all general and special revenues, license and fees, excluding federal funds, as defined in the budget message of the governor for fiscal year 1980-1981. Total state revenues shall exclude the amount of any credits based on actual tax liabilities or the imputed tax components of rental payments, but shall include the amount of any credits not related to actual tax liabilities.
- (2) **"Personal income of Missouri"** is the total income received by persons in Missouri from all sources, as defined and officially reported by the United States Department of Commerce or its successor agency.
- (3) **"General price level"** means the Consumer Price Index for All Urban Consumers for the United States, or its successor publications, as defined and officially reported by the United States Department of Labor, or its successor agency.

**Section 18. Limitation on taxes which may be imposed by general assembly--exclusions--refund of excess revenue--adjustments authorized.**

- (a). There is hereby established a limit on the total amount of taxes which may be imposed by the general assembly in any fiscal year on the taxpayers of this state. Effective with fiscal year 1981-1982, and for each fiscal year thereafter, the general assembly shall not impose taxes of any kind which, together with all other revenues of the state, federal funds excluded, exceed the revenue limit established in this section. The revenue limit shall be calculated for each fiscal year and shall be equal to the product of the ratio of total state revenues in fiscal year 1980-1981 divided by the personal income of Missouri in calendar year 1979 multiplied by the personal income of Missouri in either the calendar year prior to the calendar year in which appropriations for the fiscal year for which the calculation is being made, or





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the average of personal income of Missouri in the previous three calendar years, whichever is greater.

(b). For any fiscal year in the event that total state revenues exceed the revenue limit established in this section by one percent or more, the excess revenues shall be refunded pro rata based on the liability reported on the Missouri state income tax (or its successor tax or taxes) annual returns filed following the close of such fiscal year. If the excess is less than one percent, this excess shall be transferred to the general revenue fund.

(c). The revenue limitation established in this section shall not apply to taxes imposed for the payment of principal and interest on bonds, approved by the voters and authorized under the provisions of this constitution.

(d). If responsibility for funding a program or programs is transferred from one level of government to another, as a consequence of constitutional amendment, the state revenue and spending limits may be adjusted to accommodate such change, provided that the total revenue authorized for collection by both state and local governments does not exceed that amount which would have been authorized without such change.

**(e). Voter approval required for taxes or fees, when, exceptions--compliance procedure.**

1. In addition to the revenue limit imposed by section 18 of this article, the general assembly in any fiscal year shall not increase taxes or fees without voter approval that in total produce new annual revenues greater than either fifty million dollars adjusted annually by the percentage change in the personal income of Missouri for the second previous fiscal year, or one percent of total state revenues for the second fiscal year prior to the general assembly's action, whichever is less. In the event that an individual or series of tax or fee increases exceed the ceiling established in this subsection, the taxes or fees shall be submitted by the general assembly to a public vote starting with the largest increase in the given year, and including all increases in descending order, until the aggregate of the remaining increases and decreases is less than the ceiling provided in this subsection.

2. The term "new annual revenues" means the net increase in annual revenues produced by the total of all tax or fee increases enacted by the general assembly in a fiscal year, less applicable refunds and less all contemporaneously occurring tax or fee reductions in that same fiscal year, and shall not include interest earnings on the proceeds of the tax or fee increase. For purposes of this calculation, "enacted by the general assembly" shall include any and all bills that are truly agreed to and finally passed within that fiscal year, except bills vetoed by the governor and not overridden by the general assembly. Each individual tax or fee increase



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Review of Article X, Sections 16 Through 24,  
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shall be measured by the estimated new annual revenues collected during the first fiscal year that it is fully effective. The term "increase taxes or fees" means any law or laws passed by the general assembly after May 2, 1996, that increase the rate of an existing tax or fee, impose a new tax or fee, or broaden the scope of a tax or fee to include additional class of property, activity, or income, but shall not include the extension of an existing tax or fee which was set to expire.

3. In the event of an emergency, the general assembly may increase taxes, licenses or fees for one year beyond the limit in this subsection under the same procedure specified in section 19 of this article.

4. Compliance with the limit in this section shall be measured by calculating the aggregate actual new annual revenues produced in the first fiscal year that each individual tax or fee change is fully effective.

5. Any taxpayer or statewide elected official may bring an action under the provisions of section 23 of this article to enforce compliance with the provisions of this section. The Missouri supreme court shall have original jurisdiction to hear any challenge brought by any statewide elected official to enforce this section. In such enforcement actions, the court shall invalidate the taxes and fees which should have received a public vote as defined in subsection 1 of this section. The court shall order remedies of the amount of revenue collected in excess of the limit in this subsection as the court finds appropriate in order to allow such excess amounts to be refunded or to reduce taxes and/or fees in the future to offset the excess monies collected.

**Section 19. Limits may be exceeded, when, how.** The revenue limit of section 18 of this article may be exceeded only if all of the following conditions are met: (1) The governor requests the general assembly to declare an emergency; (2) the request is specific as to the nature of the emergency, the dollar amount of the emergency, and the method by which the emergency will be funded; and (3) the general assembly thereafter declares an emergency in accordance with the specifics of the governor's request by a majority vote for fiscal year 1981-1982, thereafter a two-thirds vote of the members elected to and serving in each house. The emergency must be declared in accordance with this section prior to incurring any of the expenses which constitute the emergency request. The revenue limit may be exceeded only during the fiscal year for which the emergency is declared. In no event shall any part of the amount representing a refund under section 18 of this article be the subject of an emergency request.

**Section 20. Limitation on state expenses.** No expenses of state government shall be incurred in any fiscal year which exceed the sum of the



Review of Article X, Sections 16 Through 24,  
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revenue limit established in sections 18 and 19 of this article plus federal funds and any surplus from a previous fiscal year.

**Section 21. State support to local governments not to be reduced, additional activities and services not to be imposed without full state funding.** The state is hereby prohibited from reducing the state financed proportion of the costs of any existing activity or service required of counties and other political subdivisions. A new activity or service or an increase in the level of any activity or service beyond that required by existing law shall not be required by the general assembly or any state agency of counties or other political subdivision, unless a state appropriation is made and disbursed to pay the county or other political subdivision for any increased costs.

**Section 22. Political subdivisions to receive voter approval for increases in taxes and fees--rollbacks may be required--limitation not applicable to taxes for bonds.**

(a). Counties and other political subdivisions are hereby prohibited from levying any tax, license or fees, not authorized by law, charter or self-enforcing provisions of the constitution when this section is adopted or from increasing the current levy of an existing tax, license or fees, above that current levy authorized by law or charter when this section is adopted without the approval of the required majority of the qualified voters of that county or other political subdivision voting thereon. If the definition of the base of an existing tax, license or fees, is broadened, the maximum authorized current levy of taxation on the new base in each county or other political subdivision shall be reduced to yield the same estimated gross revenue as on the prior base. If the assessed valuation of property as finally equalized, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the general price level from the previous year, the maximum authorized current levy applied thereto in each county or other political subdivision shall be reduced to yield the same gross revenue from existing property, adjusted for changes in the general price level, as could have been collected at the existing authorized levy on the prior assessed value.

(b). The limitations of this section shall not apply to taxes imposed for the payment of principal and interest on bonds or other evidence of indebtedness or for the payment of assessments on contract obligations in anticipation of which bonds are issued which were authorized prior to the effective date of this section.

**Section 23. Taxpayers may bring actions for interpretations of limitations.** Notwithstanding other provisions of this constitution or other law, any taxpayer of the state, county or other political subdivision shall have standing to bring suit in a circuit court of proper venue and



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Review of Article X, Sections 16 Through 24,  
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additionally, when the state is involved, in the Missouri supreme court, to enforce the provisions of sections 16 through 22, inclusive, of this article and, if the suit is sustained, shall receive from the applicable unit of government his costs, including reasonable attorneys' fees incurred in maintaining such suit.

**Section 24. Voter approval requirements not exclusive--self-enforceability.**

(a). The provisions for voter approval contained in sections 16 through 23, inclusive, of this article do not abrogate and are in addition to other provisions of the constitution requiring voter approval to incur bonded indebtedness and to authorize certain taxes.

(b). The provisions contained in sections 16 through 23, inclusive, of this article are self-enforcing; provided, however, that the general assembly may enact laws implementing such provisions which are not inconsistent with the purposes of said sections.

\* The 1996 amendment added Section 18(e).



**Thomas A. Schweich**  
Missouri State Auditor

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# OFFICE OF ATTORNEY GENERAL

## Missouri Office of Prosecution Services



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**June 2013**

**Report No. 2013-048**

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**<http://auditor.mo.gov>**



# CITIZENS SUMMARY

## Findings in the audit of the Office of Attorney General, Missouri Office of Prosecution Services

Accounting Controls and Procedures	The Missouri Office of Prosecution Services (MOPS) needs to improve controls and procedures over receipts. The MOPS does not restrictively endorse checks immediately upon receipt and does not document the date of receipt. The MOPS does not deposit registration fees until they total approximately \$1,000, which may be up to three weeks.
Salary Increases	The MOPS gave pay raises to staff employees that were not provided to other state employees. In addition to the 2 percent cost of living adjustment increase that was provided to state employees paid less than \$70,000 per year, MOPS employees also received raises in January 2011 and January 2013. These raises represented an annual increase in staff salaries that totaled \$22,897. In addition to the staff raises, the Executive Director also received salary increases of \$11,455 and \$7,500 in November 2012 and January 2011, respectively. State law grants the Prosecutors Coordinators Training Council the authority to establish employee compensation, but, given the recent state budget constraints and that other state employees have generally not received such pay increases, the Council and MOPS should reevaluate the reasonableness and necessity of these increases.

In the areas audited, the overall performance of this entity was **Good**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The Office of Attorney General, Missouri Office of Prosecution Services did not receive any federal stimulus monies during the audited time period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Office of Attorney General

## Missouri Office of Prosecution Services

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Prosecutors Coordinators Training Council  
and  
Missouri Office of Prosecution Services  
and  
Honorable Chris Koster, Attorney General  
Jefferson City, Missouri

We have audited certain operations of the Office of Attorney General, Missouri Office of Prosecution Services, as provided by Section 56.765, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2012 and 2011. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; analysis of comparative data obtained from external and internal sources; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.



The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) a deficiency in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Office of Attorney General, Missouri Office of Prosecution Services.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
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In-Charge Auditor:	Matthew Schulenberg, CFE
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	Naomi Nganga

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# Office of Attorney General

## Missouri Office of Prosecution Services

### Management Advisory Report - State Auditor's Findings

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#### **1. Accounting Controls and Procedures**

The Missouri Office of Prosecution Services (MOPS) needs to improve controls and procedures over receipts.

During the 2 years ended June 30, 2012, the MOPS collected approximately \$86,000 in registration fees related to various training conferences and approximately \$1.1 million remitted by Missouri counties and the City of St. Louis for the Missouri Prosecuting Attorneys and Circuit Attorneys' Retirement Fund.

The MOPS does not restrictively endorse checks immediately upon receipt. Checks are not restrictively endorsed until the bank deposit is prepared. In addition, the MOPS does not document the date of receipt. Typically, only the check number, payee, and amount is recorded. Also, receipts are not always deposited timely. According to MOPS personnel, registration fees are held until they total approximately \$1,000, and may be held up to 3 weeks before deposit.

To safeguard against possible loss, theft, or misuse of funds, internal controls should provide reasonable assurances that all receipts are handled and accounted for properly and assets are adequately safeguarded.

#### **Recommendation**

The MOPS require checks be restrictively endorsed upon receipt, the date of receipt be recorded, and all monies received be deposited in a timely manner.

#### **Auditee's Response**

*The MOPS whole-heartedly agrees with this recommendation. This recommendation was implemented the same day it was suggested by the field auditor during the audit process.*

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#### **2. Salary Increases**

The MOPS provided pay raises to employees that were not provided to other state employees.

In addition to a 2 percent cost of living adjustment in July 2012 (an increase that was provided to state employees paid less than \$70,000 per year) MOPS staff received raises in January 2011 and January 2013. These raises represented an annual increase in staff salaries that totaled \$22,897. In addition to the staff raises, the Executive Director also received salary increases of \$11,455 and \$7,500, in November 2012 and January 2011, respectively. These raises represented approximately a 10 percent increase to employees.

According to a member of the Prosecutors Coordinators Training Council, which oversees the MOPS, these salary increases were based on merit, annual appraisals, job performance, and a desire to bring the salary of MOPS employees to a level equal to other state employees in a similar position.



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Office of Attorney General  
Missouri Office of Prosecution Services  
Management Advisory Report - State Auditor's Finding

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Although Section 56.760, RSMo, grants the Prosecutors Coordinators Training Council the authority to establish employee compensation, given the recent state budget constraints and that other state employees have generally not received such pay increases, the Council and MOPS should re-evaluate the reasonableness and necessity for these salary increases.

## Recommendation

The MOPS, in conjunction with the Prosecutors Coordinators Training Council, discontinue providing pay increases over and above those provided to other state employees in the future.

## Auditee's Response

*As this finding correctly acknowledges, Section 56.760, RSMo, gives exclusive authority to the Prosecutors Coordinators Training Council to fix the salary of the Executive Director and exclusive authority to the Executive Director to fix the salary of the staff with the advice and consent of the Council. Accordingly, the Prosecutors Coordinators Training Council and the MOPS Executive Director established employee compensation within the parameters set by Section 56.760, RSMo. Furthermore, pursuant to Section 56.650, RSMo, the MOPS is an autonomous entity which is not subject to the state employee Merit System or Uniform Classification and Pay System. Rather the MOPS is funded primarily by sources other than General Revenue, and the merit-based compensation increases examined in this finding were expended from non-General Revenue funds within the appropriation authority set by the General Assembly. The Prosecutors Coordinators Training Council and the MOPS Executive Director fixed employee compensation by: (1) considering salaries of similarly situated staff in other state agencies and county prosecuting attorneys' offices; (2) reflecting additional duties or responsibilities assumed by staff; and (3) considering employee merit based on annual performance evaluations. Nevertheless, the Prosecutors Coordinators Training Council will review this finding and take appropriate action as necessary.*

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# Office of Attorney General

## Missouri Office of Prosecution Services

### Organization and Statistical Information

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The Missouri Office of Prosecution Services (MOPS) was established pursuant to Section 56.750, RSMo, ". . . as an autonomous entity in the Missouri attorney general's office." The primary purpose of this office is to assist the prosecuting attorneys throughout the state through training and other means in their efforts against criminal activity.

The MOPS collects monies from Missouri counties and the city of St. Louis for the Missouri Prosecuting Attorneys and Circuit Attorneys' Retirement Fund. These monies are deposited in a bank account managed and administered by the retirement fund's Board of Trustees. During the 2 years ended June 30, 2012, the MOPS collected and deposited approximately \$1.1 million for the retirement fund.

Certain oversight responsibilities for the office are given to the Prosecutors Coordinators Training Council. The council is composed of the president, vice president, secretary, treasurer and immediate past president of the Missouri Prosecuting Attorneys Association and the Attorney General or his designee. The terms of the members of the council are concurrent with their terms as officers of the Missouri Prosecuting Attorneys Association. As of June 30, 2012, the council members were:

Bob McCulloch, President  
Eric Zahnd, President-elect  
Terry Schwartze, Secretary  
Brian Keedy, Treasurer  
Dean Dankelson, Immediate Past President  
Page Bellamy, Attorney General Designee

Jason Lamb has served as the MOPS' Executive Director since July 2009.

As of June 30, 2012, the MOPS employed seven full-time employees and one part-time employee.

#### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Missouri Office of Prosecution Services did not receive any federal stimulus monies during the 2 years ended June 30, 2012.

Appendix A-1

Office of Attorney General  
Missouri Office of Prosecution Services  
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments  
Year Ended June 30, 2012

	Federal and Other Fund	Missouri Office of Prosecution Services Fund	Missouri Office of Prosecution Services Revolving Fund	Total (Memorandum Only)
RECEIPTS				
Court fees	\$ 0	486,738	0	486,738
Registration fees	0	0	38,484	38,484
Federal receipts	347,878	48,476	6,653	403,007
Interest	0	1,966	0	1,966
Rebates	0	536	0	536
Total receipts	<u>347,878</u>	<u>537,716</u>	<u>45,137</u>	<u>930,731</u>
DISBURSEMENTS				
Personal service	99,670	195,997	0	295,667
Employee fringe benefits	38,813	79,317	0	118,130
Expense and equipment	176,320	213,970	35,721	426,011
Cost allocation plan	0	8,127	275	8,402
Leasing operations	0	32,622	0	32,622
Miscellaneous	0	4,196	0	4,196
Total disbursements	<u>314,803</u>	<u>534,229</u>	<u>35,996</u>	<u>885,028</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	33,075	3,487	9,141	45,703
CASH AND INVESTMENTS, JULY 1, 2011	3,193	322,986	46,430	372,609
CASH AND INVESTMENTS, JUNE 30, 2012	<u>\$ 36,268</u>	<u>326,473</u>	<u>55,571</u>	<u>418,312</u>

Appendix A-2

Office of Attorney General  
Missouri Office of Prosecution Services  
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments  
Year Ended June 30, 2011

	Federal and Other Fund	Missouri Office of Prosecution Services Fund	Missouri Office of Prosecution Services Revolving Fund	Total (Memorandum Only)
RECEIPTS				
Court fees	\$ 0	516,128	0	516,128
Registration fees	0	0	47,370	47,370
Federal receipts	334,796	0	225	335,021
Interest	0	2,670	0	2,670
Rebates	0	415	0	415
Miscellaneous	0	141	0	141
Total receipts	<u>334,796</u>	<u>519,354</u>	<u>47,595</u>	<u>901,745</u>
DISBURSEMENTS				
Personal service	116,406	168,830	0	285,236
Employee fringe benefits	50,981	72,509	0	123,490
Expense and equipment	191,366	272,024	35,466	498,856
Cost allocation plan	0	12,585	966	13,551
Leasing operations	0	32,481	0	32,481
Total disbursements	<u>358,753</u>	<u>558,429</u>	<u>36,432</u>	<u>953,614</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(23,957)</u>	<u>(39,075)</u>	<u>11,163</u>	<u>(51,869)</u>
CASH AND INVESTMENTS, JULY 1, 2010	<u>27,150</u>	<u>362,061</u>	<u>35,267</u>	<u>424,478</u>
CASH AND INVESTMENTS, JUNE 30, 2011	<u>\$ 3,193</u>	<u>322,986</u>	<u>46,430</u>	<u>372,609</u>

Appendix B

Office of Attorney General  
Missouri Office of Prosecution Services  
Comparative Statement of Appropriations and Expenditures

Year Ended June 30,						
	2012			2011		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND						
Personal Service	\$ 72,984	72,984	0	72,984	72,984	0
Expense and Equipment	34,916	31,089	3,827	34,916	29,138	5,778
Total General Revenue Fund	107,900	104,073	3,827	107,900	102,122	5,778
FEDERAL AND OTHER FUND						
Personal Service	182,000	99,670	82,330	182,000	116,406	65,594
Expense and Equipment	885,326	176,320	709,006	885,326	191,366	693,960
Total Federal and Other Fund	1,067,326	275,990	791,336	1,067,326	307,772	759,554
MISSOURI OFFICE OF PROSECUTION SERVICES FUND						
Personal Service	310,175	195,997	114,178	310,175	168,830	141,345
Expense and Equipment	1,713,795	213,970	1,499,825	1,713,795	272,024	1,441,771
Total Missouri Office of Prosecution Services Fund	2,023,970	409,967	1,614,003	2,023,970	440,854	1,583,116
MISSOURI OFFICE OF PROSECUTION SERVICES REVOLVING FUND						
Expense and Equipment	150,000	35,721	114,279	150,000	35,466	114,534
Total Missouri Office of Prosecution Services Revolving Fund	150,000	35,721	114,279	150,000	35,466	114,534
Total All Funds	\$ 3,349,196	825,751	2,523,445	3,349,196	886,214	2,462,982

# Appendix C

## Office of Attorney General Missouri Office of Prosecution Service Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30				
	2012	2011	2010	2009	2008
Salaries and wages	\$ 368,651	358,220	333,049	343,269	380,958
Travel, in-state	61,649	66,665	61,184	69,049	74,453
Travel, out-of-state	14,955	23,951	17,001	15,748	20,352
Supplies	13,425	10,037	11,972	11,516	37,385
Professional development	5,836	5,337	4,256	4,665	6,114
Communication service and supplies	9,516	8,621	9,869	9,203	7,474
Services:					
Professional	300,818	356,585	387,244	691,311	386,120
Maintenance and repair	10,310	10,596	14,477	13,873	14,941
Equipment:					
Computer	545	4,591	3,284	0	6,035
Office	1,457	739	0	120	1,647
Other	0	579	0	0	447
Building lease payments	7,368	3,868	16,181	30,332	7,754
Equipment rental and leases	1,691	4,462	3,848	9,083	7,882
Agency provided food	27,421	29,267	25,883	59,199	69,732
Rebillable expenses	0	0	590	0	0
Registration fee refunds	0	0	0	0	65
Program distributions	2,109	2,696	6,380	6,147	3,455
Total Expenditures	\$ <u>825,751</u>	<u>886,214</u>	<u>895,218</u>	<u>1,263,515</u>	<u>1,024,814</u>



## Appendix D

### Office of Attorney General Missouri Office of Prosecution Services Statement of Changes in General Capital Assets

<u>All Funds</u>		<u>Furniture and Equipment</u>
Balance July 1, 2010	\$	60,518
Additions		1,405
Dispositions		(6,176)
Balance June 30, 2011		55,747
Additions		0
Dispositions		(23,218)
Balance June 30, 2012	\$	<u>32,529</u>

<u>Fund of Acquisition</u>		<u>Balance June 30, 2012</u>
Federal and Other Fund	\$	12,532
Missouri Office of Prosecution Services Fund		19,997
Total All Funds	\$	<u>32,529</u>



# Thomas A. Schweich

Missouri State Auditor

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## Pike County



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June 2013

Report No. 2013-049

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

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## Findings in the audit of Pike County

Sales Tax Rollback	Property tax reductions were not sufficient to offset 50 percent of sales tax monies, and property tax reduction amounts were not accurately calculated. Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected. At December 31, 2012, the insufficient reduction totaled approximately \$77,900. Additional or increased property tax levy rollbacks will be required in future years to offset this liability.
Property Tax System Controls and Procedures	As noted in our prior report, the County Clerk does not maintain an account book with the County Collector, as required by state law. Therefore, the County Clerk and County Commission do not have information readily available and do not adequately review the annual settlements, and errors and irregularities could go undetected.
Capital Assets and Vehicles	Procedures have not been developed to identify capital asset purchases and dispositions throughout the year, and physical inventories were not performed in 2012. The county maintains logs of fuel dispensed from bulk fuel tanks, but these logs are not used to reconcile to fuel purchased and are not reviewed by a supervisor for reasonableness. Two road and bridge supervisors are allowed to use county vehicles to commute to and from home daily but do not complete vehicle logs and the personal commuting use is not reported to the Internal Revenue Service as required.
Payroll	The county does not compensate law enforcement personnel in accordance with county policy. The county's policy provides that law enforcement personnel accrue compensatory leave at time and a half for any time worked over 171 hours during a 28 consecutive day period, but the county provided compensatory leave at time and a half to law enforcement personnel who worked more than 80 hours in a two week period and gave an hour of compensatory leave for each hour worked in excess of scheduled hours. The County Clerk's office does not adequately review timesheets and vacation and sick leave records, so some errors were not detected.
Public Administrator	Annual settlements are not filed in a timely manner as required by state law. The Public Administrator has not filed an annual settlement for two cases since 2008 and has not filed a settlement for another case since 2009. One settlement prepared for the period December 2009 through January 2013 had not been finalized and filed with the court as of April 2013, because discrepancies were identified. The settlement did not include two disbursements totaling \$16,410 and did not reflect some income earned. The Public Administrator has not filed a final settlement for one 2008 case for a deceased ward. The estate's assets have not been distributed to the ward's heirs, and the estate continues to accrue storage costs for the estate's property.

Sheriff	Receipt slips are not issued for some monies received, which increases the risk of loss or misuse. The Sheriff does not turn over profits from commissary sales to the county treasury, as required by state law, and uses these monies to purchase items for the prisoners and the Sheriff's department. As noted in our prior report, procedures are not in place to ensure month-end liabilities are reconciled to the inmate bank balance, and the reconciliation done at our request revealed an unidentified difference of \$335.
Prosecuting Attorney	The Prosecuting Attorney does not adequately monitor court ordered restitution due from defendants. The restitution clerk periodically reviews the files, but a complete list of accounts receivable is not maintained. Uncollectable accounts are adjusted to zero with a write-off, but adjustments are not formally approved by a person independent of the transaction postings and supporting documentation is not always maintained.
Sunshine Law	The county has not adopted a policy regarding public access to county records, as required by Section 610.023, RSMo.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	Pike County did not receive any federal stimulus monies during the audited time period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our website: <http://auditor.mo.gov>**

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# Pike County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Pike County

We have audited certain operations of Pike County in fulfillment of our duties under Section 29.230, RSMo. In addition, Casey-Beard-Boehmer PC, Certified Public Accountants, has been engaged to audit the financial statements of Pike County for the year ended December 31, 2012. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Pike County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Nathaniel Fast, M.Acct., CPA, CFE
Audit Staff:	Morgan Alexander Rachelle Thompson

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# Pike County

## Management Advisory Report

### State Auditor's Findings

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#### 1. Sales Tax Rollback

Property tax reductions were not sufficient to offset 50 percent of sales tax monies received by approximately \$77,900 at December 31, 2012, and property tax reduction amounts were not accurately calculated. During 2012, a rollback calculation was not performed by the county. Additional or increased property tax levy rollbacks will be required in future years to offset this liability. The county has not adopted adequate procedures to monitor or assess the results of the actual tax rollbacks, and has not adequately considered the excess tax collections from prior years when computing the current year's rollback. The following table presents the cumulative liability resulting from the insufficient sales tax reductions.

		Year Ended December 31,		
		2012	2011	2010
Required property tax revenue reduction	\$	376,468	366,122	344,609
Actual property tax revenue reduction		342,887	329,253	336,723
Amount not sufficiently reduced		33,581	36,869	7,886
Prior years under/(over) reduction		44,316	7,447	(439)
Total insufficient property tax revenue reduction	\$	77,897	44,316	7,447

Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected. Pike County voters enacted a one-half cent sales tax with a provision to reduce property taxes by 50 percent of sales taxes collected. The county is required to estimate the annual property tax levy to meet a 50 percent reduction requirement and in the following year calculate any excess property taxes collected based upon actual sales tax collection. The county is required to certify to the State Auditor's office the annual property tax levy including the amount the levy is required to be reduced for sales tax collections.

#### Recommendation

The County Commission and County Clerk adequately reduce property tax levies for 50 percent of sales tax revenue, and develop a plan to correct for the accumulation of prior years' insufficient property tax levy reductions.

#### Auditee's Response

*The County Commission and County Clerk provided the following response:*

*We will look into this and develop a plan to implement this recommendation.*





Pike County  
Management Advisory Report - State Auditor's Findings

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## 2. Property Tax System Controls and Procedures

As noted in our prior report, the County Clerk does not maintain an account book with the County Collector. The County Collector's office processed property taxes totaling approximately \$15.6 million for the year ended February 28, 2013.

While the former County Clerk maintained files of tax charges, additions and abatements, and the County Collector's monthly settlements, the County Clerk did not use this information to create an account book or other record summarizing property tax transactions and changes. Therefore, the County Clerk and County Commission do not have information readily available, and do not adequately review the annual settlements prepared by the County Collector. As a result, errors and irregularities could go undetected.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records which summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector each year are accounted for properly and could also be used by the County Clerk and County Commission to verify the County Collector's annual settlements.

### Recommendation

The County Clerk maintain a complete and accurate account book with the County Collector. In addition, the County Commission and the County Clerk should use the account book to review the accuracy and completeness of the County Collector's annual settlements.

### Auditee's Response

*The County Commission and County Clerk provided the following response:*

*The County Clerk has developed a spreadsheet to reconcile with the County Collector to keep a closer eye on these issues.*

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## 3. Capital Assets and Vehicles

Capital asset and vehicle records are in need of improvement.

### 3.1 Capital assets

Procedures have not been developed to identify capital asset purchases and dispositions throughout the year. For example, two road graders purchased in June 2012, costing approximately \$488,000, had not been added to the capital asset listing as of December 31, 2012. In addition, records lack some necessary information such as disposition information. Also, physical inventories of county property were not performed during 2012. Although county personnel indicated the County Clerk generally requests each office submit an inventory list annually, the County Clerk's office did not request



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Pike County  
Management Advisory Report - State Auditor's Findings

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an inventory listing for 2012. As a result, the county is unable to ensure county-owned property is accounted for properly.

Adequate capital asset records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Procedures to track capital asset purchases and dispositions throughout the year and compare to physical inventory results would enhance the county's ability to account for capital assets and potentially identify unrecorded additions and dispositions, identify obsolete assets, and deter and detect theft of assets. Section 49.093, RSMo, provides that the officer or their designee of each county department is responsible for performing annual inspections and inventories of county property used by their department and for submitting an inventory report to the County Clerk.

### 3.2 Vehicles and fuel use

Effective monitoring procedures have not been established for vehicle and equipment fuel use in the road and bridge department. The road and bridge department spent approximately \$209,000 for fuel during the year ended December 31, 2012, for the 45 road and bridge vehicles and equipment items.

Logs of fuel dispensed from bulk fuel tanks are maintained for each road and bridge vehicle; however, these logs are not used to reconcile to fuel purchased, and these reports are not reviewed by the road and bridge supervisor for reasonableness.

Procedures for maintaining and reviewing fuel usage logs and reconciling the information to fuel purchased and related records are necessary to ensure vehicles and equipment are properly utilized, prevent paying vendors for improper amounts, and decrease the risk of theft or misuse of fuel occurring without detection. Logs should provide sufficient details to enable the county to effectively monitor vehicle and equipment fuel costs.

### 3.3 Commuting mileage

The personal commuting use of county vehicles by some county employees is not reported to the Internal Revenue Service (IRS). Two road and bridge supervisors are allowed to use county vehicles to commute to and from home daily, and do not complete vehicle logs. Without complete vehicle logs, the county cannot distinguish between official and personal use, and therefore, is unable to properly report personal use.

The IRS regulations indicate personal and commuting mileage are reportable fringe benefits and require the full value of the provided vehicle to be reported if the employer does not require the submission of detailed logs that document business and personal use. Because procedures have not been established to ensure IRS regulations are followed, the county may be subject to penalties and/or fines for failure to report all taxable benefits.



Pike County  
Management Advisory Report - State Auditor's Findings

Similar conditions  
previously reported

Similar conditions to sections 3.1 and 3.2 were noted in our prior audit report.

Recommendations

The County Commission and the County Clerk:

- 3.1 Work with other county officials to ensure complete and accurate inventory records are maintained and annual physical inventories are conducted, and implement procedures for tracking capital asset purchases and dispositions throughout the year.
- 3.2 Establish procedures to maintain adequate records to effectively monitor vehicle, equipment, and fuel use. In addition, bulk fuel inventory records should be maintained, fuel use should be reconciled to fuel purchases, and any significant discrepancies should be investigated.
- 3.3 Comply with IRS regulations for reporting fringe benefits related to commuting miles and require mileage logs which distinguish between business and commuting use.

Auditee's Response

*The County Commission and County Clerk provided the following responses:*

- 3.1 *This will be implemented.*
- 3.2 *We will ask the road and bridge secretary to reconcile the bulk fuel logs to the invoices and report to the road and bridge supervisor, and the supervisor will report to the County Commission.*
- 3.3 *We will require logs for these vehicles which include the detail of the miles driven. The County Clerk has contacted the IRS to discuss these requirements and will comply with IRS regulations.*

---

## 4. Payroll

The county does not compensate law enforcement personnel in accordance with county policy, and reviews of timesheets and leave balances are not adequate.

### 4.1 Law enforcement policy

The county does not compensate law enforcement personnel in accordance with county policy. The county's current personnel policy provides for law enforcement personnel to accrue compensatory leave at time and a half for any time worked over 171 hours during a 28 consecutive day period; however, the county provided compensatory time at time and a half to law enforcement personnel, who worked more than 80 hours in a 2 week period. In addition, Sheriff employees who work more than the hours they are scheduled to work each day receive an hour of compensatory time for each additional hour worked. While the County Commission indicated this



## Pike County Management Advisory Report - State Auditor's Findings

change in procedure was approved, the county's written policy was not updated.

To ensure employees are treated equitably and are properly compensated, strict compliance with personnel policies is necessary, and the personnel policy should be updated to reflect any changes in the accrual of compensatory time.

### 4.2 Payroll oversight

An adequate review of timesheets and vacation and sick leave records was not performed by the County Clerk's office. A review of payroll records for August through November 2012 identified the following errors.

- A road and bridge department employee recorded 8 hours of vacation leave on his time sheet that was not recorded in the county's payroll system, and therefore his vacation leave balance was not reduced for the leave taken.
- A Sheriff's department employee recorded 88 hours on his timesheet for a 2 week work period. This employee worked 64 hours, recorded 24 hours as holiday and sick leave, and was granted 12 hours of compensatory time. Because the employee actually worked less than 80 hours in the two week period, he was not eligible to receive time and one half and should have received straight time, or 8 hours, under the county's normal procedures.

Without an adequate review process, the county cannot ensure payroll and leave records are in agreement, leave and compensatory time are properly computed, the county personnel policies manual is complied with, and errors are detected and corrected timely.

### Recommendations

- 4.1 The County Commission should ensure compliance with county personnel policies and revise the county personnel policy to reflect changes in the accrual of compensatory time.
- 4.2 The County Clerk adequately review timesheets and update payroll and leave records accordingly.

### Auditee's Response

*The County Commission and County Clerk provided the following responses:*

- 4.1 *We plan to look at the county policy book and update it.*
- 4.2 *We will try harder.*



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## 5. Public Administrator

Annual and final settlements are not always filed timely. In addition, adequate documentation is not always maintained to support disbursements.

### 5.1 Annual settlements

Annual settlements are not filed in a timely manner. Our review identified two cases for which annual settlements had not been filed since 2008, and another case for which a settlement had not been filed since 2009. In addition, annual settlements for three other cases were last filed in 2011. The total combined assets for these wards were approximately \$198,000. The Probate Clerk notifies the Public Administrator of approaching settlement due dates by sending the Public Administrator a notice 40 days prior to the due date. The Probate Clerk also sends a past due notice after an annual settlement is a month past due. Despite these procedures, some settlements have not been filed for several years.

We reviewed the case file for the ward whose last settlement was filed in 2009. The court did not approve the 2009 annual settlement, because the Public Administrator did not submit a statement from the investment company to verify the ending balance of the investment. In addition, a settlement was prepared covering the period from December 2009 through January 2013, but as of April 2013, this settlement had not been finalized and submitted to the court, because discrepancies were identified. Our review of this settlement and information obtained from the investment company indicated that two disbursements totaling \$16,410 were not included on the settlement. In addition, the settlement did not reflect income earned on the investment during the period from December 2009 through December 2011.

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual settlement with the court for each ward or estate. Timely settlements are necessary for the court to properly oversee the administration of cases and reduce the possibility that errors or misuse of funds will go undetected.

### 5.2 Case Disposition

The Public Administrator was assigned a case for a deceased ward during 2008. As of March 2013, the Public Administrator had not filed a final settlement for this case. In addition, assets, including a home, corporation stocks, personal property, and a bank account had not been distributed to the ward's heirs. The Public Administrator could not explain why a final settlement had not been filed and the court had not been petitioned to distribute the ward's assets.

Although a final settlement has not been filed, the Public Administrator filed a settlement for this case for the period of February 2010 to March 2012. The 2-year settlement included only three disbursements, one for probate costs and two for storage fees. The Public Administrator paid



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Pike County  
Management Advisory Report - State Auditor's Findings

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\$2,100 to a storage company to store a motorcycle and other personal property for this ward for a 42 month period through October 31, 2011. Additional storage costs of \$50 monthly are still being accrued, because the property continues to be stored. The Public Administrator did not retain a rental agreement or invoices to support these disbursements.

The Associate Circuit Court, Probate Division reviews and approves annual settlements filed by the Public Administrator; however, the court's review did not detect the lack of supporting documentation. Failure to adequately review settlements increases the risk that errors or misuse of funds could go undetected.

To reduce unnecessary disbursements and the risk of loss of assets and destruction of property, the Public Administrator should ensure final settlements are filed in a timely manner and assets are distributed to heirs promptly. In addition, documentation should be submitted to the court for review and retained by the Public Administrator to support all disbursements made.

## Recommendations

The Public Administrator:

- 5.1 Ensure annual settlements and related statements are filed timely.
- 5.2 File a final settlement for this ward and petition the court for an order of distribution. In addition, the Public Administrator should ensure invoices are retained to support all disbursements made. Further, the Associate Circuit Court, Probate Division should ensure supporting documentation is submitted with annual settlements filed with the court.

## Auditee's Response

*The Public Administrator provided the following responses:*

- 5.1 *I have submitted the documentation to my attorney's office and will check on the status of these settlements. I will talk to the Judge about the possibility of preparing some of the simpler settlements myself.*
- 5.2 *I have asked my attorney to file a final settlement for this ward and I do not know the reason for the delay. I will obtain the receipts from the storage company and will obtain another copy of the rental agreement.*



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Pike County  
Management Advisory Report - State Auditor's Findings

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*The Associate Circuit Judge, Probate Division, provided the following written response:*

5.2 *It is my policy to require supporting vouchers for all disbursements in question or over seventy-five dollars but evidently these particular vouchers were not submitted and/or were not available. However, the court was aware from a previous settlement that there were items in storage, the cancelled checks clearly substantiated proper payment, and there was no indication that such payments were inappropriate.*

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## 6. Sheriff

Procedures for issuing receipt slips need improvement. In addition, controls and procedures over the commissary and inmate accounts are in need of improvement.

### 6.1 Receipting

Receipt slips are not issued for some monies received. Our review of monies receipted and deposited into the inmate account during the period from November 3 through November 16, 2012, identified 14 transactions totaling \$647, which were deposited in the inmate account, but were not recorded on receipt slips. In addition, our review of monies deposited into the general account during December 2012 identified \$20 which was deposited on December 28, 2012, but was not recorded on a receipt slip.

Failure to record all monies received increases the risk that loss or misuse of monies received and errors will go undetected.

### 6.2 Commissary profits

The Sheriff maintains profits from commissary sales outside the county treasury and uses these monies to purchase items for the benefit of prisoners and the Sheriff's department. During 2012, purchases totaling \$11,421 were made and included a dryer, inmate clothing and supplies, and janitor supplies. While not unreasonable or improper, these purchases were not approved by the County Commission and were not handled through the normal county procurement and budget process. As of December 31, 2012, there was approximately \$6,700 in the commissary account which should be distributed to the county treasury.

There is no statutory authority allowing the Sheriff to hold county monies outside the county treasury. Section 50.370, RSMo, requires every county official who receives any fees or other remuneration for official services to pay such monies to the County Treasurer. In addition, Attorney General's Opinion No. 45, 1992 to Henderson, states sheriffs are not authorized to maintain a bank account for law enforcement purposes separate from the county treasury.

### 6.3 Inmate bank account

As noted in our prior report, procedures are not in place to properly identify month-end liabilities and compare these liabilities to the reconciled bank



Pike County  
Management Advisory Report - State Auditor's Findings

account balance. While the Sheriff stated this was being performed, documentation was not retained.

At our request, the Sheriff's department printed a listing of inmate account balances, which totaled \$1,607, at January 31, 2013. The reconciled balance totaled \$1,942. This comparison resulted in an unidentified difference of \$335 in the account. During 2012, the Sheriff's office deposited inmate monies totaling approximately \$66,000 to the inmate account.

Monthly lists of liabilities should be prepared and reconciled to cash balances to ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient cash is available for the payment of all liabilities.

Similar conditions  
previously reported

Similar conditions were noted in our prior audit report.

## Recommendations

The Sheriff:

- 6.1 Issue receipt slips for all monies received.
- 6.2 Disburse commissary profits to the County Treasurer monthly.
- 6.3 Prepare a monthly list of liabilities for the inmate account and compare to the reconciled bank balance. Any differences should be investigated and resolved.

## Auditee's Response

*The Sheriff provided the following responses:*

- 6.1 *The period reviewed is not typical of day to day operations. A new clerk started during the period of November 3 through November 16, 2012. Since the first of the year, all monies have been receipted and accounted for properly.*
- 6.2 *Profits over and above a set operating amount will be placed into the Inmate Security Fund, which is held by the County Treasurer.*
- 6.3 *The inmate accounting system is reconciled with a manual ledger of receipts, disbursements, and ending balances each week. In addition, this ledger is reconciled to MICROSOFT MONEY weekly and the bank statement monthly.*

## 7. Prosecuting Attorney

Procedures related to monitoring court ordered restitution due from defendants and writing off accounts receivables need improvement. The Prosecuting Attorney's office collected approximately \$63,000 in bad





Pike County  
Management Advisory Report - State Auditor's Findings

checks and related fees and \$45,000 in restitution for the year ended December 31, 2012.

## 7.1 Accounts receivable

The Prosecuting Attorney's office does not adequately monitor court ordered restitution due from defendants. The restitution clerk goes through the case files periodically to determine if restitution payments are being received as ordered by the court. The restitution clerk also receives reports from probation officers and phone calls from victims, which identify whether or not an offender is making payments. However, a complete accounts receivable list is not maintained. Our review identified three cases where defendants were on unsupervised probation and the Prosecuting Attorney's office failed to file motions to keep these defendants on probation. As a result, \$775 owed by these three defendants became uncollectable and was written off in January 2013.

Proper monitoring of accounts receivable is necessary to provide information to the Judge and improve accountability.

## 7.2 Write-off procedures

Write-offs of receivables are not formally approved by a person independent of the postings of such transactions to ensure they are legitimate, and adequate documentation is not always maintained to support the reasons for the write-offs.

Write-offs are adjustments to reduce account balances to \$0 to remove uncollectible accounts from the system for various reasons, such as inability to locate individuals and lack of sufficient information to pursue the case. Currently, two clerks in the Prosecuting Attorney's office can make adjustments without an independent documented approval. The Prosecuting Attorney does not review a list of write-offs. From December 26, 2012, to February 11, 2013, the Prosecuting Attorney's office recorded \$5,976 as adjustments while only collecting \$13,091.

Proper authorization of write-offs and adequate documentation which fully explains the reason for the adjustments to accounts receivable balances are necessary to ensure only the proper accounts and amounts are adjusted and to reduce the risk of loss, theft, or misuse of funds going undetected.

## Recommendations

The Prosecuting Attorney:

- 7.1 Better monitor unpaid restitution and take steps to maximize collections.
- 7.2 Ensure adequate documentation is maintained to support all write-offs and an independent review and approval of all write-offs is performed and documented.



Pike County  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The Prosecuting Attorney provided the following written responses:*

7.1 *Due to budget restraints, my office has only three clerical staff. The individual that handles probation and monitors restitution, is also responsible for handling child support. Each of these should probably be fulltime positions. However, because resources have dwindled over the years, we are unable to fund two fulltime positions. Therefore, the staff does the best they can with the time allotted.*

*That being said, we will make a point to review all restitution accounts on at least a quarterly basis. This should prevent people from being discharged from probation with unpaid restitution, assuming that probation and parole notifies us of when they are to be discharged from probation. Under the new rules for probation and parole, a person on probation earns compliance credit for every month they are on probation. Therefore, a five year probation now could be 2 and a half years. Since there is no longer a set time for probation to expire, it is more difficult to collect restitution in a timely fashion. Also, probation and parole does not consider failing to pay restitution as a basis for not discharging them from probation. In other words, if someone has not paid their restitution, probation and parole still allows them to earn compliance credits and can discharge them early. Again, we will attempt to monitor this at least once a quarter.*

7.2 *In the future, write-offs or adjustments will be approved by myself as the Prosecuting Attorney.*

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## 8. Sunshine Law

The county has not adopted a policy regarding public access to county records, as required by the Sunshine Law. A formal policy regarding access to county records would establish guidelines for the county to make the records available to the public. This policy should establish a contact person, an address to mail requests for access to records, and a fee schedule for document retrieval and research. Section 610.023, RSMo, lists requirements of making county records available to the public and Section 610.026, RSMo, establishes the fees for copying public records.

## Recommendation

The County Commission establish written policies and procedures regarding public access to county records.

## Auditee's Response

*The County Commission provided the following response:*

*We will try to implement a policy regarding public access to county records.*

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# Pike County

## Organization and Statistical Information

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Pike County is a county-organized, third-class county. The county seat is Bowling Green.

Pike County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 75 full-time employees and 23 part-time employees on December 31, 2012.

In addition, county operations include the Senate Bill 40 Board.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2013	2012
Dan Miller, Presiding Commissioner	\$	32,490
Curt Mitchell, Associate Commissioner		30,480
Roy W. Sisson, Jr., Associate Commissioner		30,480
Sherry McCarty, Recorder of Deeds		44,616
Bob Kirkpatrick, County Clerk		41,184
Melissa Kempke, County Clerk		3,114
Mark Fisher, Prosecuting Attorney		113,112
Stephen Korte, Sheriff		48,080
Patti Crane, County Treasurer		44,616
Jim Turner, County Coroner		16,466
Nina K. Long, Public Administrator		44,616
Marty J. Morrison, County Collector, year ended February 28,	44,680	
Donna Prior, County Assessor , year ended August 31,		44,256
Marty Wasson, County Surveyor (1)		

(1) Compensation on a fee basis.

### Financing Arrangement

In August 2012, the 20-year lease-purchase agreement with U.S. Bank, N.A. to pay for a capital improvement project for the county hospital was refinanced. The terms of the agreement are for the county to lease the real estate to U.S. Bank, N.A. which will provide the funds to pay the cost of the project and then lease the building back to the county with lease payments



Pike County  
Organization and Statistical Information

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American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)

equal to the amount due to retire the indebtedness. The lease is scheduled to be paid off in the year 2021. The remaining principal and interest due on the lease at December 31, 2012, was \$3,355,000 and \$497,371, respectively. The lease will be paid with proceeds from the one-half cent Hospital Capital Improvement sales tax which took effect on April 1, 2002.

Pike County did not receive any federal stimulus monies during the year ended December 31, 2012.



**Thomas A. Schweich**  
Missouri State Auditor

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## **PUBLIC SAFETY**

# **Missouri State Highway Patrol**



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**June 2013**

**Report No. 2013-050**

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**<http://auditor.mo.gov>**



# CITIZENS SUMMARY

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## Findings in the audit of the Department of Public Safety, Missouri State Highway Patrol

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### Airplane Purchase

The Missouri State Highway Patrol (MSHP) did not perform a formal written analysis to justify the need to purchase an additional airplane, or to purchase a new airplane instead of a much less expensive used airplane. Although the State of Missouri already operated 23 aircraft, including 5 passenger airplanes used primarily for employee transportation, the MSHP spent \$5.6 million to purchase a new passenger airplane on December 17, 2012. Conducting a cost/benefit analysis before purchasing new or used airplanes would help the MSHP ensure the cost effectiveness of future purchases.

According to our analysis of 2012 flight data, before the purchase of this new airplane, a state-owned passenger airplane was always available for use. For the passenger fleet as a whole, there were 113 days on which none of the five airplanes flew, and no days where all five airplanes flew. Of the pressurized airplanes, there were only 58 days on which both of the State's two pressurized airplanes flew, and 159 days on which neither pressurized airplane flew. An analysis of demand, usage, and fleet availability prior to making significant purchasing decisions would help demonstrate the need for any future additions to the State airplane fleet. In addition, although not required by law, the MSHP should consider informing the legislature of its intent to make significant purchases by including them as decision items in its budget.

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### Revenue Collection Procedures

The MSHP did not always segregate duties to the maximum extent feasible and did not always perform timely independent supervisory reviews of monthly revenue reconciliations. An employee in the Water Patrol Division deposited certain fees and receipts into the wrong funds.

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### School Bus Inspection Program

The National Transportation Safety Board investigated an August 2010 collision involving two school buses and identified driver distraction, inattention, and following too closely as the probable causes of the accident, but it also cited inadequate state school bus inspection regulations and procedures as a safety issue. The MSHP does not have procedures to periodically observe school bus inspections performed by the MSHP and state inspection stations. The MSHP does not use the results of spot inspections to identify state inspection stations that may be performing inadequate school bus inspections. For school year 2011-2012, over 25 percent of buses inspected during spot inspections failed, with nearly 5 percent having significant defects. The rate of defective and out of service buses found during spot inspections is higher than found at annual inspections conducted by the MSHP and may indicate school districts and/or school bus contractors are lax in maintaining school buses.

Inspections of Motor Vehicle Inspection Stations	The Motor Vehicle Inspection Division has not conducted inspections of licensed inspection stations within its policy timeframes and has not conducted an analysis to determine if those timeframes should be modified. Our review of station inspections for 25 stations noted 19 (76%) had average inspection intervals that exceeded the 6 week requirement.
Capital Assets	The MSHP did not perform an annual physical inventory of capital assets at three troops, and the physical inventories it did conduct at other locations were not complete. Approximately 13,800 items worth \$96.3 million were not physically inventoried. The MSHP has not documented that its current vehicle replacement policy yields the lowest total cost of vehicle operation and ownership consistent with maximum safety.
Seized Property	MSHP troops do not always remit seized cash to the Budget and Procurement Division (BPD) in a timely manner. In November 2011, one troop conducted an inventory of the property room and found \$117,000 the troop had been holding on cases with seizure dates as old as February 2000. The BPD has not attempted to determine the status of court actions on old cases or seek court orders for disposition of the monies. As of May 31, 2012, the Criminal Forfeiture account contained \$958,000 related to 522 cases with seizure dates more than 5 years old. The BPD has not reconciled the Criminal Forfeiture account balance to the liabilities list, and the liabilities list exceeded the account balance by \$5,756.

In the areas audited, the overall performance of this entity was **Fair**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	<p>During the audited period, the Missouri State Highway Patrol received:</p> <p>A \$5,316,981 award under the Rural Crimes program, of which \$4,117,070 was spent to help prevent and combat crime; a \$48,019 award under the Cybercrimes program, \$46,763 of which was expended to combat internet crime; a \$2,297,862 award under the Justice Assistance Grant, of which \$2,287,608 was expended for one helicopter and training; a \$56,246 award under the Justice Assistance Grant, of which \$53,299 was expended for equipment for analysis of computers and cellular telephones; and a \$1,230,672 award from budget stabilization funds, of which \$1,215,293 was appended for crime lab supplies and equipment and enforcement activities.</p>
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Department of Public Safety

## Missouri State Highway Patrol

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Jerry Lee, Director  
Department of Public Safety  
and  
Colonel Ronald K. Replogle, Superintendent  
Missouri State Highway Patrol  
Jefferson City, Missouri

We have audited certain operations of the Department of Public Safety, Missouri State Highway Patrol, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2012, 2011, and 2010. The objectives of our audit were to:

1. Evaluate the Highway Patrol's internal controls over significant management and financial functions.
2. Evaluate the Highway Patrol's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the highway patrol; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Highway Patrol's management and was not subjected to the procedures applied in our audit of the Highway Patrol.

For the areas audited, we identified deficiencies in internal controls, noncompliance with legal provisions, and the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Public Safety Missouri State Highway Patrol.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

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# Department of Public Safety

## Missouri State Highway Patrol

### Management Advisory Report - State Auditor's Findings

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#### **1. Airplane Purchase**

The Missouri State Highway Patrol (MSHP) did not perform a formal written analysis to justify the need to purchase an additional airplane, or to purchase a new airplane instead of a much less expensive used airplane. Our analysis of flight usage data indicates existing state airplanes were underutilized prior to the purchase of the additional new airplane. Further, while the purchase of the new airplane appears to fall within the legal authority of the MSHP, and the use of a sole source purchasing process appears appropriate, the MSHP could have been more transparent regarding its intent to purchase an additional airplane.

On December 17, 2012, the MSHP utilized a sole source procurement process, as authorized by Section 34.044, RSMo, to purchase a new pressurized airplane for approximately \$5.6 million. Documentation from the MSHP to justify the purchase indicates the use of this particular model of airplane is beneficial to the state because it is similar to the other airplanes in the fleet, allowing for efficiencies in training, maintenance, operations, and overall safety. The MSHP also provided documentation establishing that only one vendor existed to provide the new model of airplane, and the airplane was being offered at a discount for a limited time.

The use of state aircraft for the transportation of state employees from other agencies, including the Office of the Governor, is typically coordinated by the MSHP. In 2006 the MSHP and the Office of Administration (OA) signed a Memorandum of Understanding transferring the aircraft and operations of the OA - Flight Operations Division to the MSHP. The purpose of the agreement was to centralize flight operations, equipment, and staff. Since the MSHP maintains flight operations for law-enforcement purposes thereby employing flight personnel, it appears reasonable for the MSHP to be the flight service provider for other agencies, even though this responsibility is not strictly within their statutory duties. The MSHP bills user agencies for flight services.

According to Federal Aviation Administration records, prior to the December 2012 purchase of the new airplane, the State of Missouri operated 23 aircraft<sup>1</sup>. Our review focused on the five aircraft considered to be passenger airplanes used primarily for employee transportation. The MSHP directly controls two of these passenger airplanes. We did not attempt to evaluate the necessity or appropriateness of flights taken in this audit. As shown in Table 1.1, three of these are unpressurized single engine airplanes, while the remaining two are pressurized twin engine airplanes. Cabin

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<sup>1</sup> In addition to the five passenger airplanes, other state aircraft include two hot-air balloons used by the Missouri State Lottery, and eight helicopters and eight smaller airplanes primarily used by the MSHP for law-enforcement purposes. National Guard aircraft are not included in this total.



Department of Public Safety  
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Management Advisory Report - State Auditor's Findings

pressurization allows airplanes to fly at higher altitudes. Flying at higher altitudes results in less drag on the airplane and allows for higher speeds.

**Table 1.1: State Passenger Airplanes**

Tail Number	Model	Owner	Year	Passengers	Pressurized	Engines
N2MP	King Air C90	MSHP	1999	6	Yes	2
N128VT	King Air B200	Conservation/MoDOT <sup>1</sup>	1992	7	Yes	2
N92MP	Cessna Centurion	MSHP	1981	3	No	1
N402MC	Cessna Utiliner	Conservation	1985	7	No	1
N84MC	Cessna Centurion	Conservation	1986	5	No	1

Source: SAO analysis of Federal Aviation Administration records

<sup>1</sup> This airplane is jointly owned by the Missouri Departments of Transportation (MoDOT) and Conservation. The Department of Conservation performs administrative functions (scheduling, billing, etc.) related to the airplane.

## 1.1 Airplane fleet usage

MSHP officials did not prepare a formal analysis to determine the necessity of an additional new airplane for the state's fleet. MSHP officials stated an additional airplane was necessary due to frequent use of the existing airplane by elected officials. Based on flight records, the majority of the flights logged on the MSHP airplane were for the Governor, with the majority of the rest of the flights being for MSHP purposes. Based on discussions with MSHP officials, the Governor's usage is given priority over any MSHP flight needs if a conflict arises. However, the MSHP did not track instances of when a flight was requested but an airplane was not available. In the event of a conflict, MSHP officials stated they do not utilize the Conservation/MoDOT plane.

State airplane flight usage records for the state's five passenger airplanes indicate these airplanes were underutilized even before the purchase of an additional airplane. According to our analysis of flight data, there were only 58 days during 2012 in which both of the State's pressurized passenger airplanes flew on the same day, and 159 days in which neither pressurized airplane flew. On average the three non-pressurized airplanes flew less than the pressurized airplanes. For the passenger fleet as a whole, there were 113 days in which none of the five airplanes flew, and no days where all five airplanes flew. Table 1.2 shows the usage of each passenger airplane in the State's fleet for calendar year 2012.



Department of Public Safety  
Missouri State Highway Patrol  
Management Advisory Report - State Auditor's Findings

**Table 1.2: Calendar Year 2012 Airplane Utilization**

	N2MP <sup>2</sup>	N128VT	N92MP	N402MC	N84MC <sup>2</sup>	
	Pressurized	Pressurized	Non-Pressurized	Non-Pressurized	Non-Pressurized	Total
Conservation	0	52	0	109	55	216
Governor	100	6	0	0	0	106
Highway Patrol	49	0	9	0	0	58
Transportation	11	50	0	15	0	76
Other <sup>1</sup>	3	3	0	1	0	7
Total flights	163	111	9	125	55	463 <sup>3</sup>

Source: SAO analysis of agency flight logs and manifests

<sup>1</sup> Includes the Attorney General's office, the University of Missouri, and the Department of Natural Resources

<sup>2</sup> N2MP unavailable for 22 days and N84MC unavailable for 143 days during 2012 due to maintenance and repair.

<sup>3</sup> There were 23 instances where one of the above airplanes flew more than once in a day, with the majority of these flights being on the non-pressurized Conservation airplanes.

According to MSHP officials, factors such as warranties and inspection costs of buying a used plane were considered when making the decision to buy a new plane; however, a formal cost/benefit analysis justifying the need for the purchase of a new airplane instead of a used one was not prepared. Our audit noted there is an active market for used airplanes, including many similar to the one purchased by the MSHP. The purchase of a used airplane could have significantly reduced the MSHP's costs. For example, we noted several used King Air B200 models that were less than 10 years old currently publicly advertised, including a 2003 model with an asking price of at least \$3.3 million less than the price of the new airplane.

An analysis of demand, usage, and fleet availability prior to making significant purchasing decisions would help the MSHP to demonstrate the need for any additions to the State airplane fleet. In addition, cost/benefit analyses of purchasing new or used airplanes would help the MSHP ensure the cost effectiveness of future purchases.

## 1.2 Appropriation authority

While the purchase of the airplane appears to fall within the legal authority of the MSHP, and although not required, the MSHP did not inform the legislature of its intent to purchase a new airplane during the 2013 budget process. The appropriation bill authorizing the transaction allows the purchase of vehicles and aircraft for the MSHP and Gaming Commission.

To promote transparency related to the budgeting and expenditure of public funds, the MSHP should consider informing the legislature of its intent to make significant purchases by including the anticipated purchases as decision items in its budget.



## Recommendations

The MSHP:

- 1.1 Conduct a formal written analysis of airplane fleet needs and usage before any future airplane purchases are made and conduct a cost/benefit analysis of purchasing new or used airplanes.
- 1.2 Consider including significant anticipated purchases as budget decision items in the future.

## Auditee's Response

- 1.1 *The Patrol did conduct a thorough analysis of needs and usage before purchasing the 2012 King Air 250 for the reduced price of \$5.59 million. While the Patrol did not track instances of when a flight was requested and an airplane was not available, the Patrol is aware through the course of doing business that it receives many requests from multiple agencies to conduct flights for state business on the same day and has to deny those requests due to unavailability of an airplane. The Patrol also studied the feasibility of purchasing a new airplane versus a used one. The report mentions that auditors noted a used airplane with a lower asking price than the price of the airplane purchased by the Patrol, but it is important to realize that purchasing a used airplane is much different than purchasing, for instance, a used car. Multiple factors were taken into consideration, including airplane-specific training for pilots and mechanics that is included in the cost of this airplane, the elaborate and costly inspection process involved with purchasing a used airplane, and ongoing training requirements associated with purchasing a used airplane that is notably different than the rest of the Patrol's fleet. Increased seating capacity valued at \$28,000, and an extensive warranty, were also included in the purchase price of this airplane. After careful consideration of all aspects, and evaluating the costs and benefits involved with each, the Patrol concluded that the purchase of this airplane would provide the best investment. This airplane is expected to serve Missouri for the next 20+ years.*
- 1.2 *The Patrol strives to be transparent with the state legislature and will continue to do so. As stated in the audit report, purchase of the airplane was within the legal authority of the Patrol, and the purchasing process it followed was appropriate.*

*The Department of Conservation provided the following comments:*

*The Missouri Department of Conservation (Department) appreciates the opportunity to review the reference made to the Department in the Missouri State Highway Patrol (MSHP) audit finding regarding aircraft. The Department questions the relevance of including its flight information in the MSHP's audit report. The Department's flight*



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*operations are separate and independent from the MSHP. While the MSHP would be allowed to use the Department's aircraft when it is not otherwise in use on Department business, MSHP rarely makes such a request, which further makes any reference to Department aircraft irrelevant. Consequently, the Department respectfully requests that its information be removed from the comparison.*

*The Department is concerned about the statement in Section 1.1 that all of the state planes in the comparison are "underutilized." It is unclear by what standard usage is being measured to reach this conclusion. Speaking only for the Department, the Department's planes are utilized as needed and provide an important and necessary service in the fulfillment of the Department's agency mission. An annual evaluation of usage and associated costs is made to insure that the costs do not exceed the benefits received. Additionally, Department aircraft are utilized to accomplish many resource efforts beyond transportation, which include fire protection patrols, resource law enforcement patrols, resource management activities, transporting wildlife, photography, and other resource oriented activities.*

## Auditor Comment

The Public has a right to expect government officials to be able to support decisions related to multi-million dollar purchases. In this case, the documentation available falls well short of any acceptable standard.

The Department of Conservation's request to remove comments related to the Conservation/MoDOT airplane is inappropriate. The finding illustrates opportunities for multiple state departments to work together to achieve greater efficiencies and cost savings.

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## 2. Revenue Collection Procedures

The MSHP did not always segregate duties to the maximum extent feasible, ensure timely and adequate supervisory reviews, and properly instruct employees processing revenues.

MSHP divisions receive, deposit, and record various revenues, including fees related to motor vehicle and vehicle emission inspections, criminal history background checks, and boater education programs. Collections during state fiscal year 2012 from these sources totaled about \$16.6 million.

### 2.1 Internal controls

The MSHP did not segregate the duties of receiving, recording, and reconciling revenues and related accounts receivable for motor vehicle and vehicle emission inspections, criminal history background checks, and boater education programs to the maximum extent feasible. In addition, the MSHP did not perform independent supervisory reviews of the monthly reconciliations in a timely manner. At the time of our review, the MSHP had not completed a supervisory review for the most recent 9 months.



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To safeguard against possible loss or misuse of funds, the MSHP should segregate the duties of receiving, depositing, and recording receipts as well as maintaining accounts receivable records. If proper segregation of duties cannot be achieved, at a minimum there should be a timely supervisory review of reconciliations between accounting records, deposits, and permits, licenses, and certificates issued. Additionally, MSHP General Order 17-02-1315 requires, to the maximum extent feasible, segregation of the duties of receiving and processing revenue. The order also requires independent, supervisory reviews and quarterly reconciliations of the accounts.

A similar condition was noted in our prior audit report<sup>2</sup>.

## 2.2 Boater education fees

An employee in the Water Patrol Division deposited boater education fees and other fees and receipts totaling about \$206,000 into the wrong funds. The employee who assumed responsibility for recording these receipts in January 2011 was not aware the boater education fees were to be deposited into the General Revenue Fund (GRF) as required by Section 306.127, RSMo. Consequently, the employee deposited all boater education fees totaling \$184,762 received from January 2011 through mid-June 2012 into the State Water Patrol Fund rather than the GRF. Additionally, supervisory reviews of the receipts ledgers and revenue documents, which were instituted in April 2012, did not detect the errors. After we inquired about the issue, MSHP Budget and Procurement Division (BPD) staff investigated the matter and determined the boater education fees and an additional \$20,967 in other fees and receipts had been incorrectly deposited to the State Water Patrol Fund. The BPD notified the supervisor to begin depositing the fees to the GRF and directed the Office of Administration to make correcting transfers of \$193,483 to the GRF and \$12,246 into the Department of Public Safety Fund on June 18, 2012. Employees should be properly instructed in their duties and adequate supervisory reviews of revenue ledgers and documents should be performed to ensure revenues are deposited into the appropriate fund.

## Recommendations

The MSHP:

- 2.1 Segregate the duties of receiving, depositing, and recording revenues and maintaining accounts receivable records. At a minimum, there should be a timely and documented supervisory review of reconciliations of licenses, permits, and certificates issued, and deposits, revenues, and accounts receivable.

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<sup>2</sup> *Missouri State Highway Patrol*, issued February 2005, report No. 2005-05





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## Auditee's Response

2.2 Ensure employees are properly instructed in their revenue processing duties and adequate supervisory reviews of revenue ledgers and documents are performed.

2.1 *The Patrol does segregate the duties of receiving, depositing, and recording revenues, and maintains accounts receivable records, to the maximum extent feasible. The Patrol also conducts timely and documented supervisory reviews of reconciliations, to help ensure that the segregation of duties is adequate. The auditors did identify three isolated occurrences that were not indicative of the Patrol's revenue collection process overall, and all three situations were immediately rectified. There was also an instance after the merger of the Water Patrol with the Highway Patrol in which one employee had assumed new duties, and initially was inadvertently depositing some of that division's receipts into the wrong fund; all funds were accounted for, and the Patrol immediately worked with the Office of Administration to move the money to the correct funds.*

2.2 *The Patrol does and will continue to ensure that employees are instructed in their revenue processing duties and that adequate supervisory reviews are performed.*

## 3. School Bus Inspection Program

The MSHP does not have procedures to periodically observe school bus inspections and does not analyze the results of spot inspections to ensure inspections are properly performed. An investigation performed by the National Transportation Safety Board (NTSB) concluded safety inspections of two school buses involved in an August 2010 accident were inadequate and made recommendations to improve the state school bus inspection program.

### Background

The MSHP is required by Section 307.375.2, RSMo, to conduct an inspection after February first of each school year of all vehicles required to be marked as school buses under Section 304.050, RSMo. This inspection shall be conducted by the MSHP in cooperation with the Department of Elementary and Secondary Education (DESE). The MSHP works with school districts and school bus contractors to schedule the annual inspections. The MSHP also conducts spot inspections of school buses as authorized under Section 307.375.4, RSMo. The MSHP indicated its goal is to perform spot inspections on 10 percent of school buses within each troop area with an emphasis on school districts with a history of poor performance, and to conduct spot inspections at each school district at least once every 3 years. MSHP policy indicates spot inspections are to be conducted between the beginning of the school year and November 15. The school district is provided minimal notice of the spot inspections.

In addition to the MSHP inspections, all school buses must pass an inspection conducted by a licensed state inspection station within 60 days



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prior to the start of the school year. The MSHP licenses state inspection stations and the individual inspectors. Individual inspectors must have a minimum of 1 year practical experience as an automotive mechanic, or have completed a vocational education program in automotive mechanics. In addition, inspector/mechanics must pass a written and a practical test to demonstrate knowledge of inspection regulations and procedures. According to MSHP personnel, most school districts and school bus operators are licensed to inspect their own buses. School bus inspection procedures require visual and mechanical inspection of all bus components related to safe operation and passenger safety including brakes, suspension, tires, steering components, fuel systems, exhaust systems, glazing, lighting, seating, mirrors, stop signs, and crossing arms.

## Inspections

Our review of annual school bus inspection reports determined the MSHP conducted the annual school bus inspections required by state law. During school year 2011-2012, the MSHP inspected 11,934 buses, found 1,396 (11.7 percent) buses had defects, and required 239 (2 percent) buses to be taken out of service until the defects were corrected. The MSHP also conducted 1,315 spot bus inspections during school year 2011-2012. The MSHP identified defects on 336 ( 25.5 percent) of these buses with the defects being serious enough to take 61 (4.6 percent) buses out of service until the defects were corrected.

According to the 2010 Missouri Traffic Safety Compendium published by the MSHP, there were 972 accidents involving school buses in that year of which only 7 (0.7 percent) listed a school bus defect as a contributing factor in the accident.

## NTSB accident investigation

The NTSB investigated an August 2010 collision involving four vehicles including two school buses and subsequently issued a report<sup>3</sup> on its findings. The report identified the probable causes of the accident to be driver distraction, inattention, and following too closely. The report also noted that the lack of forward warning systems on the two school buses contributed to the severity of the accident. The NTSB report made recommendations to numerous state and federal government entities. The report cited inadequate state school bus inspection regulations and procedures as one of several safety issues identified in the investigation and made recommendations regarding Missouri's school bus inspection program.

## 3.1 NTSB findings

The MSHP does not have procedures to periodically observe school bus inspections performed by both the MSHP and state inspection stations. The NTSB report concluded safety inspections conducted in March 2010 by the

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<sup>3</sup> National Transportation Safety Board. 2011. Multivehicle Collision, Interstate 44 Eastbound, Gray Summit, Missouri, August 5, 2010. Highway Accident Report NTSB/HAR-11/03. Washington, DC. See <http://www.nts.gov/doclib/reports/2011/HAR1103.pdf>



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MSHP and July 2010 by a state inspection station of the two school buses involved in the August 5, 2010, accident were inadequate. The NTSB made the following recommendations related to school bus inspections (1) modify the Missouri Motor Vehicle Inspection Regulations so that all inspection areas and procedures that apply to school buses are contained within the "School Bus Inspection" section, (2) modify school bus inspection procedures so that all brake defects specified in the Missouri Motor Vehicle Inspection Regulations can be identified during biannual inspections, and (3) review the vehicle inspection program to ensure inspections conform to requirements contained in the state's motor vehicle inspection regulations. The MSHP developed a new school bus inspection regulations manual in response to the NTSB recommendations. The MSHP also proposed several changes to the school bus inspection regulations.

The NTSB concluded the mechanical condition of the buses involved in the accident was not a factor in the accident. However, the report noted that although a privately owned state inspection station inspected the two buses 10 days prior to the accident and the MSHP inspected the buses 133 days before, neither inspection noted defects on either of the school buses. The NTSB identified defects in both buses that, in its opinion, existed at the time of the private inspection and likely existed at the time of the MSHP inspection in March 2010. Immediately following the accident, the school bus contractor dispatched another school bus to provide transport for students involved in the accident. That bus experienced brake failure due to a leaking brake line on a hospital parking lot and struck three cars and a nearby garage.

The March 2010 MSHP inspections of 23 buses used to transport students of the school resulted in 22 buses being approved with no defects and 1 bus taken out of service until a defect was corrected. Subsequent to the accident on August 11, 2010, the MSHP performed inspections of the 20 remaining school buses. The MSHP identified eight buses with defects with five of the buses taken out of service until the defects were corrected.

We noted that one bus taken out of service as a result of the August inspection had only been driven three miles since the March inspection. This bus had been approved with no defects during the March 2010 inspection. The average mileage driven between March and August inspections for the other seven buses with defects was 2,570 miles. As a result, it is likely that at least some of the buses had defects that were not identified during the March 2010 inspection. In addition, the July 2010 state inspection station inspections reports identified no defects in the three buses involved in accidents on August 5, 2010, or the five buses taken out of service by the MSHP during the August 2010 inspections. The MSHP suspended the inspection permits of the state inspection station and the inspector who performed the July 2010 inspections on the school district's buses. It appears the MSHP has taken corrective action and implemented



NTSB recommendations. However, the MSHP should consider establishing procedures to periodically observe school bus inspections performed by both the MSHP and state inspection stations to ensure inspections are properly performed in accordance with state regulations.

### 3.2 School bus inspection results

The MSHP does not use the results of spot inspections to identify state inspection stations that may not be effectively identifying defective school buses. MSHP annual school bus inspections results for school year 2011-2012 determined nearly 12 percent of buses failed to meet school bus safety requirements with 2 percent having significant defects requiring the buses to be placed out of service until repairs could be made. Spot inspections determined more deficiencies. For school year 2011-2012, over 25 percent of buses inspected during spot inspections failed to meet bus safety requirements, with nearly 5 percent having significant defects requiring the buses to be placed out of service until repairs could be made. The MSHP conducted annual inspections between mid-February and mid-April 2012, and conducted spot inspections between the start of the school year and mid-November.

The comparatively high rate of defective and out of service buses found during spot inspections may indicate that school districts and/or school bus contractors are lax in maintaining school buses in accordance with school bus safety regulations. The results of the spot inspections, which are performed during the early part of the school year, may also indicate the required annual pre-school year bus inspections performed by state inspection stations may not be effectively identifying defective school buses. The MSHP should use spot inspections results to identify state inspection stations that may be performing inadequate school bus inspections and require those inspectors to attend training on proper school bus inspection procedures.

### Recommendations

The MSHP:

- 3.1 Establish and periodically perform oversight procedures to ensure school bus inspections are performed in accordance with state regulations.
- 3.2 Analyze spot inspection results to identify state inspection stations that may not be performing adequate school bus inspections and require those inspectors attend training on proper school bus inspection procedures.

### Auditee's Response

- 3.1 *The Patrol's Motor Vehicle Inspection Division has developed a plan to establish an endorsement program for inspector mechanics enrolled in the motor vehicle safety inspection program. Individuals pursuing a school bus inspection endorsement on their inspector mechanic license will be required to complete additional training*



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*and pass written and practical tests specific to the inspection of school buses prior to obtaining a school bus inspection endorsement on their inspector mechanic license.*

- 3.2 *As a result of discussions with the National Transportation Safety Board, in 2011 the Patrol began designing and implementing significant enhancements to the school bus spot check inspection process. During spot check inspections, the Patrol will continue to identify specific buses with deficiencies. Pertinent information will be compiled on each bus and the original inspection station that inspected the bus. Patrol field personnel will conduct follow-up reviews with stations, school districts, and private bus companies to ensure that inspector mechanics are properly trained and inspections are properly conducted.*

## 4. Inspections of Motor Vehicle Inspection Stations

The Motor Vehicle Inspection Division (MVI) has not conducted inspections of licensed inspection stations within the timeframes required by its policy, and has not conducted an analysis to determine if those timeframes should be modified. The MVI licenses about 4,500 stations to conduct motor vehicle safety inspections. As required by Section 307.360.4, RSMo, MVI inspectors conduct inspections of licensed stations during which the inspectors review the station facilities, equipment, and records for compliance with MVI regulations. Those inspections also include reviewing compliance with regulations by the station inspector/mechanics who perform the motor vehicle inspections. The MVI employs about 62 inspectors and the inspectors have additional work requirements including school bus inspections, salvage title examinations, and salvage yard inspections. MSHP Special Order 23 requires the station inspections be conducted at least once every 6 weeks for each station.

Our review of inspections for 25 stations noted 19 stations had average inspection intervals that exceeded the 6 week requirement by intervals ranging from 1 day to 84 days. An MVI official indicated insufficient staffing and other work obligations prevent inspections from being conducted within policy timeframes. The MSHP performed about 26,600 station inspections during calendar year 2011 and issued 233 station warnings, suspensions, and revocations. More than 99 percent of station inspections found the station to be in compliance with MVI regulations.

To ensure personnel and other resources are used in the most effective and efficient manner, the MSHP should conduct an analysis to determine if the policy requiring MVI station inspection intervals should be modified.

## Recommendation

The MSHP conduct a formal analysis to determine the most effective and efficient use of MVI resources and ensure those resources are allocated in the most efficient manner.



## Auditee's Response

*The Patrol has conducted an analysis of Motor Vehicle Inspection Division resources. The Patrol agrees that its own internal policies concerning performance audits were too restrictive during peak periods. The Patrol modified its internal policy concerning performance audits.*

## 5. Capital Assets

The MSHP did not perform a complete annual physical inventory of its capital assets during the 2 years ended June 30, 2012. In addition, the MSHP has not maintained documentation to support its vehicle replacement policy.

The MSHP capital assets records list about 18,900 items with acquisition costs totaling about \$118.3 million including about 1,680 vehicles with acquisition costs totaling about \$39.8 million.

### 5.1 Physical Inventories

The MSHP did not perform an annual physical inventory of capital assets located at three troop headquarters during the 2 years ended June 30, 2012. In addition, MSHP records indicate that physical inventories conducted at the other six troops did not include some capital assets located at those troops including computer equipment, communications equipment, and vehicles. According to the April 2012 capital asset inventory, about 13,800 items costing over \$96.3 million were either not included in the physical inventories that were conducted or were at locations where no physical inventory occurred. The assets not inventoried represented 82 percent of the cost and 73 percent of the number of items on the April 2012 listing. Budget and Procurement Division officials indicated that computer and communications equipment and vehicles located at the troops generally are excluded from physical inventories because those items are tracked by other divisions. Also, many of those items are assigned to members or uniformed civilians and subject to annual line inspections by the supervisor for proper maintenance and appearance. However, those line inspections do not include a comparison to the capital asset records.

MSHP General Order 17-05-1258 requires the Budget and Procurement Division to conduct annual inventories of all capital assets. An MSHP official indicated annual physical inventories have not been performed for some locations due to other work priorities.

### 5.2 Vehicle Replacement Policy

The MSHP does not have documentation to support its vehicle replacement policy. The Motor Equipment Division (MED) monitors road patrol vehicle mileage and schedules vehicle retirements to occur at about 55,000 miles. According to MED personnel, patrol vehicles are retired at 55,000 miles to coincide with maximum resale value and to provide the officers with physically sound vehicles for maximum safety. However, the MSHP has not documented the current vehicle replacement policy yields the lowest total cost of vehicle operation and ownership consistent with maximum safety.



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To ensure financial and safety benefits are maximized, the MED should periodically analyze costs and benefits associated with the current vehicle replacement policy and maintain documentation to support any such analyses.

A similar condition was also noted in our prior audit report.

## Recommendations

The MSHP:

- 5.1 Ensure annual physical inventories of capital assets are performed.
- 5.2 Periodically analyze costs and benefits associated with the current vehicle replacement policy and retain documentation to support conclusions reached.

## Auditee's Response

- 5.1 *The Patrol does perform annual physical inventories of capital assets. However, there were two years in which three troops' inventories were not completed. Upon identification of the oversight, inventories of the affected troops were initiated immediately and were completed by November 2012. Patrol staff properly accounted for all capital assets. The Patrol has adjusted its inventory schedule to ensure that an annual inventory is performed for each troop, and is cross-checking capital asset records during existing inventory processes.*
- 5.2 *The Patrol has surveyed other states in the past concerning their vehicle sales, and determined that the return on original investment (ROI) of those states ranged from 14% (on cars that were sold at 100,000 miles or more) to 25% (on cars that were sold at 75,000 miles). At the time of that study, the Patrol's ROI was 60% to 70% for cars with 50,000 miles (the Patrol has since increased its trade mileage to 55,000). In that same study, a few Patrol vehicles with cosmetic hail damage that had subsequently been reassigned to civilians and driven into the 120,000 to 130,000 mile range indicated an ROI in the 9% to 16% range. Although these cars did have some hail damage, this provides at least some insight into the much lower resale values of patrol vehicles when driven to higher mileages. Current ROI for most Patrol vehicles remains in the 60% to 70% range.*

*The Patrol will monitor its sales results and operational costs, analyze costs and benefits associated with its current policy, and retain documentation to support all conclusions reached.*

## 6. Seized Property

MSHP troops have not always remitted cash seized during the performance of enforcement duties to the Budget and Procurement Division (BPD) in a timely manner. In addition, the BPD does not monitor seizure notifications,



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does not contact courts and prosecutors to dispose of monies held on old seizure cases, and does not reconcile the Criminal Forfeiture account balance to the listing of the amounts held on each case.

During performance of enforcement duties, MSHP officers sometimes seize cash as evidence. Monies seized may be subject to state forfeiture proceedings. When monies are seized, the seizure is documented in investigation and property reports and the seized monies are remitted to the evidence custodian for safekeeping. The officers are required to notify the BPD of the seizure date, amount seized, and the case incident number. If monies are subject to state forfeiture, the officer is to initiate forfeiture paperwork which is forwarded to the appropriate prosecutor for further processing. When forfeiture proceedings have been commenced, the evidence custodian removes the monies from evidence storage, and forwards the monies to a supervising officer who obtains a cashier's check and remits it along with a copy of the forfeiture paperwork to the BPD. The BPD maintains these monies in the Criminal Forfeiture bank account until further instructions are received from the court regarding distribution of the seized monies.

## 6.1 Untimely turnovers

MSHP troops do not always remit cash seizures to the BPD in a timely manner, and the BPD does not monitor seizures made by the troops. In November 2011, one troop remitted to the BPD cash totaling about \$117,000 the troop had been holding on cases with seizure dates as old as February 2000. The funds were discovered during an inventory of the troop's property room following the retirement of the previous property room officer. This remittance comprised about one-sixth of the total remittances in state fiscal year 2012 through May 2012 (about \$691,000). MSHP General Order 84-04-1236 requires members seizing cash for forfeiture to notify the BPD of the seizure within a reasonable time. BPD staff do not monitor the notifications from the troops and BPD staff were unaware the troop had been holding seized cash on old cases.

To ensure that all monies subject to state forfeiture are timely remitted to the BPD, the BPD should track notifications regarding seized property.

## 6.2 Old cases

The BPD has not contacted courts and prosecutors regarding disposing monies held on old seizure cases. As of May 31, 2012, the Criminal Forfeiture account contained about \$958,000 related to 522 cases with seizure dates more than 5 years old. The BPD indicated the monies cannot be disbursed without an order from the applicable state or federal court; however, the BPD has not attempted to determine the status of court actions on old cases or seek court orders for disposition of the monies. Under MSHP General Order 84-04-1236, the commander of the officer making the seizure is responsible for tracking and monitoring the progress of state forfeiture proceeding initiated by members assigned to their component.





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### 6.3 Reconciliations

The BPD has not reconciled the Criminal Forfeiture account balance to the liabilities listing of amounts held on each case. As of May 2012, the liabilities listing totaled \$1,699,984 and exceeded the account balance and undistributed interest by \$5,756. Periodic reconciliation of the liabilities list and account balance is an essential tool in ensuring that records are in balance, sufficient assets exist to cover the liabilities, and all monies can be identified.

A similar condition was noted in our prior audit report.

### Recommendations

The BPD:

- 6.1 Monitor notifications from the troops of cash seizures and ensure troops make timely turnovers.
- 6.2 Determine the status of and seek court orders for the disposition of seized monies held on old cases.
- 6.3 Reconcile the account balance to the listing of balances held on cases and investigate any differences.

### Auditee's Response

- 6.1 *The Patrol's Budget and Procurement Division is responsible as a holding facility for seized cash, and troops are responsible for obtaining case dispositions during their evidence reviews. Cash is released only in compliance with legal directives. The Patrol now has an electronic notification process that was not in place at the time many of these older cases originated.*
- 6.2 *The Patrol holds a large amount of seized cash and is continually working with courts to resolve cases. While the Patrol does close numerous cases each year, some cases remain open and unresolved year after year. Cash is released only in compliance with legal directives. The Patrol is committed to working with courts and prosecuting attorneys to resolve cases.*
- 6.3 *The Patrol reconciles this account on a monthly basis, and has monitored the steadily improving differences. Based on verbal guidance from the last audit, the Patrol has reduced the difference to \$1,381 by applying interest credits from several federal cases in which interest was retained in the account due to court orders.*

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# Department of Public Safety

## Missouri State Highway Patrol

### Organization and Statistical Information

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The General Assembly created the Missouri State Highway Patrol (MSHP) with the approval of the Governor on April 24, 1931. The MSHP operated as an independent agency under the control of the executive branch until the Omnibus State Reorganization Act of 1974 made it a division of the Department of Public Safety (DPS). The MSHP carries out its primary purpose of enforcing traffic laws and promoting safety on the highways, and works closely with other law enforcement agencies in crime control activities. The MSHP has received additional responsibilities since its inception, including administration of driver's license tests, motor vehicle inspection, weight enforcement, and river boat gambling enforcement. Effective January 1, 2011, the powers and duties of the Missouri State Water Patrol were transferred to the MSHP.

Colonel James F. Keathley served as Superintendent from September 1, 2006, through February 28, 2010. On March 1, 2010, Colonel Ronald K. Replogle was named Superintendent and currently holds that position. On June 30, 2012, the Highway Patrol employed 2,510 employees. The distribution of these employees is shown in the following table:

Position	Number of Employees
Highway patrol officers (non-gaming)	1,097
Gaming officers	115
Communications operators	171
Driver examiners	223
Motor vehicle inspectors	61
Commercial vehicle officers	125
Laboratory criminalists	101
Computer information technologists	72
Other professional, clerical, and other	394
Temporary	151
Total	2,510

#### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

During the 3 years ended June 30, 2012, the MSHP was awarded \$5,316,981 and expended \$4,117,070 of American Recovery and Reinvestment Act (ARRA) monies under the Rural Crimes program to help prevent and combat crime, especially drug-related crime, in rural areas.

During the year ended June 30, 2012, the MSHP was awarded \$48,019 and expended \$46,763 of ARRA monies under the Cybercrimes program to combat internet crime. Also, during the year ended June 30, 2012, the MSHP was awarded \$2,297,862 and expended \$2,287,608 of ARRA monies under the Justice Assistance Grant program for one helicopter and training.

During the 2 years ended June 30, 2011, the MSHP was awarded \$56,246 and expended \$53,299 of ARRA monies under the Justice Assistance Grant



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program for equipment for analysis of computers and cellular telephones used in crimes.

During the year ended June 30, 2010, the MSHP was awarded \$1,230,672 and expended \$1,215,293 of ARRA monies from budget stabilization funds for crime lab supplies and equipment and enforcement activities.

A summary of the MSHP financial activity is presented in the following appendixes.

Appendix A-1

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Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments  
Year Ended June 30, 2012

	Federal Drug Seizure Fund	Highway Patrol Inspections Fund	Missouri State Water Patrol Fund	Criminal Record System Fund	Highway Patrol Academy Fund	Highway Patrol Motor Vehicle Revolving Fund	Highway Patrol Traffic Records Fund	DNA Profiling Analysis Fund	Highway Patrol Expense Fund	Criminal Justice Network Fund	Total (Memorandum Only)
<b>RECEIPTS</b>											
Forfeitures	\$ 1,788,559	0	0	0	0	0	0	0	0	0	1,788,559
Motor vehicle inspection sticker fees	0	1,255,486	0	0	0	0	0	0	0	0	1,255,486
Criminal record check fees	0	0	0	10,645,004	0	0	0	0	0	0	10,645,004
Training and facility usage fees	0	0	0	0	434,073	0	0	0	0	0	434,073
Cafeteria sales	0	0	0	0	25,883	0	0	0	0	0	25,883
Vehicle sales	0	0	0	0	0	5,293,700	0	0	0	0	5,293,700
Vehicle usage reimbursements	0	0	0	0	0	143,004	0	0	0	0	143,004
Flight operations	0	0	0	0	0	244,256	0	0	0	0	244,256
Network cost reimbursements	0	0	0	0	0	0	0	0	0	1,955,939	1,955,939
Other reimbursement	958	0	0	0	0	245,586	0	0	0	0	246,544
Boater education fees	0	0	135,740	0	0	0	0	0	0	0	135,740
Motorboat registration fees	0	0	2,593,768	0	0	0	0	0	0	0	2,593,768
Court fees	0	0	0	0	0	0	0	1,265,898	0	0	1,265,898
Fees for copying records	0	0	0	0	0	0	122,596	0	0	0	122,596
Interest	19,516	0	11,847	0	0	0	0	0	0	0	31,363
Other	177,683	0	0	1,220	2,900	56,947	2,903	0	0	0	241,653
Total Receipts	1,986,716	1,255,486	2,741,355	10,646,224	462,856	5,983,493	125,499	1,265,898	0	1,955,939	26,423,466
<b>DISBURSEMENTS</b>											
Salaries and wages	0	0	1,248,733	3,621,739	24,715	0	62,433	53,012	0	0	5,010,632
Employee fringe benefits	0	0	1,136,900	2,536,460	20,360	0	37,389	36,099	0	0	3,767,208
Travel, in-state	19,774	0	2,300	3,038	891	20,095	194	0	0	0	46,292
Travel, out-of-state	11,784	0	0	470	336	2,025	948	0	0	0	15,563
Fuel and utilities	12,520	0	0	599	0	0	0	0	0	0	13,119
Supplies	277,386	0	140,130	82,466	229,060	141,088	45,705	134,064	0	0	1,049,899
Professional development	30,911	0	0	1,326	51,760	0	460	0	0	0	84,457
Communication services and supplies	32,454	0	0	24,115	2,109	0	0	0	0	1,650,421	1,709,099
Professional services	49,410	57,188	35	2,360,829	30,115	450	7,004	8,275	0	0	2,513,306
Housekeeping and janitorial services	4,826	0	0	0	0	0	0	0	0	0	4,826
Maintenance and repair services	278,808	0	3,200	717,988	4,321	2,684	8,002	6,806	0	2,028	1,023,837
Computer equipment	25,059	0	0	512,263	1,010	0	4,000	94,218	0	355,560	992,110
Motorized equipment	354,687	0	160,763	0	0	5,849,802	0	0	0	0	6,365,252
Office equipment	6,521	0	0	20,831	9,919	1,337	787	0	0	0	39,395
Other equipment	238,497	0	180,140	133	6,072	54,973	2,215	0	0	14,672	496,702
Property and improvements	0	0	0	420	0	0	0	0	0	0	420
Building lease payments	68,622	0	4,086	1,889	28,611	0	0	0	0	0	103,208
Equipment rental and leases	0	0	0	0	340	0	0	0	0	0	340
Miscellaneous expense	191,550	0	87,396	154,933	4,472	2,305	2,887	1,959	0	0	445,502
Refunds	0	0	15	9	4,560	0	0	0	0	0	4,584
Total Disbursements	1,602,809	57,188	2,963,698	10,039,508	418,651	6,074,759	172,024	334,433	0	2,022,681	23,685,751
RECEIPTS OVER (UNDER) DISBURSEMENTS	383,907	1,198,298	(222,343)	606,716	44,205	(91,266)	(46,525)	931,465	0	(66,742)	2,737,715
<b>TRANSFERS</b>											
Transfers from:											
Proceeds of Surplus Property Sales Fund	11,840	0	0	327	1,318	64,672	0	0	0	38,769	116,926
Transfers to:	0	0	0	0	0	0	0	0	0	0	0
General Revenue Fund	0	(32,102)	(24,877)	(121,174)	(5,895)	(49,264)	(2,152)	(3,271)	(549)	(19,874)	(259,158)
State Road Fund	0	(2,447,536)	0	0	0	0	0	0	0	0	(2,447,536)
Total Transfers	11,840	(2,479,638)	(24,877)	(120,847)	(4,577)	15,408	(2,152)	(3,271)	(549)	18,895	(2,589,768)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	395,747	(1,281,340)	(247,220)	485,869	39,628	(75,858)	(48,677)	928,194	(549)	(47,847)	147,947
CASH AND INVESTMENTS, JULY 1, 2011	2,881,311	2,661,535	2,782,725	1,132,255	137,624	11,185,897	424,820	20,971	2,639	580,492	21,810,269
CASH AND INVESTMENTS, JUNE 30, 2012	\$ 3,277,058	1,380,195	2,535,505	1,618,124	177,252	11,110,039	376,143	949,165	2,090	532,645	21,958,216

## Appendix A-2

Department of Public Safety  
Missouri State Highway Patrol  
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments  
Year Ended June 30, 2011

	Federal Drug Seizure Fund	Highway Patrol Inspections Fund	Missouri State Water Patrol Fund *	Criminal Record System Fund	Highway Patrol Academy Fund	Highway Patrol Motor Vehicle Revolving Fund	Highway Patrol Traffic Records Fund	DNA Profiling Analysis Fund	Highway Patrol Expense Fund	Criminal Justice Network Fund	Total (Memorandum Only)
<b>RECEIPTS</b>											
Forfeitures	\$ 594,651	0	0	0	0	0	0	0	0	0	594,651
Motor vehicle inspection sticker fees	0	1,239,290	0	0	0	0	0	0	0	0	1,239,290
Criminal record check fees	0	0	0	9,905,792	0	0	0	0	0	0	9,905,792
Training and facility usage fees	0	0	0	0	317,302	0	0	0	0	0	317,302
Cafeteria sales	0	0	0	0	23,947	0	0	0	0	0	23,947
Vehicle sales	0	0	0	0	0	5,123,190	0	0	0	0	5,123,190
Vehicle usage reimbursements	0	0	0	0	0	121,204	0	0	0	0	121,204
Flight operations	0	0	0	0	0	287,833	0	0	0	0	287,833
Network cost reimbursements	0	0	0	0	0	0	0	0	0	1,980,579	1,980,579
Other reimbursement	0	0	20,847	0	0	592,969	0	0	0	0	613,816
Boater education fees	0	0	49,022	0	0	0	0	0	0	0	49,022
Motorboat registration fees	0	0	2,917,524	0	0	0	0	0	0	0	2,917,524
Fees for copying records	0	0	0	0	0	0	126,397	0	0	0	126,397
Interest	25,673	0	9,747	0	0	0	0	0	0	0	35,420
Other	114,016	0	0	80	3,644	4,698	1,439	0	0	0	123,877
Total Receipts	734,340	1,239,290	2,997,140	9,905,872	344,893	6,129,894	127,836	0	0	1,980,579	23,459,844
<b>DISBURSEMENTS</b>											
Salaries and wages	0	0	806,582	3,723,334	36,738	0	69,486	0	0	0	4,636,140
Employee fringe benefits	0	0	322,773	2,446,060	23,427	0	42,700	0	0	0	2,834,960
Travel, in-state	5,302	0	0	23,439	7,683	6,181	79	0	0	0	42,684
Travel, out-of-state	12,164	0	0	1,447	310	3,442	888	0	0	0	18,251
Fuel and utilities	12,763	0	0	0	0	0	0	0	0	0	12,763
Supplies	337,459	0	10,335	78,410	272,187	21,340	33,311	8,333	0	0	761,375
Professional development	40,154	0	0	9,786	5,765	0	0	330	0	0	56,035
Communication services and supplies	0	0	0	22,211	862	0	0	0	0	1,919,491	1,942,564
Professional services	44,355	59,404	0	2,109,065	3,166	0	7,007	8,170	0	0	2,231,167
Housekeeping and janitorial services	4,675	0	0	0	0	0	0	0	0	0	4,675
Maintenance and repair services	44,801	0	0	683,151	3,296	0	6,584	953	0	0	738,785
Computer equipment	0	0	235,779	788,047	0	0	4,000	745	0	0	1,028,571
Motorized equipment	209,951	0	0	0	0	5,906,700	0	0	0	0	6,116,651
Office equipment	3,000	0	0	23,743	717	0	13,539	43,451	0	0	84,450
Other equipment	264,078	0	34,033	7,366	300	34,189	90,728	0	0	45,529	476,223
Property and improvements	13,059	0	15,227	0	0	0	0	229,417	0	0	257,703
Building lease payments	71,161	0	0	2,536	28,611	0	0	0	0	0	102,308
Equipment rental and leases	19	0	0	0	0	0	0	0	0	0	19
Miscellaneous expense	202,525	0	0	158,989	5,053	2,214	2,577	0	0	0	371,358
Refunds	0	0	0	10	1,050	0	14	0	0	0	1,074
Total Disbursements	1,265,466	59,404	1,424,729	10,077,594	389,165	5,974,066	270,913	291,399	0	1,965,020	21,717,756
RECEIPTS OVER (UNDER) DISBURSEMENTS	(531,126)	1,179,886	1,572,411	(171,722)	(44,272)	155,828	(143,077)	(291,399)	0	15,559	1,742,088
<b>TRANSFERS</b>											
Transfers from:											
Proceeds of Surplus Property Sales Fund	6,040	0	0	890	289	36,193	0	0	0	0	43,412
Transfers to:	0	0	0	0	0	0	0	0	0	0	0
General Revenue Fund	0	(5,964)	(14,516)	(129,683)	(4,391)	(42,358)	(2,661)	(15,559)	(544)	(19,089)	(234,765)
Total Transfers	6,040	(5,964)	(14,516)	(128,793)	(4,102)	(6,165)	(2,661)	(15,559)	(544)	(19,089)	(191,353)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	(525,086)	1,173,922	1,557,895	(300,515)	(48,374)	149,663	(145,738)	(306,958)	(544)	(3,530)	1,550,735
CASH AND INVESTMENTS, JULY 1, 2010	3,406,397	1,487,613	1,224,830	1,432,770	185,998	11,036,234	570,558	327,929	3,183	584,022	20,259,534
CASH AND INVESTMENTS, JUNE 30, 2011	\$ 2,881,311	2,661,535	2,782,725	1,132,255	137,624	11,185,897	424,820	20,971	2,639	580,492	21,810,269

\* The State Water Patrol was Merged with the MSHP effective January 1, 2011. Receipts and disbursements for the 6 months ended December 31, 2010 were administered by the Water Patrol.

## Appendix A-3

Department of Public Safety  
Missouri State Highway Patrol  
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments  
Year Ended June 30, 2010

	Federal Drug Seizure Fund	Highway Patrol Inspections Fund	Criminal Record System Fund	Highway Patrol Academy Fund	Highway Patrol Motor Vehicle Revolving Fund	Highway Patrol Traffic Records Fund	DNA Profiling Analysis Fund	Highway Patrol Expense Fund	Criminal Justice Network Fund	Total (Memorandum Only)
<b>RECEIPTS</b>										
Forfeitures	\$ 1,928,785	0	0	0	0	0	0	0	0	1,928,785
Motor vehicle inspection sticker fees	0	1,371,584	0	0	0	0	0	0	0	1,371,584
Criminal record check fees	0	0	9,605,120	0	0	0	0	0	0	9,605,120
Training and facility usage fees	0	0	0	440,403	0	0	0	0	0	440,403
Cafeteria sales	0	0	0	23,927	0	0	0	0	0	23,927
Vehicle sales	0	0	0	0	5,785,142	0	0	0	0	5,785,142
Vehicle usage reimbursements	0	0	0	0	161,615	0	0	0	0	161,615
Flight operations	0	0	0	0	296,830	0	0	0	0	296,830
Network cost reimbursements	0	0	0	0	0	0	0	0	1,813,029	1,813,029
Other reimbursement	821	0	0	0	18,766	0	0	0	0	19,587
Fees for copying records	0	0	0	0	0	139,917	0	0	0	139,917
Interest	44,377	0	0	0	0	0	0	0	0	44,377
Other	87,690	0	7,700	3,300	220	1,764	5,098	3,183	0	108,955
Total Receipts	2,061,673	1,371,584	9,612,820	467,630	6,262,573	141,681	5,098	3,183	1,813,029	21,739,271
<b>DISBURSEMENTS</b>										
Salaries and wages	0	0	3,726,284	86,377	0	69,487	0	0	0	3,882,148
Employee fringe benefits	0	0	2,158,562	55,236	0	38,481	0	69	0	2,252,348
Travel, in-state	7,751	0	67,938	15,119	72	0	186	0	0	91,066
Travel, out-of-state	8,078	0	17,738	3,184	3,224	291	0	0	0	32,515
Fuel and utilities	10,663	0	0	0	0	0	0	0	0	10,663
Supplies	159,518	0	88,248	232,523	1,830	23,844	231,062	911	0	737,936
Professional development	39,466	0	13,452	1,950	0	400	0	0	0	55,268
Communication services and supplies	0	0	20,626	1,988	0	0	0	0	1,418,623	1,441,237
Professional services	40,185	76,237	2,105,576	3,145	1,600	7,115	11,737	0	0	2,245,595
Housekeeping and janitorial services	4,752	0	0	108	0	0	0	0	0	4,860
Maintenance and repair services	210,404	0	619,573	5,842	0	7,305	36,865	0	0	879,989
Computer equipment	32,822	0	267,432	487	0	687	132	0	0	301,560
Motorized equipment	523,298	0	349	0	2,889,057	0	0	0	0	3,412,704
Office equipment	16,628	0	12,456	10	14,846	496	0	0	0	44,436
Other equipment	106,653	0	41,706	3,763	0	22,718	0	5,000	0	179,840
Property and improvements	4,716	0	3,101	0	0	0	52,204	0	0	60,021
Building lease payments	71,050	0	2,519	28,611	0	0	75	0	0	102,255
Equipment rental and leases	0	0	0	0	3,805	0	0	0	0	3,805
Miscellaneous expense	216,409	0	139,879	6,555	2,501	1,173	746	0	0	367,263
Refunds	0	0	79	1,752	0	13	0	0	0	1,844
Total Disbursements	1,452,393	76,237	9,285,518	446,650	2,916,935	172,010	333,007	5,980	1,418,623	16,107,353
RECEIPTS OVER (UNDER) DISBURSEMENTS	609,280	1,295,347	327,302	20,980	3,345,638	(30,329)	(327,909)	(2,797)	394,406	5,631,918
<b>TRANSFERS</b>										
Transfers from:										
Proceeds of Surplus Property Sales Fund	384	0	0	0	18,928	0	0	0	0	19,312
Transfers to:	0	0	0	0	0	0	0	0	0	0
General Revenue Fund	0	(26,939)	(103,091)	(3,883)	(58,222)	(1,741)	(16,538)	(49,177)	(13,845)	(273,436)
State Road Fund	0	(2,742,009)	0	0	0	0	0	0	0	(2,742,009)
Total Transfers	384	(2,768,948)	(103,091)	(3,883)	(39,294)	(1,741)	(16,538)	(49,177)	(13,845)	(2,996,133)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	609,664	(1,473,601)	224,211	17,097	3,306,344	(32,070)	(344,447)	(51,974)	380,561	2,635,785
CASH AND INVESTMENTS, JULY 1, 2009	2,796,733	2,961,214	1,208,559	168,901	7,729,890	602,628	672,376	55,157	203,461	16,398,919
CASH AND INVESTMENTS, JUNE 30, 2010	\$ 3,406,397	1,487,613	1,432,770	185,998	11,036,234	570,558	327,929	3,183	584,022	19,034,704

## Appendix B

### Department of Public Safety Missouri State Highway Patrol Comparative Statement of Receipts\*

	Year Ended June 30,		
	2012	2011	2010
<b>GENERAL REVENUE FUND</b>			
Boater education fees	\$ 40,440	90,430	168,497
Other receipts	3,987	11,113	14,956
Total General Revenue Fund	44,427	101,543	183,453
<b>DEPARTMENT OF PUBLIC SAFETY FUND</b>			
Federal grants	1,206,584	4,212,524	4,677,872
Other receipts	10,981	7,743	36,610
Total Department of Public Safety Fund	1,217,565	4,220,267	4,714,482
<b>MISSOURI AIR EMISSION REDUCTION FUND</b>			
Emission fees and authorities	1,925,755	843,299	1,089,773
Total Missouri Air Emission Reduction Fund	1,925,755	843,299	1,089,773
<b>STATE HIGHWAYS AND TRANSPORTATION DEPARTMENT FUND</b>			
Motor vehicle inspection sticker fees	2,517,883	2,462,085	2,793,435
Enforcement activity recoupments	1,258,823	1,210,677	554,459
Vehicle inspection station license fees	42,880	42,900	43,093
Other receipts	76,780	80,810	230,887
Total State Highways and Transportation Department Fund	\$ 3,896,366	3,796,472	3,621,874

\*This schedule excludes funds presented in Appendix A

Appendix C-1

Department of Public Safety  
Missouri State Highway Patrol  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2012

	Appropriation Authority	Expenditures	Lapsed Balances
<b>GENERAL REVENUE FUND</b>			
Technical Service - Personal Service	\$ 354,426	290,695	63,731
Enforcement - Personal Service	6,919,839	6,913,291	6,548
Enforcement - Expense and Equipment	632,065	579,819	52,246
Real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	263,069	229,260	33,809
Technical Service - Expense and Equipment	38,194	34,087	4,107
Gasoline purchase	338,678	338,678	-
Vehicle replacement	24,664	23,904	760
Non-highway duties - Personal Service	991,653	951,751	39,902
Non-highway duties - Expense and Equipment	78,525	76,599	1,926
Crime Labs - Personal Service	1,963,610	1,878,900	84,710
Crime Labs - Expense and Equipment	415,022	402,571	12,451
Fringe Benefits - Personal Service	8,765,524	8,753,495	12,029
Fringe Benefits - Expense and Equipment	798,841	692,141	106,700
Administration - Expense and Equipment	3,395	750	2,645
Administration - Personal Service	15,237	-	15,237
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	288,336	279,686	8,650
Water Patrol Division - Personal Service	4,332,700	3,935,110	397,590
Water Patrol Division - Expense and Equipment	252,598	249,814	2,784
Total General Revenue Fund	26,476,376	25,630,551	845,825
<b>FACILITIES MAINTENANCE RESERVE FUND</b>			
Maintenance, repairs, replacements, unprogrammed requirements, emergency requirements, operational maintenance and repair, and improvements at facilities statewide	88,833	88,007	826 *
Total Facilities Maintenance Reserve Fund	88,833	88,007	826
<b>DEPARTMENT OF PUBLIC SAFETY FUND</b>			
High-Intensity Drug Trafficking Program	2,200,000	2,128,824	71,176
Technical Service - Personal Service	206,227	30,298	175,929
Academy - Expense and Equipment	59,655	25,983	33,672
Vehicle and driver safety - Expense and Equipment	600,000	554,941	45,059
Enforcement - Personal Service	3,017,571	2,109,392	908,179
Enforcement - Expense and Equipment	8,007,677	2,729,705	5,277,972
Technical Service - Expense and Equipment	4,044,469	1,332,511	2,711,958
Fringe Benefits - Personal Service	2,082,898	1,509,519	573,379
Fringe Benefits - Expense and Equipment	115,037	54,228	60,809
Grants to St. Louis crime labs	100,000	-	100,000
Real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	8,110	8,083	27
Crime Labs - Personal Service	222,260	88,833	133,427
Crime Labs - Expense and Equipment	886,223	819,133	67,090
Water Patrol Division - Personal Service	555,725	328,373	227,352
Water Patrol Division - Expense and Equipment	2,296,825	1,554,409	742,416
Total Department of Public Safety Fund	24,402,677	13,274,232	11,128,445
<b>FEDERAL DRUG SEIZURE FUND</b>			
Real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	77,778	76,234	1,544
Vehicle replacement	375,000	375,000	-
Enforcement - Expense and Equipment	1,200,373	1,099,592	100,781
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	9,092	9,092	-
Water Patrol Division - Expense and Equipment	20,000	120	19,880
Total Federal Drug Seizure Fund	1,682,243	1,560,038	122,205
<b>MISSOURI CRIME PREVENTION INFORMATION AND PROGRAMMING FUND</b>			
Department of Public Safety Director's Office - Expense and Equipment	50,000	-	50,000
Total Missouri Crime Prevention Information and Programming Fund	\$ 50,000	-	50,000



Appendix C-1

Department of Public Safety  
Missouri State Highway Patrol  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2012

	Appropriation Authority	Expenditures	Lapsed Balances
<b>GAMING COMMISSION FUND</b>			
Technical Service - Personal Service	\$ 20,502	-	20,502
Enforcement - Expense and Equipment	296,740	264,563	32,177
Gasoline purchase	518,166	518,166	-
Administration - Personal Service	32,703	31,716	987
Fringe Benefits - Personal Service	157,981	122,932	35,049
Fringe Benefits - Expense and Equipment	14,028	4,518	9,510
Administration - Expense and Equipment	4,865	1,001	3,864
Vehicle replacement	514,541	504,900	9,641
Academy - Personal Service	163,329	163,058	271
Academy - Expense and Equipment	82,298	72,749	9,549
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	50,281	50,281	-
Total Gaming Commission Fund	1,855,434	1,733,884	121,550
<b>HIGHWAY PATROL INSPECTION FUND</b>			
Vehicle and driver safety - Expense and Equipment	90,000	57,188	32,812
Total Highway Patrol Inspection Fund	90,000	57,188	32,812
<b>MISSOURI STATE WATER PATROL FUND</b>			
Water Patrol Division - Personal Service	1,665,244	1,247,732	417,512
Water Patrol Division - Expense and Equipment	600,000	491,671	108,329
Fringe Benefits - Personal Service	950,001	798,962	151,039
Fringe Benefits - Expense and Equipment	110,001	87,396	22,605
Total Missouri State Water Patrol Fund	3,325,246	2,625,761	699,485
<b>STATE PARKS EARNINGS FUND</b>			
Planning, design and construction of a new marine maintenance facility	1,050,000	-	1,050,000 *
Total State Parks Earnings Fund	1,050,000	-	1,050,000
<b>STATE FORENSIC LABORATORY FUND</b>			
Crime Labs - Expense and Equipment	257,261	256,477	784
Total State Forensic Laboratory Fund	257,261	256,477	784
<b>STATE HIGHWAYS AND TRANSPORTATION DEPARTMENT FUND</b>			
Technical Service - Personal Service	12,837,706	11,486,316	1,351,390
Administration - Personal Service	5,621,583	5,403,032	218,551
Administration - Expense and Equipment	430,812	378,122	52,690
Enforcement - Personal Service	61,041,631	58,683,762	2,357,869
Academy - Personal Service	1,231,932	1,116,807	115,125
Academy - Expense and Equipment	76,872	69,031	7,841
Vehicle and driver safety - Personal Service	10,475,977	9,861,769	614,208
Vehicle and driver safety - Expense and Equipment	978,482	883,349	95,133
Enforcement - Expense and Equipment	6,352,958	6,159,207	193,751
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	1,775,179	1,721,924	53,255
Technical Service - Expense and Equipment	12,355,215	12,235,839	119,376
For operation of state-owned facilities, utilities, systems furniture, and structural modifications Expense and Equipment	157,553	152,998	4,555
Statewide interoperable communication system	25,601,052	25,416,240	184,812
Real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	889,304	825,488	63,816
Refunds of unused motor vehicle inspection stickers	41,000	40,799	201
Maintenance, repairs, replacements, unprogrammed requirements, emergency requirements, operational maintenance and repair, and improvements at facilities statewide	500,000	127,750	372,250 *
Repairs, replacements, and improvements at Highway Patrol facilities	2,568,893	88,276	2,480,617 *
Fringe Benefits - Personal Service	67,367,174	61,196,635	6,170,539
Fringe Benefits - Expense and Equipment	6,288,232	5,756,921	531,311
Vehicle replacement	6,209,793	5,604,487	605,306
Gasoline purchase	3,440,815	3,439,005	1,810
Crime Labs - Personal Service	3,616,622	3,313,309	303,313
Crime Labs - Expense and Equipment	895,386	868,524	26,862
Planning, designing, and constructing an addition to the existing Troop D in Springfield for evidence storage and office space	675,600	46,845	628,755 *
Planning, design, and construction of a commercial drivers license site in Hannibal	1,400,000	61,900	1,338,100 *
Total State Highways and Transportation Department Fund	\$ 232,829,771	214,938,335	17,891,436

Appendix C-1

Department of Public Safety  
Missouri State Highway Patrol  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2012

	Appropriation Authority	Expenditures	Lapsed Balances
<b>CRIMINAL RECORD SYSTEM FUND</b>			
Technical Service - Personal Service	\$ 3,714,225	3,485,919	228,306
Administration - Personal Service	40,110	37,296	2,814
Technical Service - Expense and Equipment	4,072,575	1,377,126	2,695,449
Real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	3,218	2,488	730
For National Criminal Record Reviews	2,425,000	2,343,362	81,638
Fringe Benefits - Personal Service	2,802,607	2,267,359	535,248
Fringe Benefits - Expense and Equipment	257,285	154,733	102,552
Crime Labs - Personal Service	101,055	98,524	2,531
Crime Labs - Expense and Equipment	3,600	3,600	-
Enforcement - Personal Service	100,455	-	100,455
Total Criminal Record System Fund	13,520,130	9,770,407	3,749,723
<b>HIGHWAY PATROL ACADEMY FUND</b>			
Academy - Expense and Equipment	624,914	340,561	284,353
Academy - Personal Service	96,055	24,715	71,340
Fringe Benefits - Personal Service	69,187	18,577	50,610
Fringe Benefits - Expense and Equipment	6,427	4,402	2,025
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	28,611	28,611	-
Total Highway Patrol Academy Fund	825,194	416,866	408,328
<b>HIGHWAY PATROL'S MOTOR VEHICLE AND AIRCRAFT REVOLVING FUND</b>			
Enforcement - Expense and Equipment	170,000	169,590	410
Fringe Benefits - Personal Service	3,749	-	3,749
Fringe Benefits - Expense and Equipment	617	394	223
Enforcement - Personal Service	7,657	-	7,657
Vehicle replacement	6,267,240	5,904,775	362,465
Total Highway Patrol's Motor Vehicle and Aircraft Revolving Fund	6,449,263	6,074,759	374,504
<b>HIGHWAY PATROL TRAFFIC RECORDS FUND</b>			
Technical Service - Personal Service	74,555	62,433	12,122
Enforcement - Expense and Equipment	264,000	69,315	194,685
Fringe Benefits - Personal Service	46,661	32,750	13,911
Fringe Benefits - Expense and Equipment	4,993	2,887	2,106
Total Highway Patrol Traffic Records Fund	390,209	167,385	222,824
<b>DNA PROFILING ANALYSIS FUND</b>			
Crime Labs - Personal Service	60,544	53,012	7,532
Crime Labs - Expense and Equipment	1,478,305	243,363	1,234,942
Fringe Benefits - Personal Service	44,535	32,531	12,004
Fringe Benefits - Expense and Equipment	6,026	1,959	4,067
Total DNA Profiling Analysis Fund	1,589,410	330,865	1,258,545
<b>HIGHWAY PATROL EXPENSE FUND</b>			
Recoupment, receipt, and disbursement of funds for equipment replacement, and expenses - Expense and Equipment	65,000	-	65,000
Total Highway Patrol Expense Fund	65,000	-	65,000
<b>CRIMINAL JUSTICE NETWORK AND TECHNOLOGY REVOLVING FUND</b>			
Technical Service - Expense and Equipment	2,200,000	2,022,681	177,319
Total Criminal Justice Network and Technology Revolving Fund	2,200,000	2,022,681	177,319
<b>FEDERAL STIMULUS - DEPARTMENT OF PUBLIC SAFETY FUND</b>			
For receiving and expending grants from the American Recovery and Reinvestment Act for the Rural Law Enforcement Competitive Grant and the Byrne Memorial Competitive Grant - Personal Service	437,500	397,830	39,670 *
For receiving and expending grants from the American Recovery and Reinvestment Act for the Rural Law Enforcement Competitive Grant and the Byrne Memorial Competitive Grant - Expense and Equipment	1,302,499	1,229,330	73,169 *
Fringe Benefits - Personal Service	500,000	276,849	223,151
Fringe Benefits - Expense and Equipment	50,000	10,174	39,826
Total Federal Stimulus - Department of Public Safety Fund	\$ 2,289,999	1,914,183	375,816

Appendix C-1

Department of Public Safety  
Missouri State Highway Patrol  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2012

	Appropriation Authority	Expenditures	Lapsed Balances
<b>FEDERAL STIMULUS - DEPARTMENT OF PUBLIC SAFETY JUSTICE ASSISTANCE GRANT FUND</b>			
For receiving and expending grants for the Byrne/ Justice Assistance Grants Program, including \$700,000 for a pseudoephedrine tracking system administered in conjunction with the Department of Health and Senior Services and administrative costs to the extent the state receives a federal grant for such purposes - Personal Service	\$ 951,140	349,976	601,164 *
For receiving and expending grants for the Byrne/ Justice Assistance Grants Program, including \$700,000 for a pseudoephedrine tracking system administered in conjunction with the Department of Health and Senior Services and administrative costs to the extent the state receives a federal grant for such purposes - Expense and Equipment	110,292	23,551	86,741 *
Fringe Benefits - Personal Service	745,210	241,130	504,080
Fringe Benefits - Expense and Equipment	39,220	9,787	29,433
Total Federal Stimulus - Department of Public Safety Justice Assistance Grant Fund	<u>1,845,862</u>	<u>624,444</u>	<u>1,221,418</u>
Total All Funds	\$ <u>321,282,908</u>	<u>281,486,063</u>	<u>39,796,845</u>

\* Biennial appropriations set up in the current fiscal year are re-appropriations to the next fiscal year.  
After the fiscal year-end processing has been completed, the unexpended appropriation  
balance for a biennial appropriation is established in the new fiscal year. Therefore, there  
is no lapsed balance for a biennial appropriation at the end of the first year.

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30, 2012
<b>General Revenue Fund</b>	
Personal Service	\$ 597,971
Expense and Equipment	107,249
Real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	7,892
Vehicle replacement	740
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	<u>8,650</u>
Total General Revenue Fund	<u>722,502</u>
<b>State Parks Earnings Fund</b>	
Planning, design and construction of a new marine maintenance facility	<u>300,000</u>
Total State Parks Earnings Fund	<u>300,000</u>
<b>State Highways and Transportation Department Fund</b>	
Personal Service	3,624,149
Expense and Equipment	108,118
Real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	27,729
Vehicle replacement	186,294
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	53,255
For operation of state-owned facilities, utilities, systems furniture, and structural modifications Expense and Equipment	4,555
Statewide interoperable communication system	70,500
Total State Highways and Transportation Department Fund	<u>4,074,600</u>
Total All Funds	\$ <u>5,097,102</u>

## Appendix C-2

Department of Public Safety  
Missouri State Highway Patrol  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2011

	Appropriation Authority	Expenditures	Lapsed Balances
<b>GENERAL REVENUE FUND</b>			
Technical Service - Personal Service	\$ 354,426	318,994	35,432
Enforcement - Personal Service	6,979,431	6,970,736	8,695
Enforcement - Expense and Equipment	632,793	628,173	4,620
Real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	439,791	333,643	106,148
Technical Service - Expense and Equipment	38,246	37,072	1,174
Gasoline purchase	338,678	338,678	0
Vehicle replacement	24,664	23,394	1,270
Non-highway duties - Personal Service	1,020,562	938,429	82,133
Non-highway duties - Expense and Equipment	50,000	43,974	6,026
Crime Labs - Personal Service	1,963,610	1,551,256	412,354
Crime Labs - Expense and Equipment	1,702,682	427,952	1,274,730
Fringe Benefits - Personal Service	6,412,924	5,904,344	508,580
Fringe Benefits - Expense and Equipment	798,841	688,387	110,454
Administration - Expense and Equipment	3,847	600	3,247
Administration - Personal Service	15,237	0	15,237
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	288,336	279,151	9,185
For appraisals and surveys of state facilities	5,746	5,746	0
For planning, design, renovation, and construction, and/or purchase of a new crime lab in Jasper County	170,362	167,048	3,314
For planning, design, and construction, and/or lease-purchase of a new crime lab in Springfield	997,363	997,363	0
Maintenance, repairs, replacements, unprogrammed requirements, emergency requirements, and improvements at facilities statewide	10,331	10,330	1
Water Patrol Division - Personal Service	5,435,620	4,863,376	572,244
Water Patrol Division - Expense and Equipment	257,081	242,039	15,042
Total General Revenue Fund	27,940,571	24,770,685	3,169,886
<b>FACILITIES MAINTENANCE RESERVE FUND</b>			
For operational maintenance and repair	111,246	4,219	107,027
Maintenance, repairs, replacements, unprogrammed requirements, emergency requirements, and improvements at facilities statewide	19,843	19,842	1
Total Facilities Maintenance Reserve Fund	131,089	24,061	107,028
<b>DEPARTMENT OF PUBLIC SAFETY FUND</b>			
High-Intensity Drug Trafficking Program	2,500,000	2,359,044	140,956
Technical Service - Personal Service	206,227	29,000	177,227
Academy - Expense and Equipment	59,655	27,401	32,254
Vehicle and driver safety - Expense and Equipment	600,000	136,980	463,020
Enforcement - Personal Service	3,017,571	1,952,622	1,064,949
Enforcement - Expense and Equipment	8,207,677	1,892,716	6,314,961
Technical Service - Expense and Equipment	3,897,969	2,077,250	1,820,719
Fringe Benefits - Personal Service	1,787,188	1,060,990	726,198
Fringe Benefits - Expense and Equipment	115,037	43,057	71,980
Grants to St. Louis crime labs	100,000	0	100,000
Real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	348	348	0
Crime Labs - Personal Service	222,260	58,076	164,184
Crime Labs - Expense and Equipment	946,223	828,705	117,518
Water Patrol Division - Personal Service	555,725	417,657	138,068
Water Patrol Division - Expense and Equipment	2,304,504	2,158,005	146,499
Total Department of Public Safety Fund	24,520,384	13,041,851	11,478,533
<b>FEDERAL DRUG SEIZURE FUND</b>			
Real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	79,702	78,781	921
Vehicle replacement	262,800	262,800	0
Enforcement - Expense and Equipment	917,503	897,203	20,300
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	9,092	9,092	0
Water Patrol Division - Expense and Equipment	20,000	11,989	8,011
Total Federal Drug Seizure Fund	1,289,097	1,259,865	29,232
<b>MISSOURI CRIME PREVENTION INFORMATION AND PROGRAMMING FUND</b>			
Department of Public Safety Director's Office - Expense and Equipment	50,000	961	49,039
Total Missouri Crime Prevention Information and Programming Fund	\$ 50,000	961	49,039

## Appendix C-2

Department of Public Safety  
Missouri State Highway Patrol  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2011

	Appropriation Authority	Expenditures	Lapsed Balances
<b>GAMING COMMISSION FUND</b>			
Technical Service - Personal Service	\$ 20,502	0	20,502
Enforcement - Expense and Equipment	296,740	254,115	42,625
Gasoline purchase	449,923	449,923	0
Administration - Personal Service	32,703	31,716	987
Fringe Benefits - Personal Service	143,423	109,412	34,011
Fringe Benefits - Expense and Equipment	14,028	5,379	8,649
Administration - Expense and Equipment	4,865	0	4,865
Vehicle replacement	514,541	0	514,541
Academy - Personal Service	163,329	153,537	9,792
Academy - Expense and Equipment	82,298	79,528	2,770
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	50,281	50,281	0
Total Gaming Commission Fund	1,772,633	1,133,891	638,742
<b>HIGHWAY PATROL INSPECTION FUND</b>			
Vehicle and driver safety - Expense and Equipment	90,000	59,404	30,596
Total Highway Patrol Inspection Fund	90,000	59,404	30,596
<b>MISSOURI STATE WATER PATROL FUND</b>			
Water Patrol Division - Personal Service	1,665,244	806,582	858,662
Water Patrol Division - Expense and Equipment	600,000	280,147	319,853
Planning, design and construction of a Water Patrol marine shop	735,756	15,227	720,529
Total Missouri State Water Patrol Fund	3,001,000	1,101,956	1,899,044
<b>STATE FORENSIC LABORATORY FUND</b>			
Crime Labs - Expense and Equipment	251,782	251,782	0
Total State Forensic Laboratory Fund	251,782	251,782	0
<b>STATE HIGHWAYS AND TRANSPORTATION DEPARTMENT FUND</b>			
Technical Service - Personal Service	12,330,406	11,516,764	813,642
Administration - Personal Service	5,331,590	5,073,083	258,507
Administration - Expense and Equipment	430,812	410,004	20,808
Enforcement - Personal Service	62,205,583	57,877,756	4,327,827
Academy - Personal Service	1,390,443	1,232,672	157,771
Academy - Expense and Equipment	76,872	65,293	11,579
Vehicle and driver safety - Personal Service	10,175,307	9,851,963	323,344
Vehicle and driver safety - Expense and Equipment	910,032	844,039	65,993
Enforcement - Expense and Equipment	6,238,855	5,732,841	506,014
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	1,754,179	1,701,554	52,625
Technical Service - Expense and Equipment	11,691,486	11,340,642	350,844
For operation of state-owned facilities, utilities, systems furniture, and structural modifications Expense and Equipment	142,291	138,504	3,787
Statewide interoperable communication system	25,601,052	18,672,777	6,928,275
Real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	965,183	827,700	137,483
Refunds of unused motor vehicle inspection stickers	40,000	32,544	7,456
Maintenance, repairs, replacements, unprogrammed requirements, emergency requirements, operational maintenance and repair, and improvements at facilities statewide	500,000	151,082	348,918
Repairs, replacements, and improvements at Highway Patrol facilities	1,855,251	1,810,245	45,006
Fringe Benefits - Personal Service	59,411,104	53,994,818	5,416,286
Fringe Benefits - Expense and Equipment	6,288,232	5,746,398	541,834
Vehicle replacement	6,222,293	5,989,144	233,149
Gasoline purchase	3,448,218	3,344,771	103,447
Crime Labs - Personal Service	3,616,622	3,474,407	142,215
Crime Labs - Expense and Equipment	895,386	868,524	26,862
Planning, design, and construction of commercial drivers license sites in Rolla, Carthage, and Kirkwood	10,212	180	10,032
Total State Highways and Transportation Department Fund	\$ 221,531,409	200,697,705	20,833,704

## Appendix C-2

Department of Public Safety  
Missouri State Highway Patrol  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2011

	Appropriation Authority	Expenditures	Lapsed Balances
<b>CRIMINAL RECORD SYSTEM FUND</b>			
Technical Service - Personal Service	\$ 3,814,680	3,591,874	222,806
Administration - Personal Service	40,110	30,832	9,278
Technical Service - Expense and Equipment	4,462,477	1,674,925	2,787,552
Real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	2,477	2,477	0
For National Criminal Record Reviews	2,100,000	2,074,478	25,522
Fringe Benefits - Personal Service	2,533,501	2,173,802	359,699
Fringe Benefits - Expense and Equipment	257,285	152,661	104,624
Crime Labs - Personal Service	101,055	100,628	427
Crime Labs - Expense and Equipment	3,600	3,600	0
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	59	59	0
Total Criminal Record System Fund	13,315,244	9,805,336	3,509,908
<b>HIGHWAY PATROL ACADEMY FUND</b>			
Academy - Expense and Equipment	624,914	295,338	329,576
Academy - Personal Service	96,055	36,738	59,317
Fringe Benefits - Personal Service	62,753	20,713	42,040
Fringe Benefits - Expense and Equipment	6,427	5,051	1,376
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	28,611	28,611	0
Total Highway Patrol Academy Fund	818,760	386,451	432,309
<b>HIGHWAY PATROL'S MOTOR VEHICLE AND AIRCRAFT REVOLVING FUND</b>			
Enforcement - Expense and Equipment	184,100	32,796	151,304
Fringe Benefits - Personal Service	3,749	0	3,749
Fringe Benefits - Expense and Equipment	617	381	236
Enforcement - Personal Service	7,657	0	7,657
Vehicle replacement	6,267,240	5,940,889	326,351
Total Highway Patrol's Motor Vehicle and Aircraft Revolving Fund	6,463,363	5,974,066	489,297
<b>HIGHWAY PATROL TRAFFIC RECORDS FUND</b>			
Technical Service - Personal Service	74,555	69,486	5,069
Enforcement - Expense and Equipment	304,000	156,149	147,851
Fringe Benefits - Personal Service	41,857	37,712	4,145
Fringe Benefits - Expense and Equipment	4,993	2,577	2,416
Total Highway Patrol Traffic Records Fund	425,405	265,924	159,481
<b>DNA PROFILING ANALYSIS FUND</b>			
Crime Labs - Personal Service	60,544	0	60,544
Crime Labs - Expense and Equipment	1,478,305	61,982	1,416,323
Fringe Benefits - Personal Service	40,456	0	40,456
Fringe Benefits - Expense and Equipment	6,026	0	6,026
Planning, design, and construction of an addition to the existing crime lab in Jefferson City for storage of DNA samples	251,876	229,417	22,459
Total DNA Profiling Analysis Fund	1,837,207	291,399	1,545,808
<b>HIGHWAY PATROL EXPENSE FUND</b>			
Recoupment, receipt, and disbursement of funds for equipment replacement, and expenses - Expense and Equipment	65,000	0	65,000
Total Highway Patrol Expense Fund	65,000	0	65,000
<b>CRIMINAL JUSTICE NETWORK AND TECHNOLOGY REVOLVING FUND</b>			
Technical Service - Expense and Equipment	2,000,000	1,965,020	34,980
Total Criminal Justice Network and Technology Revolving Fund	2,000,000	1,965,020	34,980
<b>FEDERAL STIMULUS - DEPARTMENT OF PUBLIC SAFETY FUND</b>			
For receiving and expending grants from the American Recovery and Reinvestment Act for the Rural Law Enforcement Competitive Grant and the Byrne Memorial Competitive Grant - Personal Service	1,903,181	755,886	1,147,295
For receiving and expending grants from the American Recovery and Reinvestment Act for the Rural Law Enforcement Competitive Grant and the Byrne Memorial Competitive Grant - Expense and Equipment	341,084	322,318	18,766
Fringe Benefits - Personal Service	450,000	446,632	3,368
Fringe Benefits - Expense and Equipment	100,000	23,755	76,245
Total Federal Stimulus - Department of Public Safety Fund	2,794,265	1,548,591	1,245,674
Total All Funds	\$ 308,297,209	262,578,948	45,718,261

Appendix C-2

Department of Public Safety  
Missouri State Highway Patrol  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2011

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30, 2011
General Revenue Fund	
Personal Service	\$ 263,684
Expense and Equipment	250,348
Vehicle replacement	740
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	9,185
Total General Revenue Fund	<u>523,957</u>
State Highways and Transportation Department Fund	
Personal Service	2,899,063
Expense and Equipment	559,739
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	52,625
For operation of state-owned facilities, utilities, systems furniture, and structural modifications Expense and Equipment	3,787
Statewide interoperable communication system	768,032
Real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	28,956
Vehicle replacement	186,669
Gasoline purchase	103,447
Total State Highways and Transportation Department Fund	<u>4,602,318</u>
Total All Funds	<u>\$ 5,126,275</u>

## Appendix C-3

Department of Public Safety  
Missouri State Highway Patrol  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2010

	Appropriation Authority	Expenditures	Lapsed Balances
<b>GENERAL REVENUE FUND</b>			
Technical Service -Personal Service	\$ 409,740	298,995	110,745
Enforcement - Personal Service	7,519,851	7,015,175	504,676
Enforcement - Expense and Equipment	738,548	599,351	139,197
Real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	537,632	446,614	91,018
Technical Service - Expense and Equipment	89,856	72,329	17,527
Gasoline purchase	221,634	192,247	29,387
Vehicle replacement	28,350	24,664	3,686
Non-highway duties - Personal Service	1,896,126	1,253,444	642,682
Non-highway duties - Expense and Equipment	100,000	76,401	23,599
Crime Labs - Personal Service	1,984,612	1,546,143	438,469
Crime Labs - Expense and Equipment	573,758	557,084	16,674
Fringe Benefits - Personal Service	6,412,924	5,051,855	1,361,069
Fringe Benefits - Expense and Equipment	798,841	572,578	226,263
Administration - Expense and Equipment	5,279	4,303	976
Administration - Personal Service	24,853	-	24,853
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	287,878	282,295	5,583
For appraisals and surveys of state facilities	14,430	8,096	6,334 *
For planning, design, renovation, and construction, and/or purchase of a new crime lab in Jasper County	617,535	447,173	170,362 *
For planning, design, and construction, and/or lease-purchase of a new crime lab in Springfield	999,000	1,637	997,363 *
Maintenance, repairs, replacements, unprogrammed requirements, emergency requirements, and improvements at facilities statewide	117,378	30,683	86,695 *
Total General Revenue Fund	23,378,225	18,481,067	4,897,158
<b>FACILITIES MAINTENANCE RESERVE FUND</b>			
For operational maintenance and repair	113,051	1,805	111,246 *
Maintenance, repairs, replacements, unprogrammed requirements, emergency requirements, and improvements at facilities statewide	107,582	82,326	25,256 *
Total Facilities Maintenance Reserve Fund	220,633	84,131	136,502
<b>DEPARTMENT OF PUBLIC SAFETY FUND</b>			
High-Intensity Drug Trafficking Program	2,625,000	2,621,141	3,859
Technical Service - Personal Service	41,720	34,645	7,075
Academy - Expense and Equipment	59,655	23,353	36,302
Vehicle and driver safety - Expense and Equipment	600,000	209,252	390,748
Enforcement - Personal Service	3,144,738	2,394,714	750,024
Enforcement - Expense and Equipment	8,207,677	2,064,032	6,143,645
Technical Service - Expense and Equipment	3,897,969	3,036,843	861,126
Fringe Benefits - Personal Service	1,403,345	1,152,282	251,063
Fringe Benefits - Expense and Equipment	108,825	72,999	35,826
Grants to St. Louis crime labs	100,000	-	100,000
Real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	348	348	0
Crime Labs - Personal Service	222,260	91,242	131,018
Crime Labs - Expense and Equipment	636,223	597,333	38,890
Total Department of Public Safety Fund	21,047,760	12,298,184	8,749,576
<b>FEDERAL DRUG SEIZURE FUND</b>			
Real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	88,191	77,373	10,818
Vehicle replacement	525,000	523,298	1,702
Enforcement - Expense and Equipment	862,067	793,190	68,877
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	9,092	9,092	0
Total Federal Drug Seizure Fund	1,484,350	1,402,953	81,397
<b>MISSOURI CRIME PREVENTION INFORMATION AND PROGRAMMING FUND</b>			
Department of Public Safety Director's Office - Expense and Equipment	50,000	2,975	47,025
Total Missouri Crime Prevention Information and Programming Fund	\$ 50,000	2,975	47,025



Appendix C-3

Department of Public Safety  
Missouri State Highway Patrol  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2010

	Appropriation Authority	Expenditures	Lapsed Balances
<b>GAMING COMMISSION FUND</b>			
Technical Service - Personal Service	\$ 20,502	-	20,502
Enforcement - Expense and Equipment	232,798	216,735	16,063
Gasoline purchase	246,329	246,329	0
Administration - Personal Service	32,703	31,716	987
Fringe Benefits - Personal Service	123,916	96,369	27,547
Fringe Benefits - Expense and Equipment	12,693	567	12,126
Administration - Expense and Equipment	4,865	-	4,865
Vehicle replacement	474,571	459,575	14,996
Academy - Personal Service	163,329	156,830	6,499
Academy - Expense and Equipment	82,298	80,294	2,004
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	50,281	50,281	0
Total Gaming Commission Fund	1,444,285	1,338,696	105,589
<b>HIGHWAY PATROL INSPECTION FUND</b>			
Vehicle and driver safety	90,000	76,237	13,763
Total Highway Patrol Inspection Fund	90,000	76,237	13,763
<b>STATE FORENSIC LABORATORY FUND</b>			
Crime Labs - Expense and Equipment	275,130	275,119	11
Total State Forensic Laboratory Fund	275,130	275,119	11
<b>STATE HIGHWAYS AND TRANSPORTATION</b>			
<b>DEPARTMENT FUND</b>			
Technical Service - Personal Service	12,504,707	11,115,606	1,389,101
Administration - Personal Service	5,252,337	5,094,500	157,837
Administration - Expense and Equipment	430,812	386,429	44,383
Enforcement - Personal Service	62,154,695	56,655,302	5,499,393
Academy - Personal Service	1,390,443	1,247,359	143,084
Academy - Expense and Equipment	76,872	67,122	9,750
Vehicle and driver safety - Personal Service	10,240,307	9,861,883	378,424
Vehicle and driver safety - Expense and Equipment	861,112	803,131	57,981
Enforcement - Expense and Equipment	6,042,306	5,800,826	241,480
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	1,699,546	1,699,546	0
Technical Service - Expense and Equipment	10,754,056	10,058,490	695,566
For operation of state-owned facilities, utilities, systems furniture, and structural modifications Expense and Equipment	121,438	121,438	0
Statewide interoperable communication system	6,557,940	1,617,836	4,940,104
Real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	983,252	767,757	215,495
Refunds of unused motor vehicle inspection stickers	40,000	33,625	6,375
Maintenance, repairs, replacements, unprogrammed requirements, emergency requirements, operational maintenance and repair, and improvements at facilities statewide	508,715	17,215	491,500 *
Repairs, replacements, and improvements at Highway Patrol facilities	3,318,098	1,567,241	1,750,857 *
Fringe Benefits - Personal Service	50,004,700	45,141,093	4,863,607
Fringe Benefits - Expense and Equipment	5,807,981	5,743,309	64,672
Vehicle replacement	6,222,293	6,023,474	198,819
Gasoline purchase	2,455,272	2,380,756	74,516
Crime Labs - Personal Service	3,585,620	3,319,177	266,443
Crime Labs - Expense and Equipment	895,386	864,020	31,366
Planning, design, and construction of commercial drivers license sites in Rolla, Carthage, and Kirkwood	10,212	-	10,212 *
Planning, design, renovation, and construction, and/or purchase of a new crime lab in Jasper County	339,174	337,147	2,027 *
Total State Highways and Transportation Department Fund	\$ 192,257,274	170,724,282	21,532,992

## Appendix C-3

Department of Public Safety  
Missouri State Highway Patrol  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2010

	Appropriation Authority	Expenditures	Lapsed Balances
<b>CRIMINAL RECORD SYSTEM FUND</b>			
Technical Service - Personal Service	\$ 595,996	528,785	67,211
Administration - Personal Service	40,110	37,296	2,814
Technical Service - Expense and Equipment	1,498,216	226,474	1,271,742
Real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	2,460	2,460	0
For National Criminal Record Reviews	2,000,000	1,980,665	19,335
Fringe Benefits - Personal Service	2,177,975	1,867,564	310,411
Fringe Benefits - Expense and Equipment	233,586	138,734	94,852
Crime Labs - Personal Service	101,055	98,352	2,703
Crime Labs - Expense and Equipment	3,600	3,600	0
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	59	59	0
Enforcement - Personal Service	3,218,684	3,061,851	156,833
Enforcement - Expense and Equipment	2,654,109	1,048,683	1,605,426
Total Criminal Record System Fund	12,525,850	8,994,523	3,531,327
<b>HIGHWAY PATROL ACADEMY FUND</b>			
Academy - Expense and Equipment	624,914	269,871	355,043
Academy - Personal Service	96,055	86,377	9,678
Fringe Benefits - Personal Service	59,160	48,561	10,599
Fringe Benefits - Expense and Equipment	7,045	6,555	490
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	28,611	28,611	0
Total Highway Patrol Academy Fund	815,785	439,975	375,810
<b>HIGHWAY PATROL'S MOTOR VEHICLE AND AIRCRAFT REVOLVING FUND</b>			
Enforcement - Expense and Equipment	110,000	12,664	97,336
Fringe Benefits - Personal Service	3,749	-	3,749
Fringe Benefits - Expense and Equipment	510	367	143
Enforcement - Personal Service	7,657	-	7,657
Vehicle replacement	6,267,240	2,903,904	3,363,336
Total Highway Patrol's Motor Vehicle and Aircraft Revolving Fund	6,389,156	2,916,935	3,472,221
<b>HIGHWAY PATROL TRAFFIC RECORDS FUND</b>			
Technical Service - Personal Service	74,555	69,486	5,069
Enforcement - Expense and Equipment	224,250	62,869	161,381
Fringe Benefits - Personal Service	35,414	33,292	2,122
Fringe Benefits - Expense and Equipment	4,299	1,173	3,126
Total Highway Patrol Traffic Records Fund	338,518	166,820	171,698
<b>DNA PROFILING ANALYSIS FUND</b>			
Crime Labs - Personal Service	60,544	-	60,544
Crime Labs - Expense and Equipment	1,478,305	276,577	1,201,728
Fringe Benefits - Personal Service	39,644	-	39,644
Fringe Benefits - Expense and Equipment	6,026	746	5,280
Planning, design, and construction of an addition to the existing crime lab in Jefferson City for storage of DNA samples	307,560	55,684	251,876 *
Total DNA Profiling Analysis Fund	1,892,079	333,007	1,559,072
<b>HIGHWAY PATROL EXPENSE FUND</b>			
Recoupment, receipt, and disbursement of funds for equipment replacement, and expenses - Expense and Equipment	65,000	5,911	59,089
Total Highway Patrol Expense Fund	65,000	5,911	59,089
<b>CRIMINAL JUSTICE NETWORK AND TECHNOLOGY REVOLVING FUND</b>			
Technical Service - Expense and Equipment	1,500,000	1,418,623	81,377
Total Criminal Justice Network and Technology Revolving Fund	1,500,000	1,418,623	81,377
<b>FEDERAL BUDGET STABILIZATION - MEDICAID REIMBURSEMENT FUND</b>			
Enforcement - Expense and Equipment	130,725	118,575	12,150
Crime Labs - Expense and Equipment	1,099,947	1,096,718	3,229
Total Federal Budget Stabilization - Medicaid Reimbursement Fund	\$ 1,230,672	1,215,293	15,379

Appendix C-3

Department of Public Safety  
Missouri State Highway Patrol  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2010

	Appropriation Authority	Expenditures	Lapsed Balances
FEDERAL STIMULUS - DEPARTMENT OF PUBLIC SAFETY FUND			
For receiving and expending grants from the American Recovery and Reinvestment Act for the Rural Law Enforcement Competitive Grant and the Byrne Memorial Competitive Grant - Personal Service	\$ 377,114	377,113	1
For receiving and expending grants from the American Recovery and Reinvestment Act for the Rural Law Enforcement Competitive Grant and the Byrne Memorial Competitive Grant - Expense and Equipment	279,453	279,453	0
Fringe Benefits - Personal Service	250,025	184,953	65,072
Fringe Benefits - Expense and Equipment	100,025	8,690	91,335
Total Federal Stimulus - Department of Public Safety Fund	1,006,617	850,209	156,408
Total All Funds	\$ 266,011,334	221,024,940	44,986,394

\* Biennial appropriations set up in the current fiscal year are re-appropriations to the next fiscal year. After the fiscal year-end processing has been completed, the unexpended appropriation balance for a biennial appropriation is established in the new fiscal year. Therefore, there is no lapsed balance for a biennial appropriation at the end of the first year.

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30, 2010
General Revenue Fund	
Personal Service	\$ 1,442,794
Expense and Equipment	169,103
Gasoline purchase	29,387
Vehicle replacement	3,686
For the operation of institutional facilities, systems furniture and structural modifications - Expense and Equipment	5,583
Total General Revenue Fund	1,650,553
State Highways and Transportation Department Fund	
Personal Service	2,897,013
Expense and Equipment	528,646
Statewide interoperable communication system	70,500
Vehicle replacement	186,669
Gasoline purchase	73,658
Total State Highways and Transportation Department Fund	3,756,486
Federal Budget Stabilization Fund	
Expense and Equipment	6,536
Total Federal Budget Stabilization Fund	6,536
Total All Funds	\$ 5,413,575

Appendix D

Department of Public Safety  
Missouri State Highway Patrol  
Comparative Statement of Expenditures (from Appropriations)

		Year Ended June 30,				
		2012	2011	2010	2009	2008
Salaries and wages	\$	112,343,853	111,704,069	104,375,995	105,053,136	103,470,933
Benefits		75,250,740	63,748,553	53,575,711	52,874,933	52,834,657
Travel, in-state		625,982	670,603	762,463	686,760	568,420
Travel, out-of-state		277,477	194,207	295,396	411,055	365,079
Fuel and utilities		172,189	158,181	138,645	201,374	109,239
Supplies		13,819,768	12,190,272	10,715,494	10,848,436	11,186,446
Professional development		415,684	364,740	261,506	357,619	467,560
Communication services and supplies		4,870,844	4,687,523	3,662,024	3,648,079	3,052,623
Professional services		7,006,374	4,714,800	5,228,437	5,869,936	5,728,724
Housekeeping and janitorial services		119,035	146,090	154,500	155,198	159,371
Maintenance and repair services		4,257,752	3,888,817	3,770,129	2,960,909	2,013,158
Computer equipment		6,116,868	6,967,624	6,574,039	5,147,363	5,042,949
Motorized equipment		13,621,464	13,072,438	10,016,905	7,684,424	10,381,464
Office equipment		427,340	423,110	439,521	397,381	334,319
Other equipment		4,849,263	3,866,612	3,146,847	8,247,579	6,470,677
Property and improvements		23,693,728	22,203,569	4,371,901	2,735,695	6,826,337
Debt service		51,576	12,600	50,339	106,309	33,777
Building lease payments		3,795,775	3,579,043	3,426,173	3,088,262	1,336,289
Equipment rental and leases		57,154	94,499	133,610	158,619	277,811
Miscellaneous expenses		7,116,841	7,049,829	6,968,445	6,765,973	6,494,811
Rebillable expenses		16,984	43,813	100	100	1,974
Refunds		95,646	34,236	35,854	43,418	33,396
Program distributions		2,483,726	2,763,720	2,920,906	2,526,900	2,346,198
Total Expenditures	\$	281,486,063	262,578,948	221,024,940	219,969,458	219,536,212



# Thomas A. Schweich

Missouri State Auditor

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## Daviess County



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June 2013

Report No. 2013-051

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

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## Findings in the audit of Daviess County

Policies and Procedures	Accounting controls and procedures need improvement. The County Clerk made an error in calculating the railroad and utility tax distribution for fiscal year 2012, so taxes were distributed incorrectly for four school districts. After we informed the County Clerk, the Clerk notified the school districts and put plans in place to correct the error. Prior to February 2013, the County Collector-Treasurer had administrative access rights in the property tax system which gave her unlimited access to all information in the system and allowed her to potentially make changes to individual tax records. Because the County Collector-Treasurer is responsible for collecting tax monies, good internal controls require that she not have the ability to alter or delete tax rates, assessed values, and property tax billings. The county pays invoices for fuel purchases without comparing the invoices to individual fuel tickets obtained at the time of purchase, which increases the risk of theft or misuse going undetected.
Daviess-DeKalb Regional Jail	One clerk is responsible for receiving, recording, depositing, disbursing, and reconciling monies for the inmate account with no supervisory review. Monthly lists of liabilities are not prepared for the inmate account, and liabilities are not reconciled with cash balances. The Jail Commission does not review budget-to-actual reports to adequately monitor the status of the jail budget, and in 2012 actual disbursements exceeded budgeted disbursements by \$290,703. Open meeting minutes do not cite the specific statute and subsection allowing the closure of the meeting, and on some occasions issues were discussed in closed meetings that are not allowable under the Sunshine Law. The Jail Commission did not publish its financial statements or provide financial information to the counties for inclusion in the counties' published statements for 2012, as required by state law.
Prosecuting Attorney	The Prosecuting Attorney does not properly perform or document monthly bank reconciliations, and auditors identified several errors when they reviewed the bank statements and computer system records. In addition, a liabilities list is not prepared and reconciled to the available cash balance.
Senate Bill 40 Board	The Senate Bill 40 Board budget documents do not reasonably reflect the anticipated disbursements and the ending cash balance. For 2012, disbursements were overestimated by \$240,921, and the Senate Bill 40 Board Treasurer said the Board directed her to include all available funds as budgeted disbursements to avoid having to amend the budget. The Board Treasurer performs a yearly reconciliation but does not perform monthly bank reconciliations, which impairs the Board's ability to detect and correct errors. The Senate Bill 40 Board did not publish its financial statements for 2012, as required by state law.

Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.
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In the areas audited, the overall performance of this entity was **Fair**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	Daviess County did not receive any federal stimulus monies during the audited time period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our website: <http://auditor.mo.gov>**

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# Daviess County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Daviess County

We have audited certain operations of Daviess County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones & Associates, Certified Public Accountants, has been engaged to audit the financial statements of Daviess County for the 2 years ended December 31, 2012. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Daviess County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Richard Stuck
Audit Staff:	Richard Mosha, MBA
	Joshua Shope, M.Acct.

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# Daviess County

## Management Advisory Report

### State Auditor's Findings

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#### **1. Policies and Procedures**

Accounting controls and procedures in various county offices need improvement.

**1.1 Railroad and utility taxes** The County Clerk made an error in calculating the railroad and utility tax distribution for the year ended December 31, 2012. Taxes were distributed incorrectly for four school districts based on an incorrect formula related to the debt service levy in the calculations. As a result, one school district was underpaid \$9,992, while the remaining three school districts were overpaid. After we informed the County Clerk of the error, the County Clerk notified the school districts and plans to correct the error were put into place.

To ensure all future apportionment calculations are correct and proper payments are made, the County Clerk should implement procedures to review all calculations for accuracy.

**1.2 Computer access** Access to the property tax system was not adequately restricted prior to February 2013. The County Collector-Treasurer had administrative access rights in the property tax system, which provided her with unlimited access to all information in the system and allowed her to potentially make changes to individual tax records. Because the County Collector-Treasurer is responsible for collecting tax monies, good internal controls require she not have administrative access rights to be able to alter or delete tax rates, assessed values, and property tax billings. The County Collector-Treasurer indicated she thought she could only make address changes and was unaware she had additional access. When this access issue was discussed with the County Collector-Treasurer in February 2013, she had the software programmer change the access rights so she does not have the ability to change property tax records.

To prevent unauthorized changes to the property tax records, access should be limited based on user needs. Unrestricted access can result in the deletion or alteration of data files and programs.

A similar condition was noted in our prior audit report.

**1.3 Fuel purchases** Invoices for fuel purchases are paid without comparing the invoices to individual fuel tickets obtained at the time of the purchase. According to accounting records, the county purchased fuel costing \$58,044 during the year ended December 31, 2012. Fuel is purchased on charge accounts and with credit cards, but the individual fuel tickets, signed by employees making the purchases, are not submitted to the County Clerk's office and reviewed for reasonableness prior to payment.

Requiring individual fuel tickets be submitted and compared to items charged on the monthly vendor billing will help provide assurance that all



## Daviess County Management Advisory Report - State Auditor's Findings

fuel billed was actually charged and used by county employees. To decrease the risk of theft or misuse of fuel occurring without detection and the possibility of paying incorrect fuel billings, the county should establish procedures for fuel reconciliations and investigate any discrepancies.

### Recommendations

- 1.1 The County Clerk work with the school districts to correct errors in the railroad and utility tax distribution. Also, the County Clerk should ensure future apportionments are computed properly and accurately.
- 1.2 The County Commission ensure property tax system access rights are limited to only what is needed for the users to perform their job duties and responsibilities.
- 1.3 The County Commission require individual fuel tickets be submitted to the County Clerk and reconciled with fuel billings and investigate any discrepancies.

### Auditee's Response

*The County Clerk provided the following response:*

- 1.1 *Errors in the railroad and utility tax distribution have been corrected with money repaid by the school districts and the proper distribution completed. In addition, the formula error has been corrected.*

*The County Commission provided the following responses:*

- 1.2 *Property tax system access rights have been corrected to limit to only what is needed for the users as of February 2013.*
- 1.3 *Gallons of fuel purchased, as documented on fuel tickets and/or vehicle logs, will be verified with invoices in the future.*

## 2. Daviess-DeKalb Regional Jail

Controls at the Daviess-DeKalb Regional Jail are in need of improvement. Similar conditions to sections 2.1 and 2.3 were included in the most recent DeKalb County report.<sup>1</sup>

The citizens of Daviess and DeKalb Counties approved a half-cent sales tax in November 2005, to provide regional jail services and court facilities and equipment for the two counties. Sales tax receipts were \$907,230 in 2012. A four member commission consisting of the Presiding Commissioner and the Sheriff from both counties oversees jail operations. If the jail is unable to

<sup>1</sup> SAO Audit Report 2012-17, *DeKalb County*, issued in March 2012.



## Daviess County Management Advisory Report - State Auditor's Findings

### 2.1 Segregation of duties

meet financial obligations, Daviess and DeKalb Counties become equally liable for all debts pertaining to the jail.

Duties involving the inmate account, which consists of commissary activities and bonds, are not adequately segregated nor are there supervisory reviews of these records. The duties of receiving, recording, depositing, disbursing, and reconciling monies for the inmate account are the responsibility of one clerk.

Internal controls would be improved by segregating the duties of receiving, depositing, and disbursing monies from recording and reconciling receipts. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of the records should be performed and documented by the Jail Administrator and Jail Commission.

### 2.2 Liabilities

Monthly lists of liabilities are not prepared for the inmate account, and consequently, liabilities are not reconciled with cash balances. The December 31, 2012, bank balance was \$15,473. Upon our request, the jail clerk identified the liabilities in the account. The clerk was able to reconcile the liabilities, including inmate balances, outstanding checks, and commissary profits, to the bank balance.

Monthly lists of liabilities should be prepared and reconciled to cash balances to ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient cash is available for the payment of all liabilities. Discrepancies should be promptly investigated.

### 2.3 Budget oversight

The Jail Commission does not review budget-to-actual reports to adequately monitor the status of the jail budget, and as a result, during 2012 amounts budgeted for disbursements were overspent by \$290,703. Budgeted disbursements for 2012 totaled \$2,536,106 while actual disbursements totaled \$2,826,809. Without reviewing budget-to-actual information, the Jail Commission cannot effectively monitor the financial operations of the jail.

Budget documents are an essential tool for the efficient management of jail finances. Actively utilizing budget-to-actual status reports when making spending decisions is necessary to improve the effectiveness of the budgets as a planning tool and ensure compliance with state law. In addition, monitoring the budget and financial operations of the jail is essential to the county since the county will be liable for debts the jail cannot cover.

### 2.4 Sunshine law

Open meeting minutes did not cite the specific statute and subsection allowing for the Jail Commission to go into closed session. Further, instances were identified where the closed meeting minutes disclosed issues discussed that are not allowable under the Sunshine Law. For example, topics improperly discussed related to distribution of cash from vending



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Daviess County  
Management Advisory Report - State Auditor's Findings

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machine profits awarded to employees at Christmas, and the number of hours retired employees could work before affecting retirement status.

The Sunshine Law, Chapter 610, RSMo, requires the reason for the closed meeting to be cited in the open meeting. Additionally, the Sunshine Law limits discussion topics and actions in closed meetings to only those specifically allowed by state law.

## 2.5 Published financial statements

The Jail Commission did not publish its financial statements or provide financial information to the counties for inclusion in the counties' published statements for the year ended December 31, 2012. Section 50.800, RSMo, provides details regarding the various information required to be provided in county annual published financial statements and requires that receipts, disbursements, and beginning and ending balance information be presented for all county funds. Complete published financial statements are needed to adequately inform the citizens of county financial activities and show compliance with statutory requirements.

## Recommendations

We recommend the County Commission work with the Daviess-DeKalb Regional Jail Commission to ensure:

- 2.1 Accounting duties are segregated to the extent possible or documented supervisory or independent reviews of the accounting records are performed.
- 2.2 Monthly lists of liabilities are prepared and compared to the reconciled bank balance, and any differences are promptly investigated and resolved.
- 2.3 The budget is monitored adequately.
- 2.4 Open meeting minutes cite the specific statute and subsection used for entering closed session and items discussed in closed meetings comply with the Sunshine Law.
- 2.5 Financial statements are published annually.



Daviess County  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The County Commission, Daviess-DeKalb Regional Jail Commission, and Jail Administrator provided the following responses:*

- 2.1 Duties involving the inmate account will be reviewed and supervised by the Jail Administrator or the assistant administrator, including depositing and reconciling monies for the inmate account, at least once a month.*
- 2.2 We will request from our commissary program developer a report that can be generated in the computer to list all liabilities, including inmate balances, outstanding checks and commissary profits that can be reconciled to the bank balance.*
- 2.3 The budget will be monitored by the Jail Commission. An accounting firm has been contracted to review the books and budget at the end of every quarter and report to the Jail Commission.*
- 2.4 According to the Sunshine Law, the agenda and minutes will include specific statutes and subsections as to why the Board needs to have a closed session. Also, only those topics will be discussed in that closed session.*
- 2.5 The financial statements will be available to each county and will be published annually.*

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## 3. Prosecuting Attorney

The Prosecuting Attorney does not properly perform or document monthly bank reconciliations. The Prosecuting Attorney indicated bank reconciliations were performed, but documentation of the reconciliations was not generated from the computer system and retained. In addition, our review of bank statements and computer system records identified issues which should have been identified during a proper bank reconciliation. There were multiple checks entered incorrectly in the computer system. One deposit that cleared the bank was not included on the records in the computer system. In addition, a liabilities list is not prepared and reconciled to the available cash balance in the checking account. The most recent liabilities list available was prepared for February 2012. The bank balance in the checking account at December 31, 2012, was \$19,892 while the book balance was \$3,727. Given the discrepancies noted in our review of bank statements and records, it is unlikely all transactions were properly identified and handled.

Without generating and retaining a printed copy of the monthly reconciliation, a current outstanding check list, and a liabilities list, the Prosecuting Attorney does not have documentation to support that the accounting records are in balance and sufficient cash is available to pay all liabilities.



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Daviess County  
Management Advisory Report - State Auditor's Findings

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A similar condition was noted in our prior audit report.

## Recommendation

The Prosecuting Attorney perform and document a proper reconciliation between the bank balance and accounting records monthly. In addition, month-end liabilities should be identified and compared to the cash balance, and any discrepancies should be promptly investigated and resolved.

## Auditee's Response

*The Prosecuting Attorney provided the following written response:*

*Based on the last audit, I purchased software to handle the accounting needs of this office. All deposits and checks were logged into the software. Each month, cashed checks were marked on the program as well, and reconciliation was completed. Unbeknownst to me, the particular software purchased has issues with reconciliations, and a glitch in recordings. This was not discovered until I attempted to retrieve reconciliations for the auditors. As the Auditor's office witnessed, attempts to retrieve information resulted in the balance in the computer balance sheet being greatly different than the bank balance. After several hours of work, and consultation with tech support, I was unable to retrieve the previous balance and reconciliation information.*

*Fortunately, this office maintains very accurate records of every payment received, and the corresponding payment for restitution, as well as documentation of uncashed checks, overpayments, and restitution held in the account. Because we have several cases in which one or more defendant is paying a large amount of money to more than one victim, the balance in the restitution account often varies greatly. Each deposit made is logged, as is the corresponding payment to the victim or other entity. Monthly, a report is prepared regarding the above and filed with the Treasurer.*

*Within the next few months, I will take the records in my office, including the monthly reports, bank statements, records of payments, and restitution balances, and reaccount for the balance information that the software did not maintain. As with the previous audit, I cannot account for the substantial account balance prior to me taking office, as they cannot be identified due to a lack of records prior to 2007.*





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## 4. Senate Bill 40 Board

Accounting controls and reporting compliance are in need of improvement.

### 4.1 Budget

Budget documents do not reasonably reflect the anticipated disbursements and the ending cash balance. Budgeted disbursements are significantly overestimated, and as a result, the actual ending cash balances were much higher than the projected ending balances reflected on the budget documents.

The Senate Bill 40 Board Treasurer indicated she was directed by the Board to include all available funds as budgeted disbursements to avoid having to amend the budget. Budgeted disbursements for the year ended December 31, 2012, totaled \$338,836 while actual disbursements totaled \$97,915, for an overestimation of \$240,921. Over-budgeting disbursements results in an inaccurate estimation of the Board's financial position.

For budgets to be of maximum assistance to the Senate Bill 40 Board and to adequately inform county residents of the Board's operation and anticipated financial condition, budgets should reflect reasonable estimates of receipts and disbursements and the anticipated ending cash balance.

### 4.2 Bank reconciliations

Bank reconciliations are not performed in a timely manner. The Board Treasurer performs a yearly reconciliation but does not perform monthly reconciliations throughout the year.

Timely preparation of monthly bank reconciliations is necessary to ensure bank accounts are in agreement with the accounting records and to detect and correct errors.

A similar condition was noted in our prior audit report.

### 4.3 Financial statements

The Senate Bill 40 Board did not publish its financial statement for the year ended December 31, 2012. Section 50.800, RSMo, provides details regarding the various information required to be provided in the county's annual published financial statements and requires that receipts, disbursements, and beginning and ending balance information be presented for all county funds. Complete published financial statements are needed to adequately inform the citizens of the Board's financial activities and show compliance with statutory requirements.



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Daviess County  
Management Advisory Report - State Auditor's Findings

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## Recommendations

We recommend the Senate Bill 40 Board:

- 4.1 Ensure reasonable estimates are used for disbursements when preparing the budget.
- 4.2 Ensure bank reconciliations are performed monthly.
- 4.3 Publish financial statements annually as required by state law.

## Auditee's Response

*The Senate Bill 40 Board provided the following responses:*

- 4.1 *Future budgets will include more reasonably budgeted expenditures.*
- 4.2 *Bank reconciliations will be kept on a monthly basis in the future.*
- 4.3 *The Senate Bill 40 Board will provide financial statements to the Daviess County Clerk for publication without reference to specific applicants, per Health Insurance Portability and Accountability Act (HIPAA) regulations.*

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# Daviess County

## Organization and Statistical Information

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Daviess County is a township-organized, third-class county. The county seat is Gallatin.

Daviess County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 18 full-time employees and 8 part-time employees on December 31, 2012. The townships maintain county roads.

In addition, county operations include the Daviess-DeKalb Regional Jail District Commission, Senate Bill 40 Board, and Senior Citizens' Services Board. The Jail Commission includes the Presiding County Commissioners of Daviess and DeKalb Counties as well as the Sheriff of each county.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2013	2012
Randy Sims, Presiding Commissioner	\$	30,349
David Cox, Associate Commissioner		27,593
Carl Carder, Associate Commissioner		27,593
Georgia Maxwell, Recorder of Deeds		39,768
Linda Steward, County Clerk		42,544
Andrea Gibson, Prosecuting Attorney		50,590
Ben Becerra, Sheriff		46,438
David W. McWilliams, County Coroner		12,073
Linda S. Houghton, Public Administrator		21,707
Reta J. Rains, County Collector-Treasurer, year ended March 31,	41,298	
Betty Harmison, County Assessor, year ended August 31,		43,058

### Financing Arrangements

In December 2011, the Daviess-DeKalb Regional Jail District Commission refinanced the loan for the jail facility, for \$1,860,000 of Missouri Lease Refunding Certificates of Participation, Series 2011, to pay for jail services, court services, and equipment for the region. At December 31, 2012, the Daviess-DeKalb Regional Jail District Commission owed \$1,435,000 in



Daviess County  
Organization and Statistical Information

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American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)

principal and \$61,357 in interest on these certificates. The certificates are to be paid in full in 2016.

Daviess County did not receive any federal stimulus monies during the year ended December 31, 2012.



**Thomas A. Schweich**  
Missouri State Auditor

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## Twelfth Judicial Circuit

### City of Warrenton Municipal Division

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June 2013

Report No. 2013-052



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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the Twelfth Judicial Circuit, City of Warrenton Municipal Division

Municipal Procedures	A total of \$1,977 in court receipts were not accounted for accurately or properly distributed. Prior to October 2012, when audit staff brought it to the city's attention, the municipal division accounting program allowed clerks to post corrections of prior period transactions in the prior period accounting records, and, as a result, any transactions corrected were not reflected in the current period records and were not distributed. In addition, instead of increasing the court costs assessed to include the \$2 domestic violence fee, the Court Clerk distributed \$2 of the fine amount collected to the local domestic violence shelter, so between July 2011 and September 2012, fines paid to the city were reduced by \$6,426.
Tickets	The Court Clerk has the ability to amend tickets without evidence of approval by the Prosecuting Attorney, which is a significant control weakness and increases the likelihood of tickets being handled improperly and the risk of loss, theft, or misuse of monies going undetected. Additionally, the Police Department and the municipal division do not work together to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly, making it difficult to ensure all tickets are accounted for properly.

In the areas audited, the overall performance of this entity was **Good**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The Twelfth Judicial Circuit, City of Warrenton Municipal Division did not receive any federal stimulus monies during the audited time period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Twelfth Judicial Circuit

## City of Warrenton Municipal Division

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Presiding Judge  
Twelfth Judicial Circuit  
and  
Municipal Judge  
City of Warrenton, Missouri

We have audited certain operations of the City of Warrenton Municipal Division of the Twelfth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2012. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Warrenton Municipal Division of the Twelfth Judicial Circuit.



A petition audit of the City of Warrenton, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible, and a middle initial "A" in between.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Robert Showers, CPA, CGAP
In-Charge Auditor:	Heather R Stiles, MBA, CPA
Audit Staff:	Terese Summers, MSAS, CPA

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# Twelfth Judicial Circuit

## City of Warrenton Municipal Division

### Management Advisory Report - State Auditor's Findings

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#### **1. Municipal Procedures**

Procedures related to distributing court costs and preparing reports are in need of improvement. According to municipal division records, approximately \$650,700 in fines, court costs, and bonds forfeited were collected by the municipal division during the year ended June 30, 2012. Monies collected on behalf of the municipal division are deposited into the city's general account.

##### **1.1 Distributions**

A significant weakness existed in the municipal division accounting program which resulted in court receipts of \$1,977 not accounted for accurately or properly distributed.

Prior to October 2012, the municipal division accounting program allowed clerks to post corrections of prior period transactions in the prior period accounting records rather than requiring the correction be posted in the current period. As a result, any transactions corrected were not reflected in the current period records and were not distributed. Any undistributed amounts remained in the city's bank account.

When we brought this prior period correction issue to the city's attention in October 2012, revised monthly Municipal Division Summary Reporting forms for November 2010 through September 2012 were generated and compared to original reports submitted to the Office of State Courts Administrator (OSCA) for this timeframe. Based on this analysis, a total of \$2,954 received had not been accounted for accurately or properly distributed. The city subsequently performed a detailed review of the improperly recorded transactions and determined the actual amount of the discrepancy to be \$1,977. In addition, the untimely posting of these transactions to the accounting system resulted in inaccurate monthly reports to the OSCA of amounts distributed to state and city funds.

The city has taken action to ensure any future adjustments to prior period items are made and distributed in the current period and have appropriately accounted for and distributed the \$1,977 to the appropriate entities, the majority of which went to city funds. Reconciling the amounts received and deposited to the activity posted to the accounting system would help ensure all monies collected are distributed and reported appropriately and all reports accurately reflect the activity of the court.

##### **1.2 Domestic violence fee**

A domestic violence fee was not collected in accordance with state law or municipal code. In June 2011, the municipal code was amended to increase court costs by adding a \$2 domestic violence fee to all court cases, except for cases dismissed. However, the Court Clerk did not increase the court costs assessed to include this fee. Instead, in cases where a fine was ordered, \$2 of the fine amount collected was distributed to the local domestic violence shelter to satisfy the domestic violence fee requirement. Between July 2011 and September 2012, \$6,426 was distributed to the domestic



Twelfth Judicial Circuit  
City of Warrenton Municipal Division  
Management Advisory Report - State Auditor's Findings

violence shelter from city fine collections. As a result, fines paid to the city were reduced by \$6,426.

Section 488.607, RSMo, and Section 135.220(8) of Warrenton Municipal Code, authorizes this \$2 surcharge be collected on all court cases for violations of municipal ordinances, except for cases dismissed by the court.

## Recommendations

The City of Warrenton Municipal Division:

- 1.1 Discontinue making adjustments to prior periods and reconcile amounts received to amounts posted to the computer system and distributed.
- 1.2 Increase court costs for the \$2 domestic violence fee and distribute court costs and fees in accordance with state law and municipal code.

## Auditee's Response

*The Municipal Judge provided the following written responses:*

- 1.1 *As the Auditor points out, upon the discovery that the court's software was defective in posting of prior payment corrections, a procedure was immediately initiated by the city requiring prior written approval by the city's Finance Manager for any and all payment corrections. Under the court's new policy, posting journals are approved by the city's Finance Manager after the corrections have been made in order to verify that the transactions are properly recorded and the payment distribution report generated from the court software is reconciled to the payment report generated by the cashier. The court's new policy assures that any discrepancies are identified prior to submitting the OSCA report to ensure that it is accurate.*

*In January 2013, distributions totaling \$154 were made to the appropriate entities and the remainder of \$1,823, representing the city portion of the \$1,977, discrepancy was redistributed to the correct general ledger revenue accounts.*

- 1.2 *When the \$2.00 surcharge for domestic violence shelters was added to the court costs by ordinance, the fine violation bureau schedule was not correctly posted to reflect the additional costs. During this time period the local domestic violence shelter was still paid \$2.00 on every case disposition pursuant to the city's ordinance, however those monies were paid from city funds and not collected from defendants as additional court costs as nominally authorized by the ordinance. The fine violation bureau schedule has been updated and posted and will be reviewed quarterly by the Municipal Judge and the city's Finance Manager.*



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## 2. Tickets

Procedures over ticket disposition and ticket accountability need improvement.

### 2.1 Ticket disposition

Evidence does not always exist to document the City Prosecuting Attorney's approval of amended or dismissed traffic tickets.

The Court Clerk is allowed to amend simple speeding violations to non-moving violations and to nolle pros (dismiss) traffic violations issued for no proof of insurance if the defendant provides proof of insurance. While municipal division procedures indicate the Prosecuting Attorney is to initial the case jacket indicating his approval, no approval was documented for eight of ten amended tickets reviewed. In addition, according to Police Department records, three tickets were dismissed by the Prosecuting Attorney prior to submission to the municipal division and do not include documentation of the Prosecuting Attorney's approval to dismiss.

The ability of the Court Clerk to amend tickets without approval of the Prosecuting Attorney is a significant control weakness, and increases the likelihood of tickets being handled improperly and the risk of loss, theft, or misuse going undetected. Missouri Supreme Court Rule 37.35 states citations shall be in writing and signed by the prosecutor and filed with the municipal division. To ensure the proper disposition of all cases has been entered in the municipal division records, the Prosecuting Attorney should sign or initial all amended or nolle pros tickets indicating approval.

### 2.2 Ticket accountability

The Police Department and the municipal division do not work together to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly. The Police Department maintains a record of ticket books assigned to each officer and tickets issued or voided are posted to a computerized records management system; however, our audit determined the Police Department ticket log is incomplete. Our review of tickets issued for the year ended June 30, 2012, identified 13 tickets that had been forwarded to the municipal division for prosecution but had not been entered in the Police Department computerized records.

The municipal division also maintains computerized records of tickets issued and submitted by the Police Department for prosecution; however, the municipal division does not account for the numerical sequence of all tickets issued or ensure all tickets are accounted for properly. A comparison of the municipal division and Police Department records for the year ended June 30, 2012, identified 40 tickets documented in the Police Department system, but not included in the municipal division system. Upon investigation, the Police Department determined 25 of these tickets had been submitted to the county Prosecuting Attorney, 12 of the tickets had been voided, but had not been documented as voided in police system, and 3 of the tickets had been dismissed by the city Prosecuting Attorney prior to



Twelfth Judicial Circuit  
City of Warrenton Municipal Division  
Management Advisory Report - State Auditor's Findings

being submitted to the municipal division. Had these dispositions been entered in the Police Department's ticket log, the difference between the court and Police Department records would have been explained with no additional follow up needed.

Without a proper accounting of the numerical sequence and ultimate disposition of tickets issued, the municipal division and the Police Department cannot be assured all tickets are properly submitted for processing. A record should be maintained to account for the ultimate disposition of each ticket issued to decrease the risk of loss, misuse, or theft of funds.

## Recommendations

The City of Warrenton Municipal Division:

- 2.1 Ensure the city Prosecuting Attorney signs all amended and nolle pros tickets.
- 2.2 Work with the Police Department to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.

## Auditee's Response

*The Municipal Judge provided the following written responses:*

- 2.1 *Although no citations reviewed by the auditor were discovered to have received an improper disposition, the city agrees that the disposition documentation of the eight cases mentioned in the audit lacked clarity. The court has implemented an administrative order dated May 31, 2013 which mandates that no municipal court cases which are (a) disposed of by way of plea to an amended charge (i.e., one other than the original charge reflected on the charging document) or (b) in which a nolle prosequi has been entered are to be deemed closed without proper written documentation from the Prosecuting Attorney. Furthermore, effective October, 2012, the Finance Manager randomly audits, on a monthly basis, court files prior to approving the Office of the State Court Administrator's report as an additional control measure to ensure proper documentation of such dispositions.*

*Pursuant to the court's administrative order dated May 31, 2013: all tickets are required to be processed by the Court Clerk's office. Tickets that are voided, dismissed, or transferred to another agency are still processed and recorded by the court.*

- 2.2 *Upon the discovery of the discrepancy in ticket records in October 2012, a procedure was immediately implemented requiring the Court Clerk to send an approved monthly citation listing to the*



Twelfth Judicial Circuit  
City of Warrenton Municipal Division  
Management Advisory Report - State Auditor's Findings

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*Police Department so that a comparison is completed ensuring all that citations are correctly entered in both the police department's records and the court's record. Furthermore, in January 2013 the police department implemented an internal review of the monthly final disposition docket so that final dispositions can be added to police records.*

*The current fiscal year budget includes the cost for integration of the police records software and the court records software. This process requires specific software programming to be written by the respective software companies and is in process at this time. This software programming will export the defendant's name, the police officer's name, the vehicle identification, and other citation data from the police software to the court software which will ensure that all citations are included in both programs. An audit process and review of this new software programming is included in the planned implementation of this software.*

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# Twelfth Judicial Circuit

## City of Warrenton Municipal Division

### Organization and Statistical Information

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The City of Warrenton Municipal Division is in the Twelfth Judicial Circuit, which consists of Audrain, Montgomery, and Warren Counties. The Honorable Wesley C. Dalton serves as Presiding Judge. The City of Warrenton Municipal Division was established in October 2009.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

#### Personnel

At June 30, 2012, the municipal division employees were as follows:

Title	Name
Municipal Judge	W. Christopher McDonough
Court Administrator	Jeri Halsey-Walters
Court Records Clerk	Cheryl Fortenberry

#### Financial and Caseload Information

	Year Ended June 30, 2012
Receipts	\$650,683
Number of cases filed	4,945

#### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The City of Warrenton Municipal Division did not receive any federal stimulus monies during the year ended June 30, 2012.



# Thomas A. Schweich

Missouri State Auditor

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## Moniteau County



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July 2013

Report No. 2013-053

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<http://auditor.mo.gov>





# CITIZENS SUMMARY

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## Findings in the audit of Moniteau County

Financial Condition	As noted in prior audits, the General Revenue Fund and the Special Road and Bridge Fund remain in poor financial condition. In addition, the Capital Improvement Fund cash balance has declined significantly in recent years. Each year the county transfers funds from the Capital Improvement Fund to subsidize the General Revenue Fund.
Property Tax System Controls and Procedures	The property tax system controls and procedures are in need of improvement. Audit staff identified numerous errors in the annual settlements, and the County Collector lacked an adequate understanding of the annual settlement report requirements. Collections and distributions did not balance; and some distributions, tax book charges, collections, and refunds were understated. Neither the County Commission nor the County Clerk adequately reviews the activities of the County Collector, and as a result, the County Commission approved annual settlements containing error messages and significant errors. The County Collector and her staff do not record receipts in the property tax system immediately upon receipt, increasing the risk that theft, loss, or misuse of monies will go undetected.
County Collector's Controls and Procedures	The County Collector does not perform monthly bank reconciliations properly and does not adequately investigate differences. The County Collector periodically makes unsupported adjustments to the accounting records to reconcile to the bank balance.
Capital Assets and Vehicles	Most officials have not conducted required annual inventories, and the County Clerk has not requested the inventory reports. As a result, the county's capital asset records are not complete and up to date. The county does not effectively monitor vehicle and fuel use, making it difficult to ensure county vehicles and fuel are used only for benefit of the county. The Sheriff and Assessor lack sufficient fuel and mileage records, and a complete inventory of the bulk fuel tank is not maintained. Similar findings were noted in our prior audit report.
Computer Controls	Neither the Sheriff's office nor the Public Administrator's office keeps passwords confidential, and passwords are not required to be changed periodically in the offices of the Ex Officio Recorder of Deeds and Sheriff. There is no security control in place to detect or prevent incorrect log-on attempts in the offices of the County Clerk, County Collector, Ex Officio Recorder of Deeds, Sheriff and County Treasurer. Backups are performed regularly and stored off-site, but only the offices of the Sheriff, County Collector and Assessor periodically test the backup data.

Sheriff's Civil Paper Service Fees	The Sheriff's office lacks adequate procedures to track, follow up, and ensure timely collection of amounts owed for civil paper service fees. At the request of audit staff, Sheriff's office personnel compared amounts due and received and identified \$3,100 in unpaid fees for services provided in 2012, as of April 2013.
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Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.
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In the areas audited, the overall performance of this entity was **Fair**.<sup>\*</sup> However, the audit revealed serious shortcomings with the County Collector's office and Property Tax System Controls and Procedures.

American Recovery and Reinvestment Act (Federal Stimulus)	Moniteau County did not receive any federal stimulus monies during the audited time period.
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<sup>\*</sup>The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our website: <http://auditor.mo.gov>**

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Moniteau County

We have audited certain operations of Moniteau County in fulfillment of our duties under Section 29.230, RSMo. In addition, Casey-Beard-Boehmer PC, Certified Public Accountants, has been engaged to audit the financial statements of Moniteau County for the 2 years ended December 31, 2012. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Moniteau County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Kim Spraggs, CPA
In-Charge Auditor:	Denise Huddleston, MBA
Audit Staff:	Erica Schroer
	Andrew Ferguson, M.Acct.

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# Moniteau County

## Management Advisory Report

### State Auditor's Findings

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#### **1. Financial Condition**

As noted in prior audits, the financial condition of the General Revenue (GR) Fund and the Special Road and Bridge (SRB) Fund remains poor. In addition, the Capital Improvement (CI) Fund cash balance has significantly declined in recent years. The following table reflects ending cash balances of these funds for the last 4 years and anticipated amounts for 2013, according to the approved county budgets.

Cash Balance, December 31	2013 Budgeted	2012 Actual	2011 Actual	2010 Actual	2009 Actual
General Revenue Fund	\$ (3,780)	24,525	9,519	34,841	2,538
Capital Improvement Fund	262,664	625,164	2,474,730	2,237,956	1,845,185
Special Road and Bridge Fund	85,511	182,511	137,033	127,560	226,181

The county transfers monies from the CI Fund to the GR Fund each year to cover county operating expenses. Moniteau County voters authorized a 1/2 cent general sales tax levy in 2002 for maintaining and improving county roads and bridges, the courthouse, and the county jail; bridge replacements; and maintaining law enforcement and other essential services of county government. These sales tax receipts, which totaled over \$500,000 annually, are deposited in the CI Fund. Because significant transfers and disbursements were made from the CI Fund for county operations and other purposes, construction of the new county jail was delayed until sufficient funds had accumulated in the CI Fund. The new jail, which cost approximately \$3.1 million, was completed in March 2013.

To increase the CI Fund cash balance to pay for the new jail, the county stopped paying some Road and Bridge department expenses from the CI Fund in 2009. Since then, the Road and Bridge department disbursements have been paid solely from the SRB Fund, and the financial condition of the SRB cash balance has declined. In addition, a deficit GR Fund cash balance was budgeted at December 31, 2013.

The County Commission indicated it is aware of the financial condition concern and is continually trying to reduce disbursements and maximize revenues. As of April 2013, county officials indicated they do not expect a deficit GR Fund cash balance at December 31, 2013, because they plan to spend less than the amounts budgeted. They also indicated since all jail construction costs have been paid, all future CI Fund receipts will be available for county operations, including operating the new jail and/or capital improvement and road and bridge projects.

It is essential the County Commission address the county's financial condition both in the immediate and long-term future. Reducing spending where possible, evaluating controls and management practices to ensure efficient use of county resources, and maximizing all sources of revenue are necessary to improve the county's financial condition. In addition, Section



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50.610, RSMo, and Article VI, Section 26(a), Missouri Constitution, prohibit deficit budgeting.

## Recommendation

The County Commission closely monitor the county's financial condition and take the necessary steps to improve the financial condition of the General Revenue Fund, the Capital Improvement Fund, and the Special Road and Bridge Fund. In addition, the County Commission should refrain from budgeting deficit balances.

## Auditee's Response

*The County Commission provided the following written response:*

*The County Commission will closely monitor the financial condition of the county. The County Commission closely monitors the budget on a monthly basis and will ensure the efficient use of county resources.*

*The county jail is now completed and funds coming into the county will be able to be used for other needed areas and purposes allowing for some relief to the General Revenue, Capital Improvement, and Special Road and Bridge Funds.*

*The County Commission was successful in passing a county local use tax in April that will be effective July 2013, thus increasing some revenue to the General Revenue Fund. The County Commission will reduce spending wherever possible and will work to improve the financial condition of the county. With the completion of the jail, the local use tax passage, and continuing monitoring and reducing expenditures where possible the County Commission hopes to see improvement in the county's financial condition. In addition, the County Commission will refrain from budgeting deficit balances.*

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## 2. Property Tax System Controls and Procedures

Controls and procedures over the property tax system are in need of improvement. For the year ended February 28, 2013, property taxes charged to the County Collector totaled approximately \$11 million.

### 2.1 Annual settlements

Our review of the County Collector's annual settlements for the 2 years ended February 28, 2013, identified numerous errors. These were the first annual settlements prepared by the County Collector, and she lacked an adequate understanding of the annual settlement report requirements and did not properly compile information from various supporting records.

The following errors were identified on the County Collector's annual settlement for the year ended February 29, 2012:

- Collections and distributions reported on the annual settlement did not balance (collections exceeded distributions by \$112,042). After the



## Moniteau County Management Advisory Report - State Auditor's Findings

errors noted below were considered, collections exceeded distributions by \$155,675. The County Collector was not able to identify the difference.

- Utility and prior year protested taxes were not accurately reported on the annual settlement causing understatements of tax book charges by \$115,214, collections by \$104,569, and refunds by \$10,645.
- Distributions reported on the annual settlement were understated by \$60,936 due to failure to include \$62,949 in railroad and utility taxes distributed to schools, double counting commission fees, and a data entry error in the County Collector's spreadsheets used to prepare the annual settlement.

Distributions exceeded collections by \$1.7 million on the annual settlement for the year ended February 28, 2013. Due to this significant difference and the problems identified on the annual settlement for the year ended February 29, 2012, we returned the annual settlement to the County Collector and asked her to investigate and resolve the difference. The County Collector identified numerous errors on the annual settlement and supporting spreadsheets. These errors included calculation errors, data entry errors, and failure to report or double counting of certain distributions. The County Collector corrected these errors and filed an amended annual settlement in April 2013. Collections exceed distributions by \$530 on the amended annual settlement for the year ended February 28, 2013.

By not accurately reporting all activity on the annual settlement, there is less assurance collections have been handled and accounted for properly. Section 139.450, RSMo, states the County Collector shall include in the annual settlement the whole amount of taxes collected.

### 2.2 Review of property taxes

Neither the County Commission nor the County Clerk adequately reviews the activities of the County Collector. The County Clerk maintains an account book summarizing property tax transactions each month; however, the account book does not include protested taxes. While the account book accurately recorded utility taxes, the County Clerk failed to identify the difference between the account book and the annual settlement for these taxes. In addition, no evidence was provided to indicate procedures are performed by the County Commission to verify the County Collector's annual settlements. Due to this lack of oversight, the County Commission approved annual settlements containing error messages and significant errors, including the \$1.7 million overstatement of distributions (15 percent of charges totaling \$11 million) on the annual settlement for the year ended February 28, 2013 (see section 2.1). Without adequate review procedures, there is an increased risk of loss, theft, and misuse of property tax monies





## Moniteau County Management Advisory Report - State Auditor's Findings

going undetected, and less assurance the annual settlements are complete and accurate.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other record which summarizes all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such record should be used by the County Clerk and County Commission to verify the County Collector's annual settlements. These procedures are intended to establish checks and balances related to the collection of property taxes.

### 2.3 Receipts

Receipts are not recorded in the property tax system immediately upon receipt. When monies are collected, the property tax statement is stamped paid. At the end of the day, the paid property tax statements are used to enter the receipts into the property tax system. Instances were noted where refunds were issued by the County Collector because the taxes had already been paid. If payments were recorded immediately upon receipt, taxes already paid would be identified on a timely basis, duplicate payments would not be collected, and refunds would not be necessary. The County Collector indicated her staff are too busy to record receipts in the property tax system when received.

Failure to record receipts in the property tax system immediately upon receipt increases the risk that theft, loss, or misuse of monies received will go undetected.

### Recommendations

- 2.1 The County Collector file complete and accurate annual settlements. The County Collector should continue to investigate the differences reported on the annual settlements.
- 2.2 The County Clerk maintain a complete and accurate account book with the County Collector. In addition, the County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.
- 2.3 The County Collector record receipts in the property tax system immediately upon receipt.

### Auditee's Response

*The County Collector provided the following written responses:*

- 2.1 *I (Collector) and the County Clerk are working on a way to get a more accurate and completeness on the annual settlements.*



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*Working on February 29, 2012 annual settlement to get it balanced.  
Hoping to get this taken care of by August 2013.*

- 2.3 *I would have to hire another person and buy more computers for the counters. I don't have the budget nor do I have the space.*

*The County Commission and the County Clerk provided the following written response:*

- 2.2 *County Clerk will continue to work with the County Collector on controls and procedures over the property tax system. Additional steps have already been taken to correct errors in the previous annual reports, and new programs detailing the monthly book totals in the tax system are now being received by both the County Collector and County Clerk for review and accuracy. The County Clerk will request a list of all protested tax amounts in January of each year and the County Commission will also review reports filed by the County Collector.*

**Auditor's Comment**

- 2.3 Entering receipts in the property tax system at the end of day, rather than immediately upon receipt, and later issuing refunds for those receipts which had already been paid, is not an efficient use of county resources. In addition, this practice increases the risk that theft, loss, or misuse of monies will go undetected.

**3. County Collector's  
Controls and  
Procedures**

Monthly bank reconciliations are not properly performed and differences are not always adequately investigated. In addition, a monthly listing of liabilities is not prepared and reconciled to the cash balance.

Our review of the October 2012 bank reconciliation and check register noted a \$2,259 adjustment was made to the accounting records to increase the book balance in order to reconcile to the bank balance. Our review of the November 2012 bank reconciliation noted a \$600 deposit correction (decrease) identified by the bank was recorded as an adjustment on the bank reconciliation, instead of properly correcting the accounting records. The County Collector stated she occasionally makes balance adjustments to the accounting records to reconcile the book balance to the bank balance. Additional errors and differences were noted on subsequent bank reconciliations reviewed. Furthermore, the County Collector failed to follow up on the \$600 deposit correction; and as a result, a \$600 underpayment was not identified. After we brought the underpayment to the County Collector's attention, she contacted the taxpayer and collected the \$600 remaining amount due in April 2013.

Adequate and accurate bank reconciliations are necessary to ensure all receipts and disbursements are accounted for properly. Without a regular



## Moniteau County Management Advisory Report - State Auditor's Findings

comparison of liabilities to the reconciled cash balance, there is less likelihood errors will be identified and the ability to resolve errors is diminished. Differences must be adequately investigated and explained and the practice of making unsupported adjustments to the cash balance should be discontinued to provide assurance that bank and book amounts have been properly reconciled, and that book balances are accurately stated.

### Recommendation

The County Collector ensure bank reconciliations are properly performed and monthly lists of liabilities are prepared and reconciled to the cash balances. Any discrepancies between the accounting records and reconciliations should be investigated and resolved. In addition, the County Collector should discontinue the practice of making unsupported adjustments to the cash balance.

### Auditee's Response

*The County Collector provided the following written response:*

*Will check to ensure bank reconciliations are properly performed and monthly lists of liabilities are prepared and reconciled to the cash balances. I will investigate and resolve any discrepancies noted in the reconciliation process. In addition, I will discontinue making unsupported adjustments to the cash balance.*

## 4. Capital Assets and Vehicles

Procedures related to capital assets and vehicle and fuel use need improvement.

### 4.1 Capital assets

Procedures and records to account for county property are not adequate. In addition, the county does not have adequate procedures in place to identify capital asset purchases and dispositions throughout the year. As a result, the county's capital asset records are not complete and up to date. In 2009, based on prior audit recommendations, the County Commission sent a reminder to all county officials that inventories should be conducted annually and submitted to the County Clerk's office by October 10th in accordance with state law. However, most officials have not conducted the required annual inventories and the County Clerk has not requested the inventory reports from the officials. In 2012, the County Clerk only received an inventory report from Road and Bridge District No. 2.

Adequate capital asset records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Procedures to track capital asset purchases and dispositions throughout the year and compare to physical inventory results would enhance the county's ability to account for capital assets and potentially identify unrecorded additions and dispositions, identify obsolete assets, and deter and detect theft of assets. Section 49.093, RSMo, provides that the officer or their designee of each county department



## Moniteau County Management Advisory Report - State Auditor's Findings

is responsible for performing annual inspections and inventories of county property used by their department and for submitting an inventory report to the County Clerk.

### 4.2 Vehicle and fuel use

The county has not established effective monitoring procedures for vehicle and fuel use. Fuel is purchased for vehicles with fuel cards from a local vendor. In addition, Road and Bridge department employees dispense diesel fuel into equipment from a bulk fuel tank maintained at the Road and Bridge department shed. The Road and Bridge department, Sheriff's office, and Assessor's office spent approximately \$198,500 on fuel during the year ended December 31, 2012, for 43 Road and Bridge vehicles and equipment, 9 patrol cars, and the Assessor's office car.

The Sheriff and Assessor lack sufficient fuel and mileage records. Sheriff's office employees are required to document mileage on daily reports and attach fuel receipts to the reports; however, these reports are often not completed and/or fuel receipts are not attached. The Assessor does not maintain mileage or fuel logs for the county vehicle used by his office. While the Road and Bridge department maintains a log of bulk fuel purchases and individual logs indicating fuel dispensed from the tank for each equipment item, a complete inventory of the bulk fuel tank is not maintained. Although monthly fuel statements are reviewed by the County Commission, Sheriff, Assessor, and County Clerk; without adequate fuel records, a reconciliation of the statements to records of fuel used and fuel inventory cannot be performed.

Maintenance and review of vehicle and equipment mileage/use logs and bulk fuel inventory records, and comparison of log information and inventory records to fuel purchases and fuel tank meter readings are necessary to ensure vehicles and equipment are properly utilized, prevent paying vendors for improper billing amounts, and decrease the risk of theft or misuse of fuel occurring without detection. Sufficiently detailed logs should be maintained for all trips so the county can effectively monitor vehicle and equipment use and fuel costs.

### Similar conditions previously reported

Similar conditions were noted in our prior audit report.

### Recommendations

- 4.1 The County Commission and the County Clerk work with other county officials to ensure complete and accurate inventory records are maintained and annual physical inventories are conducted, and implement procedures for tracking capital asset purchases and dispositions throughout the year.



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- 4.2 The County Commission, Sheriff, and Assessor ensure complete mileage and fuel logs are maintained for all vehicles and equipment and inventory records are maintained for bulk fuel tanks. These logs and inventory records should be reviewed for accuracy and reconciled to fuel purchases and fuel tank meter readings and any significant discrepancies should be investigated.

## Auditee's Response

*The County Commission and the County Clerk provided the following written responses:*

- 4.1 *The County Commission and County Clerk will work with each elected official to try and persuade them to complete their inventories as part of their official duties as stated in Missouri Statutes. If county officials complete inventory and provide to the County Commission their annual inventory, the official's inventory report shall include purchase and disposition of assets.*
- 4.2 *The County Commission will continue to monitor Road and Bridge fuel usage logs for accuracy and will begin reconciling these logs and the Sheriff and Assessor's new logs to the fuel purchased as reported on vendors' statements.*

*The Sheriff provided the following written response:*

- 4.2 *We have switched to a fleet line fuel card which tracks fuel usage by requiring odometer readings each fill up. It is broken down by vehicle or deputy on the report. Monthly statements are reviewed by the Sheriff and then sent to the courthouse for payment.*

*The Assessor provided the following response:*

- 4.2 *We have implemented a mileage log starting June 1, 2013.*

## 5. Computer Controls

Controls over county computer systems are not sufficient to prevent unauthorized access, or to restore key systems in the event of a disaster or system failure. As a result, county records are unprotected and susceptible to damage or theft.

### 5.1 User passwords

Passwords are not kept confidential in the offices of the Sheriff and Public Administrator. In addition, passwords are not required to be periodically changed in the offices of the Ex Officio Recorder of Deeds and Sheriff.

Passwords should be kept confidential and periodically changed to provide more assurance that passwords will effectively limit access to data files and programs to only those individuals who need access for completion of job responsibilities, and to reduce the possibility of unauthorized users.



## Moniteau County Management Advisory Report - State Auditor's Findings

### 5.2 Log-on attempts

Offices of the County Clerk, County Collector, Ex Officio Recorder of Deeds, Sheriff, and County Treasurer do not have security controls in place to detect or prevent incorrect log-on attempts. An unauthorized individual could try an infinite number of times to log on to the system and, if successful, have unrestricted access to programs and data files. In addition, the computers are not locked after a certain period of inactivity.

To help protect computer files, security controls should be implemented to detect incorrect log-on attempts after a certain number of tries and lock computers after a certain period of inactivity. Such controls should produce a log of the incorrect attempts which should be reviewed periodically by an authorized official.

### 5.3 Backup data

While backups are performed regularly and stored at off-site locations, the backup data is not tested periodically in any offices except the offices of the Sheriff, County Collector, and Assessor.

To help prevent loss of information and ensure all essential county information and computer systems can be recovered following a disaster or computer failure, backups should be tested on a periodic basis.

## Recommendations

The County Commission work with county officials to:

- 5.1 Require passwords which are kept confidential and periodically changed.
- 5.2 Establish security controls to detect and report incorrect log-on attempts after a certain number of tries and which lock computers after a certain period of inactivity.
- 5.3 Ensure backup data is tested on a regular, predefined basis.

## Auditee's Response

*The County Commission provided the following written response:*

*The County Commission will visit with all offices concerning their computer systems, password changes, and attempted log on security measures.*

## 6. Sheriff's Civil Paper Service Fees

Procedures to track, follow up, and ensure timely collection of amounts billed for civil paper service fees are not sufficient. During the year ended December 31, 2012, the Sheriff's office transmitted approximately \$31,500 in civil paper service fees to the County Treasurer.

The Sheriff's office typically collects a fee prior to performing the civil paper service, and sends a bill for mileage and any remaining fees once the papers have been served. Records of civil papers served and fees assessed are maintained in fee books; and beginning in August 2012, Sheriff's office



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Moniteau County  
Management Advisory Report - State Auditor's Findings

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personnel began writing "paid" next to those amounts paid in the fee books. However, the Sheriff's office does not identify and follow up on unpaid amounts.

In addition, because the Sheriff's office did not document payments received in the fee books prior to August 2012, they lacked a record of unpaid amounts prior to that date. Upon our inquiries regarding the potential unpaid amounts due, Sheriff's office personnel compared amounts due and payments received for services provided in 2012, and identified unpaid fees totaling approximately \$3,100, as of April 2013.

To ensure amounts owed are collected on a timely basis, the Sheriff should maintain accurate and complete records of civil paper service fees and properly follow up on all unpaid amounts.

## Recommendation

The Sheriff develop procedures to track, monitor, and pursue collection of civil paper service fees.

## Auditee's Response

*The Sheriff provided the following response:*

*We have implemented a spreadsheet to track civil paper service fees due. Collection letters are sent out once or twice a month.*

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# Moniteau County

## Organization and Statistical Information

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Moniteau County is a county-organized, third-class county. The county seat is California.

Moniteau County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 30 full-time employees and 23 part-time employees on December 31, 2012.

In addition, county operations include the Senate Bill 40 Board.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2013	2012
Kenneth Kunze, Presiding Commissioner	\$	29,699
Kim F. Roll, Associate Commissioner		27,608
Tony Barry, Associate Commissioner		27,608
Michelle A. Higgins, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Anita Groepper, County Clerk (2)		49,267
Shayne W. Healea, Prosecuting Attorney		113,112
Jay Gump, Sheriff		46,013
Sarah B. Jones, County Treasurer		41,416
Loyd Fulks, County Coroner		12,549
Cher King Caudel, Public Administrator		26,144
Cheryl K. Duvall, County Collector (3), year ended February 28,	49,267	
Darrel L. King, County Assessor, year ended August 31,		41,830

(1) Compensation is paid by the state.

(2) Includes \$7,437 of commissions earned for preparing city property tax books.

(3) Includes \$7,437 of commissions earned for collecting city property taxes.

### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

Moniteau County did not receive any federal stimulus monies during the year ended December 31, 2012.





Thomas A. Schweich  
Missouri State Auditor

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# FOLLOW-UP REPORT ON AUDIT FINDINGS

## City of Clarksdale

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July 2013

Report No. 2013-054



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<http://auditor.mo.gov>

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# City of Clarksdale

## Follow-Up Report on Audit Findings

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\*Includes selected findings



# THOMAS A. SCHWEICH

## Missouri State Auditor

To the Mayor and Board of Aldermen  
Clarksdale, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2012-80, *City of Clarksdale*, issued in August 2012, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the city about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the city, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed written statuses of the selected findings and recommendations, reviewed supporting documentation submitted by city officials, and held discussions with city officials. This report is a summary of the results of this follow-up work, which was substantially completed during May and June 2013.

Thomas A. Schweich  
State Auditor

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# City of Clarksdale

## Follow-Up Report on Prior Audit Findings

### Status of Findings

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1.1 Water and Sewer - Segregation of Duties	No segregation of water and sewer system duties existed. The Water Commissioner was responsible for all aspects of the water and sewer billing system, including reading meters, entering meter readings into the computer software system, determining who received bills, making account adjustments, mailing bills, receipting all water and sewer payments, and depositing payments in the bank. There was no oversight of the duties performed by the Water Commissioner.
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Recommendation	The Board of Aldermen segregate the Water Commissioner's duties to the extent possible. If proper segregation of duties cannot be achieved, an independent review of the work performed is necessary.
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Status	<p><b>Implemented</b></p> <p>At the issuance of our audit report the city had implemented new procedures to segregate the water/sewer duties. The Water Commissioner continues to read meters and handle all duties related to water operations, however, the City Clerk is now responsible for entering meter readings into the billing system and preparing all bills, while the Treasurer is now responsible for collecting and depositing all paid water bills. In addition, city officials indicated an ordinance establishing policy for water/sewer operations has recently been passed by the Board, and will be placed in the city code book shortly. The ordinance includes billing procedures, insufficient check policy, discontinuance and reconnection of services, new service and meter deposits, water/sewer rates, method of inquiry, service and complaint procedures, water meter and service line leaks, termination of service, maintenance, damage to city water property, and primacy fees.</p>
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1.2 Water and Sewer - System Adjustments	Controls over adjustments to the water and sewer system were not adequate. Adjustments were not approved by the Board or Mayor, and adjustments posted to the system lacked supporting documentation.
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Recommendation	The Board of Aldermen ensure all system adjustments are approved by the Board and the ability to post such transactions to the system is segregated from other collection and billing activities. In addition, the Board should require adequate supporting documentation before the adjustment is applied.
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Status	<p><b>Implemented</b></p> <p>All potential adjustments are requested in the monthly water report, approved by the Board, and documented in the minutes. The City Clerk indicated a notation is placed in the billing system at the time any change is made. Water/sewer rates of all customers have been reviewed and the correct rates have been established for each. All occupied residences are receiving bills except for the city hall and community center. The utility</p>
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City of Clarksdale  
Follow-up Report on Prior Audit Findings  
Status of Findings

billing system upgrade has been installed, and the City Clerk has been trained in this system.

1.3 Water and Sewer -Water  
Costs

The costs of providing water service had not been adequately tracked, and water collections had been used to subsidize the General Fund. In fiscal year 2011, water and sewer collections of \$42,073 were deposited in the General Fund, while water purchases of \$31,296 and the Water Commissioner's salary and expenses of \$4,012 were also paid from the General Fund.

Recommendation

The Board of Aldermen ensure all receipts and disbursements for water and sewer are tracked separately.

Status

**Implemented**

The monthly Treasurer's report as submitted to the Board has been reworked, and currently clearly tracks all deposits and disbursements of the appropriate funds in the approved columns. Water and sewer funds are clearly indicated. The Treasurer's report is reviewed monthly, approved by the Board, and signed off on by the Mayor at the time of the Board meeting.

1.4 Water and Sewer -  
Utility Rates

The city had not performed a review of water and sewer costs to support the rates charged for those services.

Recommendation

The Board of Aldermen review utility rates periodically to ensure receipts are sufficient to cover all costs of providing these services and maintain reserves adequate to sustain the system.

Status

**Implemented**

According to city officials, a draft water rate study has been completed and a statement of costs is being prepared.

1.5 Water and Sewer -  
Delinquent Accounts

Delinquent accounts were not administered in accordance with city policy and ordinances. As a result, the total delinquent account balance had increased rapidly.

Recommendation

The Board of Aldermen ensure delinquent accounts are handled in accordance with city policy and ordinances.

Status

**Implemented**

City officials stated city policy has been established concerning late fees, shut-off notifications, and fees for restoration of services. Letters have been sent to landlords whose renters have left without paying delinquent bills, which notify the landlords of their responsibility for payments of the last 3 months. City officials indicated the city is currently utilizing a collection agency to follow up with 17 previous customers and landlords who have



City of Clarksdale  
Follow-up Report on Prior Audit Findings  
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delinquent accounts and have not responded to city letters. In addition, late fees are now determined monthly, and late fees totaling \$1,627 have been collected in the last 11 months.

1.6 Water and Sewer -Water  
Loss

The Board had taken little action to address significant water losses, and no longer received water reconciliations from the current Water Commissioner. Reconciliations were prepared by the former Water Commissioner comparing the total gallons of water billed to customers to the total gallons of water purchased from the water district; however, there was no evidence the Board took any action to resolve significant differences calculated in these comparisons.

Recommendation

The Board of Aldermen ensure water purchased is reconciled to water billed monthly. The reconciliation should be reviewed monthly and significant differences should be documented, investigated, and resolved.

Status

**Implemented**

Water reconciliations are now prepared monthly and submitted to the Board in a joint report by the City Clerk and the Water Commissioner. According to city officials, the water loss rate is evaluated closely. The City received reimbursement for one water loss instance mentioned in the audit report and is in the process of obtaining a reimbursement for the other instance.

2. Accounting Controls  
and Procedures

Accounting controls and procedures were in need of improvement.

2.1 Segregation of duties

Accounting duties were not adequately segregated, and the Board did not adequately review the work performed by the City Treasurer. No independent review of the duties performed by the Treasurer was performed.

Recommendation

The Board of Aldermen adequately segregate the duties of receiving, recording, depositing, and disbursing monies. At a minimum, the Board should perform a documented review of these functions on a periodic basis.

Status

**Implemented**

The Treasurer continues to receive, record, deposit, and disburse monies. However, additional oversight is now provided by the Board of Aldermen by requiring copies of a more detailed Treasurer's report and an accompanying bank reconciliation.

2.2 Bank reconciliations

Monthly bank reconciliations were not performed. Outstanding checks and deposits in transit were listed on the back of the bank statement; however,



City of Clarksdale  
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	an adjusted bank balance was not calculated and a comparison to the book balance was not documented.
Recommendation	The Board of Aldermen reconcile bank records to city accounting records on a monthly basis.
Status	<b>Implemented</b>  The Treasurer's report provided to the Board includes the bank statements of all accounts, and the accounting system reconciliation report.
2.3 Restricted funds	The city had not established procedures to ensure receipts and disbursements were properly allocated to the appropriate city funds. It was also unclear if monies in some city accounts were used appropriately. In addition to water and sewer monies being comingled with the General Fund, property taxes received by the city were not consistently deposited into the correct funds, state motor vehicle-related receipts were deposited to the General Fund, and interest earned on the city's main bank account was placed in the General Fund.
Recommendation	The Board of Aldermen ensure restricted receipts such as property taxes, interest, and motor vehicle-related taxes are credited to the proper city fund, and used only for allowable purposes.
Status	<b>Implemented</b>  Restricted receipts including property taxes, interest, and motor vehicle-related taxes are credited to the proper fund and are clearly indicated on the Treasurer's report to the Board of Aldermen. The disbursement of these funds are also clearly indicated along with all fund balances.
3. Audits, Budgets, and Financial Reporting	The city did not obtain required annual audits, properly prepare budgets, or prepare required financial reports.
3.1 Audits	The city did not obtain annual audits of its water and sewer systems.
Recommendation	The Board of Aldermen obtain annual audits of the combined water and sewer system as required by state law and loan agreements.
Status	<b>In Progress</b>  The City is in the process of obtaining audit services. According to City officials, the improvements to the accounting system and ability to provide requested financial data should allow these services to be obtained in the next fiscal year.



City of Clarksdale  
Follow-up Report on Prior Audit Findings  
Status of Findings

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### 3.2 Budgets

Annual budgets were not prepared as required by state law.

#### Recommendation

The Board of Aldermen ensure annual budgets are prepared and contain all information required by state law.

#### Status

##### **Implemented**

The annual budget for fiscal year 2013 has been completed, along with the budget letter and the budget summary.

### 3.3 Financial statements

The city had not published semiannual financial statements as required by state law.

#### Recommendation

The Board of Aldermen ensure semiannual financial statements are published in accordance with state law.

#### Status

##### **Implemented**

A semiannual financial statement was prepared for the 6 months ended June 2012, and December 2012 and made available to the public. Both financial statements were provided to the State Auditor's Office.

### 3.4 Financial reporting

The city did not submit annual financial reports to the State Auditor's office. The most recent report filed was for the city's 2005 fiscal year.

#### Recommendation

The Board of Aldermen submit annual financial reports to the State Auditor's office as required by state law.

#### Status

##### **Implemented**

An annual financial statement was prepared for calendar year 2012. This statement was made available to the public and was sent to the State Auditor's office.

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## 4. Street work

The city did not have a formal bidding policy and did not bid for street repair services. The city paid several local individuals a total of \$18,000 in fiscal year 2011 to perform street repair services. In addition, the city did not enter into contracts with these individuals.

#### Recommendation

The Board of Aldermen establish formal bidding policies and procedures, including documentation requirements regarding the bids or quotes received and justification for the bid selected. Written contracts should be entered into when appropriate.





City of Clarksdale  
Follow-up Report on Prior Audit Findings  
Status of Findings

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**Status**

**Implemented**

According to city officials, an ordinance concerning purchasing and bidding policies and procedures has recently been approved by the Board. City officials also stated bids have been advertised and selected for the purposes of street repair, grass mowing at the city park and lagoon, roof repair at city hall, and city street snow removal during the past year. Justification for the selections were noted in Board minutes, and written contracts have been signed and filed for each.



Thomas A. Schweich  
Missouri State Auditor

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# FOLLOW-UP REPORT ON AUDIT FINDINGS

## Barton County

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July 2013

Report No. 2013-055



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<http://auditor.mo.gov>

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# Barton County

## Follow-Up Report on Audit Findings

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\*Includes selected findings



# THOMAS A. SCHWEICH

## Missouri State Auditor

To the County Commission  
And  
Officeholders of Barton County

We have conducted follow-up work on certain audit report findings contained in Report No. 2013-13, *Barton County*, issued in January 2013, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the county about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the county, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed the written status of selected findings and recommendations, reviewed supporting documentation submitted by county officials, and held meetings with county officials. Documentation provided by the county included the 2013 budget, bank statements, and various other financial records. This report is a summary of the results of this follow-up work, which was substantially completed during May 2013.

Thomas A. Schweich  
State Auditor

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# Barton County

## Follow-Up Report on Prior Audit Findings

### Status of Findings

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1. Drug Buy Monies      The Sheriff could not account for \$945 of drug buy monies. The Sheriff maintained exclusive control of the drug buy monies, and records maintained to account for these monies were inadequate and incomplete. As a result of these numerous control weaknesses, there was no assurance all drug buy monies were handled and accounted for properly.

1.1 Unaccounted for funds      Checks totaling \$5,500 were issued to the Sheriff from January 1, 2010, through June 16, 2012, and were cashed and used for drug buys. The Sheriff did not maintain a ledger to account for the receipt, disbursement, and balance of drug buy monies, but did maintain some "receipt for confidential funds" forms issued to informants for drug buys and incident reports. Receipt forms and incident reports could not be provided for drug buy monies of \$945. These unaccounted for funds went undetected due to numerous control weaknesses including inadequate segregation of duties.

Recommendation      The County Commission request the Sheriff to perform additional follow up related to unaccounted for monies and consider working with law enforcement officials regarding possible investigation and repayment if appropriate.

Status      **Implemented**  
  
The Sheriff paid \$945 back to the county on February 6, 2013. The County Commission indicated it considered further investigation, but has no plans to pursue the matter at this time.

1.2 Segregation of duties      Duties were not adequately segregated. The Sheriff maintained exclusive control of drug buy monies obtained from the Federal Forfeiture Fund. He cashed all drug buy checks received; issued receipt forms to informants for drug buys; received recovered drug buy monies during investigations and arrests; and maintained incident reports, evidence records, evidence obtained from the drug buys, and lab reports of drugs purchased.

Recommendation      The Sheriff segregate accounting duties to the extent possible, or ensure an adequate independent or supervisory review of accounting records is performed and documented.

Status      **In Progress**  
  
As of the date of our follow up meeting, the Sheriff had not segregated accounting duties and continued to maintain exclusive control of drug buy monies. However, the Sheriff indicated he plans to have his bookkeeper sign off on drug buy receipts as drug buys occur and will require the bookkeeper to count drug buy monies every 2 months and reconcile monies counted to the drug buy ledger in the future.



Barton County  
Follow-up Report on Prior Audit Findings  
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### 1.3 Drug buy records

Records maintained by the Sheriff for drug buys were inadequate and incomplete. The Sheriff did not maintain a ledger to account for the receipt, disbursement, and balance of drug buy monies. Receipt for confidential fund forms issued were not prenumbered and were not located for four drug buys totaling \$460. In addition, drug buy monies recovered during arrests and investigations totaling \$691 were not adequately documented as a receipt back into drug buy monies on hand or into evidence. Receipt for confidential funds forms were not always signed by the informant receiving the drug buy monies, the Sheriff failed to record the informant's number or name on four of these receipt forms, and 39 of 40 (98 percent) receipt forms reviewed did not include a witness signature. Incident reports were not located for 12 of 40 (30 percent) drug buy receipt forms reviewed, a drug buy incident report indicated the Sheriff borrowed \$40 from bond monies collected by his office in 2012 for a drug buy, and lab reports on drugs purchased were not located for 32 of 40 (80 percent) drug buy receipt forms reviewed. Further, inconsistencies in information contained on drug buy receipt forms, incident reports, and lab reports were identified.

### Recommendation

The Sheriff maintain a ledger to record receipts and disbursements of drug buy monies, and reconcile the ledger monthly to the balance of drug buy monies on hand. The Sheriff should also issue prenumbered receipt forms for all drug buy monies disbursed, adequately document the amount and disposition of drug buy monies recovered, ensure the informant and a witness to the distribution of drug buy monies sign the drug buy receipt forms, and discontinue using bond monies for drug buys. In addition, the Sheriff should ensure adequate supporting documentation including incident reports, evidence records, and lab reports are retained for all drug buys.

### Status

#### **In Progress**

The Sheriff indicated he plans to start maintaining a ledger to account for the receipt, disbursement, and balance of drug buy monies in June 2013. In addition to the receipt for confidential funds form, the Sheriff has purchased a generic prenumbered receipt book which will be used to account for all drug buy monies disbursed. The Sheriff indicated in the future when drug buy monies are recovered or returned they will be re-receipted and re-entered into the drug buy ledger. While the drug buy receipt for confidential funds forms issued in February 2013 did not contain a signature of the informant or a witness, the Sheriff indicated he plans to require these signatures in the future. The Sheriff indicated in the future bond monies will not be used for drug buys, he plans to take more time to properly account for drug buy monies, and he will ensure all related records are accurate and complete.



Barton County  
Follow-up Report on Prior Audit Findings  
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2. Sheriff Controls and Procedures

Weaknesses existed in accounting controls and procedures in the Sheriff's office.

2.1 Segregation of duties

The duties of receiving, recording, depositing, and disbursing monies and reconciling the Sheriff's bank accounts were not adequately segregated. A bookkeeper performed all of these duties. While the Sheriff initialed monthly reports, he indicated he did not reconcile receipt slips to deposits.

Recommendation

The Sheriff segregate accounting duties to the extent possible or ensure adequate supervisory reviews of accounting records are performed and documented.

Status

**In Progress**

As of the date of our follow up meeting, the Sheriff had not segregated accounting duties or reconciled receipt slips issued to deposits; however, he indicated in the future he will have a secretary, independent of the bookkeeping duties, reconcile receipt slips issued to deposits and review the accounting records prepared by the bookkeeper. The Sheriff indicated in the future he will also review these same records monthly.

2.2 Inmate bank accounts and records

Procedures were not in place to properly identify month-end liabilities and compare these liabilities to the reconciled bank account balance. In addition, while the Sheriff's office utilized a computerized software system to track inmate balances, it was not accurate. Manual one-write receipt slips issued for inmate monies received from October 11, 2010, through November 14, 2010, could not be located. Inmate jail records did not always include the inmate's cash on hand at the time of arrest and were not always signed by the inmate at the time of arrest and release.

Recommendation

The Sheriff investigate and resolve any inaccuracies in the computerized inmate records and perform monthly reconciliations between the computerized list of liabilities and the bank balance. The Sheriff should retain financial records in a secure location, and ensure the collection and return of funds to the inmates are recorded on the inmate's jail record.

Status

**In Progress**

The Sheriff provided a manual list of liabilities and a bank reconciliation for the inmate bank account for the month ended March 31, 2013; however, differences existed between the records, with liabilities totaling \$85 and the reconciled bank balance totaling \$100. There was no documentation to indicate these records and reconciliations were prepared in the interim between audit completion and the follow up meeting. In addition, the computerized list of inmate balances provided by the Sheriff's office is still inaccurate and totaled to \$14,677 as of May 16, 2013. The Sheriff indicated it would take a considerable amount of time, but he would try and work with



Barton County  
Follow-up Report on Prior Audit Findings  
Status of Findings

the programmer to correct this record. All manual one-write receipt slips issued for inmate monies in March 2013 were located. Inmate jail records reviewed for March 2013 were signed by the inmate at the time of arrest and release.

**2.3 Federal Forfeiture Fund** The Sheriff did not prepare a budget for the Federal Forfeiture Fund. Disbursements of this fund were not made through the County Commission's normal disbursement process and were only authorized by the Sheriff. Supporting documentation was not retained for three checks issued from the fee account totaling \$1,113. In addition, the payee was left blank on one of these checks issued for \$592. Also, the Sheriff indicated he prepared the invoice and signed the vendor's name for the purchase of a drug dog for \$400. Invoices related to some fee account disbursements were not paid in a timely manner. The Sheriff did not include equipment purchased with forfeiture monies on the general capital asset listing submitted to the county and only listed the value of a vehicle purchased for \$11,495 as \$2,800 on the listing.

**Recommendation**

The Sheriff work with the County Commission to adopt a budget for the Federal Forfeiture Fund, make all purchases through the county expenditure process, require adequate supporting documentation be maintained, ensure invoices are paid in a timely manner, and maintain accurate capital asset records.

**Status**

**Partially Implemented**

The Sheriff prepared a budget for the Federal Forfeiture Fund for the year ended December 31, 2013. The County Commission indicated disbursements of this fund are still not made through the county's normal disbursement process because they believe the Sheriff is responsible for these disbursements. However, the County Commission is monitoring this fund by obtaining documentation for all disbursements. Invoices were on file with the County Clerk for all disbursements made from August to December 31, 2012. No disbursements had been made from this fund from January 1 to April 30, 2013. The Sheriff indicated all invoices would be paid timely in the future. Equipment purchased from August to December 31, 2012, was listed accurately on the county's capital asset listing.

**2.4 DARE bank account**

The Sheriff maintained a Drug Abuse Resistance Education (DARE) bank account for donations outside the county treasury. Receipt slips or other records of donations received were not maintained. The only records of monies received were deposit slips. Also, monthly bank reconciliations were not performed, and the three authorized check signors on the account were no longer employed by the county.





Barton County  
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**Recommendation**

The Sheriff turn all DARE monies over to the County Treasurer, and ensure receipt slips or other records of donations received are maintained.

**Status**

**Implemented**

On November 16, 2012, the Sheriff closed the DARE bank account. Additional DARE monies collected subsequent to that date totaling \$155 were receipted on the civil account manual one-write receipt book. The bank account balance and \$155 were turned over to the County Treasurer on January 2, 2013, for deposit into the DARE Fund. The Sheriff indicated all future DARE collections will be properly receipted and turned over to the County Treasurer for deposit into the DARE Fund.

**2.5 Reporting**

The Sheriff's office had not submitted Uniform Crime Reports (UCR) to the Department of Public Safety (DPS) since December 2010, and did not submit an equitable sharing agreement and certification detailing the equitable sharing (federal forfeiture) funds spent each year as required by the U.S. Department of Justice, Asset Forfeiture and Money Laundering Section.

**Recommendation**

The Sheriff ensure UCR and equitable sharing agreements are prepared and submitted as required.

**Status**

**In Progress**

The Sheriff provided documentation that UCR reports were submitted and approved by the DPS from January 2012 to April 2013. While the Sheriff prepared an Equitable Sharing Proceeds from Federal Forfeitures report and filed it with the Department of Public Safety on January 24, 2013, reporting 2012 activity, an equitable sharing agreement and certification for 2012 as required by the U.S. Department of Justice, was not provided at our follow up meeting.

**2.6 Seized property and evidence**

The Sheriff maintained a computerized seized property and evidence log, but failed to periodically back-up information maintained on the system, and all information maintained on the system was lost when the computer system failed in November 2011. In addition, manual case files documenting seized property and evidence were not accurate or complete. The Sheriff's office had not conducted a physical inventory of all seized property and evidence and had not implemented procedures to periodically review cases and dispose of related seized property items which dated back to the 1980s.

**Recommendation**

The Sheriff maintain a complete and accurate seized property and evidence inventory control log, periodically prepare backup records and store them at an off-site location, and perform periodic physical inventories. In addition,



Barton County  
Follow-up Report on Prior Audit Findings  
Status of Findings

the Sheriff should develop procedures to periodically review cases and dispose of related seized property.

Status

**In Progress**

As of the date of our follow up meeting, the Sheriff had not made efforts to implement this recommendation. However, the Sheriff indicated he plans to perform a physical inventory and record all seized property and evidence on the computerized seized property and evidence log by the end of the 2013. The Sheriff indicated he plans to back-up the computerized seized property and evidence log and store it offsite in the future. The Sheriff indicated he is working with the County Prosecuting Attorney to review cases periodically and dispose of old seized property items.

3. County Sales Tax

Property tax reductions were not sufficient to offset 50 percent of sales tax monies received by approximately \$655,000 at December 31, 2011, and property tax reduction amounts were not accurately calculated. Property tax levy reductions made by the county were comprised of two components (a sales tax reduction and a voluntary reduction). A significant portion of the county's rollback was classified as a voluntary reduction rather than as a sales tax reduction for 2008 through 2010; however, the voluntary portion of the reduction in property taxes collected could not be used to satisfy the required sales tax reduction. In addition, the County Clerk indicated she placed the decimal incorrectly in her sales tax reduction calculation for the years ended December 31, 2010, and 2009, and reduced the general revenue property tax levy to 5 cents in each of these years through a combination of sales tax and voluntary reductions. Also, due to Section 137.073.5(4), RSMo, a voluntary reduction taken in a non-reassessment year (even year), results in a reduced tax rate ceiling during the subsequent reassessment year. The General Revenue Fund ceiling was significantly lowered for 2011, limiting the county's ability to correct for insufficient reductions from prior years. After identifying these errors, the county passed Resolution No. 2012-4 to reinstate the county's tax rate ceiling for 2012.

Recommendation

The County Commission and County Clerk adequately reduce property tax levies for 50 percent of sales tax revenue, review and accurately classify the property tax levy reductions, and develop a plan to correct for the accumulation of prior years' insufficient property tax levy reductions.

Status

**In Progress**

The county did not collect the \$655,000 of property taxes since a voluntary reduction in the levy was taken in prior years. According to county records, the County Commission set the sales tax levy reduction for 2012 at an amount which satisfied the required sales tax reduction for that year and offset approximately \$72,000 of the accumulation of prior years' insufficient



Barton County  
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reductions. In addition, the property tax levy reduction was correctly classified on tax rate reports filed with the State Auditor's office for 2012. The County Commission indicated it will classify all levy reductions as a sales tax reduction in future years until this amount is corrected.

**4.1 Law Enforcement Sales  
Tax (LEST) Fund-  
Financial Condition**

The County Commission approved an \$88,084 loan from the Special Road and Bridge Fund to the LEST Fund in 2009, with plans for these restricted funds to be repaid as the LEST Fund allowed. However, receipts of the LEST Fund declined during 2010 and 2011, while spending remained fairly constant. As a result, the County Commission subsidized the LEST Fund from the General Revenue Fund to avoid budget deficit conditions in the LEST Fund, and the loan from the Special Road and Bridge Fund had not been repaid. In addition, some LEST Fund invoices due in December 2010 and 2009 were not paid until January 2011 and 2010, respectively, because the LEST Fund did not have sufficient funds to pay these bills. In 2012, the County Commission established the Law Enforcement Allocation Fund to better monitor law enforcement expenditures by allocating funds from the Sheriff's Discretionary and LEST Funds to this fund at the beginning of the budget year to ensure monies were reserved and available to pay for health and property insurance, which were due in December of each year.

**Recommendation**

The County Commission take action to improve the financial condition of the LEST Fund, develop a plan to repay the Special Road and Bridge Fund, and ensure invoices are paid timely. In addition, the county should refrain from interfund borrowing from restricted funds.

**Status**

**In Progress**

The County Commission indicated it has set up a plan for the LEST Fund to reimburse the Special Road and Bridge Fund over a 10 year period. The County Commission transferred \$8,808 from the LEST Fund to the Special Road and Bridge Fund in March 2013. The County Commission indicated all invoices due were paid as of December 31, 2012.

**5.1 Property Tax System  
Controls and  
Procedures-Computer  
Access**

Access to the property tax system was not adequately restricted. Employees of the County Assessor's office had access to make changes to the property tax system after the Board of Equalization had met and approved the property taxes for the year. The County Collector-Treasurer and her deputy also had access to the property tax system to make changes throughout the tax year.

**Recommendation**

The County Commission ensure property tax system access is limited to only what is needed for the users to perform their job duties and responsibilities.



Barton County  
Follow-up Report on Prior Audit Findings  
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Status	<b>In Progress</b> <p>The County Commission indicated the County Assessor and his employees no longer have access to information for the 2012 and prior tax years. The County Commission indicated it plans to restrict access of the Assessor and his employees to information for the 2013 tax year after the tax book is printed in September or October 2013, even though the Board of Equalization typically meets in July of each year.</p> <p>The County Commission indicated the County Collector-Treasurer and her employees still have access to the property tax system at this time, but are working with their programmer to implement the recommendation. From March 1, 2013, to present, any changes to the property tax system needed by the County Collector-Treasurer have been made by the County Clerk's office.</p>
5.2 Property Tax System Controls and Procedures-Additions and Abatements	<p>A comparison of the initial addition and abatement information prepared by the County Assessor and the actual changes made in the property tax system by the County Assessor and the County Collector-Treasurer and her deputy was not performed. Additionally, court orders for additions and abatements made in November 2011 through February 2012, were not reviewed and approved by the County Commission and County Clerk until August 2012, and adequate supporting documentation for some of these additions and abatements was not retained.</p>
Recommendation	<p>The County Clerk and the County Commission should ensure a comparison of approved additions and abatements to actual changes made to the property tax system is performed, review and approve additions and abatements in a timely manner, and ensure supporting documentation is maintained to support the changes made.</p>
Status	<b>Implemented</b> <p>The County Clerk and County Commission performed a comparison of approved additions and abatements to actual changes made to the property tax system for April 2013, reviewed and approved additions and abatements for April 2013 on May 6, 2013, and retained supporting documentation of the changes made. The County Clerk and County Commission indicated this comparison will be performed each month.</p>
8. Prosecuting Attorney Controls and Procedures	<p>Duties were not adequately segregated, and receipting and depositing procedures needed improvement.</p>
8.1 Segregation of duties	<p>The duties of receiving, recording, depositing, disbursing monies, and reconciling the Prosecuting Attorney's bank account were not adequately segregated. The office manager performed all of these duties. While the</p>



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Barton County  
Follow-up Report on Prior Audit Findings  
Status of Findings

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Prosecuting Attorney indicated he reviewed monthly bank reconciliations, his review was not always documented, and he indicated he did not reconcile receipt slips issued to deposits.

Recommendation

The Prosecuting Attorney adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.

Status

**In Progress**

The Prosecuting Attorney documented his review of the March and April 2013 bank reconciliations and indicated he will periodically reconcile receipt slips issued to deposits in the future.

8.2 Receipting and  
depositing procedures

Receipt slips were not issued for some monies received, and monies received were not always deposited intact and in a timely manner. In addition, the original copies of voided receipt slips were not always maintained.

Recommendation

The Prosecuting Attorney require receipt slips be issued for all monies received, ensure original copies of voided receipt slips are retained, and deposit all monies received intact and in a timely manner.

Status

**In Progress**

A receipt slip was not issued for \$1,806 of \$20,297 received between February 25 and April 12, 2013. No receipt slips were voided between January 1, 2013, and May 13, 2013. The Prosecuting Attorney indicated all copies of voided receipt slips will be retained in the future. All monies receipted between February 28, 2013, and April 12, 2013, were deposited intact and timely.



Thomas A. Schweich  
Missouri State Auditor

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# FOLLOW-UP REPORT ON AUDIT FINDINGS

## Wayne County

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July 2013

Report No. 2013-056



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<http://auditor.mo.gov>

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# Wayne County

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\*Includes selected findings



# THOMAS A. SCHWEICH

## Missouri State Auditor

To the County Commission  
and  
Officeholders of Wayne County

We have conducted follow-up work on certain audit report findings contained in Report No. 2013-06, *Wayne County*, issued in January 2013, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the county about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the county, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed the supporting documentation submitted by county officials, and held discussions with county officials. Documentation provided by the county included budgets, bank statements, receipt and deposit records, and various other financial records. This report is a summary of the results of this follow-up work, which was substantially completed during May and June, 2013.

Thomas A. Schweich  
State Auditor



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# Wayne County

## Follow-Up Report on Prior Audit Findings

### Status of Findings

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#### 1. Financial Condition

The county's General Revenue Fund was in poor financial condition. The General Revenue Fund owed \$432,896 to the Special Road and Bridge Fund as a result of the county's sales tax rollback methodology. The General Revenue Fund experienced significant cash flow problems, and as a result, the county had to borrow monies from other county funds and a local bank to pay bills.

The financial condition of the General Revenue Fund was further strained by the additional costs associated with a new jail that opened in June 2009. The loan resolution security agreement for the new jail required \$4,399 to be deposited annually into a debt reserve account until the accumulated balance is \$43,990. The required deposits had not been made for 2009, 2010, and 2011.

During the 2 years ended December 31, 2011, the county transferred a total of \$19,511 from the Sheriff's Revolving Fund to the General Revenue Fund. The Sheriff indicated these monies were transferred to assist the county in paying various expenses of the Sheriff's office; however, there was no supporting documentation to demonstrate if these monies were expended in accordance with state law.

#### Recommendation

The County Commission perform long-term planning, closely monitor the county's financial condition, and continue to take the necessary steps to improve the financial condition of the General Revenue Fund. In addition, the County Commission should establish a debt reserve account and repay the Sheriff's Revolving Fund \$19,511 from the General Revenue Fund. Also, the county should refrain from interfund borrowing from restricted funds.

#### Status

##### **In Progress**

Although the County Clerk and the County Commission have made efforts in this area, the county's financial condition remains poor. The county had to borrow \$255,000 from a bank during 2012 to meet obligations. The County Clerk indicated the cash balance at June 30, 2013, was \$118,803; however, this was before sales tax monies were transferred out for courthouse renovations. The county plans to replace the roof on the courthouse this fall. In addition, the General Revenue Fund still has significant liabilities. The amount owed to the Special Road and Bridge Fund due to the sales tax methodology increased during 2012, and \$19,511 has not been repaid to the Sheriff's Revolving Fund.

However, the County Clerk and County Commission indicated the bank loan was repaid in June 2013, no interfund borrowing has occurred since June 2012, and the debt reserve account has been established and annual deposit requirements are up to date. The County Commission expects the



Wayne County  
Follow-up Report on Prior Audit Findings  
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new sales tax passed in April 2012 to provide an additional \$100,000 per year for the General Revenue Fund beginning in 2013.

2. County Sales Tax

The General Revenue Fund had not reimbursed the Special Road and Bridge Fund for road and bridge property tax reductions related to sales tax collections deposited to the General Revenue Fund since 2002, and \$432,896 was owed as of December 31, 2011. Additionally, as of December 31, 2011, property tax levies had not been adequately reduced by \$39,607.

Recommendation

The County Commission and County Clerk adequately reduce property tax levies for 50 percent of all General Revenue sales tax revenue and develop a plan to correct the accumulation of prior years' excess property tax collections. In addition, the County Commission should transfer \$432,896 from the General Revenue Fund to the Special Road and Bridge Fund. Subsequent property tax levy rollbacks should be made entirely from the General Revenue Fund or the Special Road and Bridge Fund should be repaid the appropriate amount on an annual basis.

Status

**Partially Implemented**

The General Revenue property tax levy was reduced from .1446 in 2011 to .1259 in 2012. As of December 31, 2012, property tax levies have not been adequately reduced by \$23,352 (compared to \$39,607 at December 31, 2011). The county indicated the General Revenue property tax levy will be rolled back to zero in 2013.

However, the Special Road and Bridge property tax levy was rolled back .0310 in 2012 to offset the sales tax liability and no transfers were made from the General Revenue Fund to the Special Road and Bridge Fund. As a result, the General Revenue Fund owes the Special Road and Bridge Fund \$472,239 at December 31, 2012. The county has no definite plans to repay the Special Road and Bridge Fund.

3. Prosecuting Attorney  
Procedures

Although some improvements had been made to the Prosecuting Attorney's office procedures, significant weaknesses still existed.

3.1 Unallowable Donations

The Prosecuting Attorney frequently required defendants to make donations ranging from \$50 to \$1,500 to the county's Special Law Enforcement Fund as a condition for reducing charges filed on traffic tickets. During the 2 years ended December 31, 2011, donations totaling \$180,000 were deposited into this fund. Although the Prosecuting Attorney had a fee schedule, the amount paid to the Special Law Enforcement Fund to amend traffic violations to non-moving violations could be negotiated with the Prosecuting Attorney.



Wayne County  
Follow-up Report on Prior Audit Findings  
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Recommendation	The Prosecuting Attorney reevaluate the practice of requiring donations to the county as part of reducing charges filed.
Status	<b>Not Implemented</b>  The procedures related to accepting donations have not changed since the audit.
3.2 Segregation of Duties	The duties of receiving, recording, and transmitting monies were not adequately segregated. One of the Prosecuting Attorney's secretaries was responsible for receipting, recording, and transmitting monies received for bad checks and another secretary performed these same duties for donations to the Special Law Enforcement Fund.
Recommendation	The Prosecuting Attorney adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.
Status	<b>Implemented</b>  The two secretaries involved in the process now review each other's deposits and sign the receipt log to document the review.
3.3 Restitution	Receipt slips were not issued for restitution monies received and a detailed record of restitution receipts was not maintained. While the Prosecuting Attorney's secretary made a copy of each money order and placed it in the defendant's file, there was no centralized record of all monies collected to ensure all monies were properly recorded and transmitted to the victims.
Recommendation	The Prosecuting Attorney issue receipt slips for all monies received and maintain a centralized record of restitution receipts and disbursements.
Status	<b>Implemented</b>  A new receipt book was started for restitution receipts on March 19, 2013. As a result, the Prosecuting Attorney's office has a centralized record of restitution receipts that can be used to ensure all monies are transmitted to the victims.
3.4 Bad check fee and donation receipts	Receipt slips were not issued immediately upon receipt of monies, checks and money orders were not restrictively endorsed promptly, and monies were not transmitted timely. Per office personnel, receipt slips were usually issued and checks and money orders were endorsed when receipts were transmitted to the County Treasurer. The Prosecuting Attorney's office transmitted bad check fees approximately once each month and donation receipts approximately every 2 weeks.



Wayne County  
Follow-up Report on Prior Audit Findings  
Status of Findings

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**Recommendation**

The Prosecuting Attorney issue receipt slips and restrictively endorse money orders and checks immediately upon receipt of monies and transmit all monies intact on a timely basis.

**Status**

**Implemented**

The bad check clerk indicated all bad check receipts are entered into the computer system immediately upon receipt, money orders are restrictively endorsed immediately upon receipt, and bad check receipts are transmitted approximately every 2 weeks.

The clerk who processes donations works on Tuesdays and Thursdays. She indicated she issues receipt slips and restrictively endorses checks and money orders as soon as she receives them. According to the clerk, donations are transmitted to the County Treasurer when \$500 is received and this is usually every 1 or 2 weeks.

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**4.1 Sheriff Procedures -  
Monthly Disbursements**

Fees were not always disbursed to the County Treasurer intact and on a timely basis. Disbursements of fees collected in 2011 generally occurred approximately 2 to 3 months after collection. In addition, the Sheriff indicated monies from the fee account were sometimes used to pay for employees' personal purchases (guns, bullet proof vests, etc.) and office operating costs and equipment and later repaid by the employee and/or County Treasurer.

**Recommendation**

The Sheriff disburse fees to the County Treasurer monthly in accordance with state law and discontinue the practice of using accountable fees for purchases.

**Status**

**Implemented**

Since the current Sheriff took office in January 2013, fees have been disbursed to the County Treasurer monthly on a timely basis. Also, beginning in 2013, all fees are turned over to the county and the Sheriff's office does not make expenditures from the fee account.

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**4.3 Sheriff Procedures -  
Liabilities**

A monthly list of liabilities was not prepared and reconciled to the cash balance for the Sheriff's fee account, and the Sheriff's office was unaware of discrepancies. At our request, Sheriff's office personnel prepared a list of liabilities as of March 31, 2012. The reconciled bank balance of \$13,717 exceeded identified liabilities by \$1,115. Also, the seizure account had maintained an unidentified balance of \$6,646 since August 2005.

**Recommendation**

The Sheriff ensure a list of liabilities is prepared monthly and compared to the available cash balance. Differences should be promptly investigated. After sufficient efforts are made to resolve discrepancies, any remaining



Wayne County  
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Status of Findings

unidentified monies, including the old seizure account, should be disposed of in accordance with state law.

Status

**Implemented**

The balance in the fee account as of April 30, 2013, was reconciled to liabilities. Efforts were made to identify owners of monies held in the old seizure account, a court order was obtained to close the account, and the balance was disbursed to the Special Law Enforcement Fund in May 2013.

6. Property Tax System  
Controls and Procedures

Although the County Clerk initialed each court order for additions and abatements and the County Clerk and Presiding Commissioner signed the summary report, there was no independent comparison of the court orders to the actual changes in the property tax system.

While the County Clerk maintained files of tax charges, additions and abatements, and the County Collector's monthly settlements, the County Clerk did not maintain an account book or other record summarizing property tax transactions and changes. Therefore, the County Clerk and County Commission did not have information readily available, and did not adequately review the monthly and annual settlements prepared by the County Collector.

Recommendation

The County Clerk maintain a complete and accurate account book with the County Collector. In addition, the County Commission and the County Clerk should monitor property tax system activities and perform a thorough review of the County Collector's monthly and annual settlements.

Status

**In Progress**

The County Clerk indicated he signs off on court orders, documents a review of assessed valuations and related charges before the tax book is generated, and is working to develop an account book with the collector. Once an account book is developed it will be used to assist in the review of collector settlements.



Thomas A. Schweich  
Missouri State Auditor

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# ECONOMIC DEVELOPMENT

## Missouri Technology Corporation

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July 2013

Report No. 2013-057



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<http://auditor.mo.gov>



# CITIZENS SUMMARY

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## Findings in the audit of the Department of Economic Development, Missouri Technology Corporation

Administrative Costs and Fees	The Missouri Technology Corporation (MTC) does not maintain detailed timesheets or other documentation to support its allocation of administrative costs, and some actual allocations were not consistent with the established allocation percentages provided by MTC officials. As such, individual funds may not be shouldering their fair share of administrative costs. In addition, the MTC does not adequately track administrative cost fund balances. At our request, the MTC created reports to identify activity and balances by fund, and administrative cost funds for two programs had negative balances as of June 30, 2012. The audit also noted administrative subsidies provided by the Department of Economic Development (DED) are not reported in the MTC financial information presented to the Board and the public, making it difficult for the MTC Board and the DED to effectively monitor administrative costs and preventing transparency. The DED provided the MTC with a \$369,122 administrative subsidy for the 3 years ended June 30, 2012.
Accounting Controls and Oversight	Budget and financial documents presented to the Board do not contain sufficient detail to adequately monitor the various funds administered. The Board does not receive the revenues, expenses and fund balances of the various individual programs and administrative funds. Instead, the annual Operating Plans provided to the Board contain aggregated information and also lack beginning and projected ending balances and prior year actual amounts. Similarly, quarterly Treasury Reports provided to the Board lack information on individual program balances. Audit staff discovered the MTC made multiple misclassification errors when instructing its outside accounting firm regarding revenue and expenditure transactions. The MTC also does not adequately oversee accounting transactions processed by its outside accounting firm.
Notes Receivable	The MTC does not maintain prenumbered receipt slips or a summary control log of receipts, making it difficult to determine if monies received are deposited in a timely manner. The MTC does not adequately monitor notes receivable to ensure amounts due are timely collected and borrowers are complying with the terms of the promissory notes. At least 13 of 71 payments received between December 31, 2009 and June 13, 2012 were delinquent, and one company had not remitted any monthly payments on its loan for over a year. Another company missed its November 2011 payment, which was not made until July 2012 when audit staff inquired about the missing payment.
Meeting Minutes	Although Board members appear to be recusing themselves from discussions or votes for which they have a potential conflict of interest,



# CITIZENS SUMMARY

meeting minutes rarely disclose the nature of the potential conflict of interest.

In the areas audited, the overall performance of this entity was **Good**.\*

## American Recovery and Reinvestment Act (Federal Stimulus)

During the audit period, the Missouri Technology Corporation was awarded and expended \$1,680,000 in Federal Stimulus monies, including a \$180,000 grant through the Department of Natural Resources as part of the U.S. Department of Energy's State Energy Program for an Algae-Based Renewable Energy Study, and a \$1,500,000 Federal Budget Stabilization-Medicaid Reimbursement Fund grant for the construction of the Missouri Plant Science Center in Mexico, Missouri.

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: <http://auditor.mo.gov>



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# Missouri Technology Corporation

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Mike Downing, Acting Director  
Department of Economic Development  
and  
Members of the Board of Directors  
and  
William Anderson, Acting Executive Director  
Missouri Technology Corporation  
Jefferson City, Missouri

We have audited certain operations of the Missouri Technology Corporation, in fulfillment of our duties under Chapters 29 and 348, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2012, 2011, and 2010. The objectives of our audit were to:

1. Evaluate the corporation's internal controls over significant management and financial functions.
2. Evaluate the corporation's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the corporation, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the corporation's management and was not subjected to the procedures applied in our audit of the corporation.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Missouri Technology Corporation.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible, and a middle initial "A" in between.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Douglas Porting, CPA, CFE
Audit Manager:	Robert Showers, CPA, CGAP
In-Charge Auditor:	Deborah Whitis, MBA, CPA, CIA
Audit Staff:	Colby Dollens

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# Missouri Technology Corporation

## Management Advisory Report

### State Auditor's Findings

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#### **1. Administrative Costs and Fees**

Procedures over administrative costs and fees could be improved. Administrative cost allocations are not supported by adequate documentation and do not always appear reasonable. In addition, administrative fund balances are not adequately tracked and some administrative costs subsidized by the Department of Economic Development (DED) are not reflected in financial reports. Prior audits have included concerns over the tracking of administrative costs.

##### **1.1 Cost allocations**

The Missouri Technology Corporation (MTC) does not maintain detailed timesheets or other documentation to support administrative costs allocated to the various programs administered. MTC officials indicated administrative cost allocations are based on an estimation of efforts spent. For fiscal year 2010, and a portion of fiscal year 2011, MTC officials estimated 75 percent of administrative expenses associated with payroll were allocable to the Lewis and Clark Discovery Initiative (LCDI) administrative fund and the remaining 25 percent were allocable to the Life Sciences Research Trust (LSRT) administrative fund. For the remainder of fiscal 2011, and all of fiscal 2012, MTC officials estimated 85 percent of payroll expenses and other general expenses such as telecommunications and accounting services were allocable to the State Small Business Credit Initiative (SSBCI) administrative fund and the remaining 15 percent were allocable to either the LCDI or MTC general administrative funds. MTC officials provided no evidence to support the allocation percentages. Administrative expenses include salaries, office space, information technology, accounting services, and overall administrative support provided to the MTC by the DED.

In addition, we noted some actual administrative cost allocations were inconsistent with the established allocation percentages provided by MTC officials, with no basis provided for the inconsistencies, and not all allocations appeared reasonable.

- A \$4,516 disbursement on March 5, 2012, for accounting services was allocated as \$1,067 (23.6 percent) to the SSBCI administrative fund and \$3,449 (76.4 percent) to the MTC general administrative fund instead of the estimated basis of 85 percent to SSBCI and 15 percent to the MTC general administrative fund. Other programs such as the LCDI, Missouri Technology Investment (MoTIF), Bioscience Entrepreneurial Training (BET), Research Alliance of Missouri (RAM), and LSRT, appeared to benefit from the accounting services but were not included in the allocation.
- A \$25,000 disbursement on May 1, 2012, for the Executive Director's salary reimbursement to the DED was allocated as 100 percent to the MoTIF program. While using MoTIF funds for this administrative purpose is allowed by state law, it appears the



Missouri Technology Corporation  
Management Advisory Report - State Auditor's Finding

Executive Director likely spent time working on other programs to which some of the cost could have been directly charged.

- Our scan of the accounting records indicates all fiscal year 2010 reimbursements to the DED for departmental administrative pool billings were allocated as 100 percent to the MTC general administrative fund instead of the established basis of 75 percent to LCDI administrative fund and 25 percent to LSRT administrative fund.
- The reimbursement of \$32,066 to the DED for the salary of the Director of Operations in fiscal year 2011 was allocated as 100 percent to the LSRT administrative fund. This allocation appears unreasonable since it is unlikely the Director of Operations devoted 100 percent of her time to the LSRT program.

General Cost Principles for State Governments and Non-Profit Organizations (2 CFR Parts 225 and 230 Appendix A) provide basic considerations affecting the allowability of costs. One of these factors is that the costs must be adequately documented. In addition, good management practices dictate administrative costs should be supported by adequate documentation including detailed timesheets for employees.

## 1.2 Administrative fund balances

Administrative cost fund balances are not adequately tracked. At our request, the MTC created reports to separately identify the administrative income, expenditures, and ending balances for all of the administrative cost funds. As shown in the table below, administrative cost funds for two programs had negative balances as of June 30, 2012. As a result, the MTC utilized funds restricted for other purposes to cover these cash shortages.

Program/Fund	Beginning Balance	Revenues	Expenses	Ending Balance
	July 1, 2009			June 30, 2012
LCDI	\$629,206	0	393,369	235,837
LSRT	104,019	261,221	323,444	41,796
LET	0	35,000	1,056	33,944
SSBCI	0	306,532	372,543	(66,011)
MoTIF	0	99,000	99,000	0
RAM	28,064	0	10,940	17,124
MTC General	(38,582)	228,166	309,689	(120,105)
Total	\$722,707	929,919	1,510,041	142,585

Properly accounting for administrative costs associated with each program is necessary to ensure restricted program funds are used for intended purposes.



## Missouri Technology Corporation Management Advisory Report - State Auditor's Finding

### 1.3 DED administrative subsidies

Administrative subsidies from the DED to the MTC are not captured or reported in MTC financial information presented to the Board and the public. During the 3 years ended June 30, 2012, the DED incurred direct administrative expenses totaling \$571,807 for salary, benefits, travel expenses, office space, and utilities attributable to the MTC, and was reimbursed a total of \$202,685 by the MTC. The result is a total administrative subsidy of \$369,122 over the 3 year period.

While MTC functions are clearly within the mission of the DED, the corporation is a separate legal entity. Not including significant administrative expenses on MTC financial reports misrepresents the corporation's financial activity and costs of operation. Ensuring all administrative costs are reflected in the corporation's financial reports would allow the MTC Board and the DED to more effectively monitor administrative costs, and would provide more transparency in the administrative costs of the corporation.

### Recommendations

The MTC:

- 1.1 Ensure amounts for salary, office space, and other administrative services provided by the DED are supported by adequate documentation, including employee timesheets, and clearly specified in the agreement between the DED and the MTC.
- 1.2 Monitor administrative funds balances to prevent deficit spending and to ensure restricted funds are used for intended purposes.
- 1.3 Ensure all costs to administer MTC programs are reflected in financial reports.

### Auditee's Response

*The MTC Board of Directors provided the following written response:*

- 1.1 *MTC agrees that procedures to more clearly outline administrative cost allocations can always be considered. However, MTC strongly disagrees that its administrative cost allocations have been unreasonable. MTC strives to directly allocate administrative costs to the programs they support when such costs are clearly identifiable. When administrative costs support multiple programs, those costs are allocated based on allocation methodologies approved by the MTC Board as a part of MTC's annual operating plan. It is also important to note that MTC has received irregular injections of funding at irregular intervals. This funding approach creates challenges with respect to strategically implementing programs and planning for their ongoing administrative costs. The MTC Board has worked diligently to expend funds conservatively over time to ensure that it can fund MTC's ongoing obligations for its programs.*



## Missouri Technology Corporation Management Advisory Report - State Auditor's Finding

*MTC also strongly disagrees with Auditor's conclusion that the allocation of the Executive Director's salary in Fiscal Year 2012 was unreasonable. Section 7.020 of House Bill 7, a copy of which has been provided to the SAO, appropriates funds to the Department of Economic Development for the Missouri Technology Corporation, for "administration and for science and technology development" (emphasis added). This audit finding appears to be based on a misunderstanding by the SAO regarding MTC's funding source. Specifically, MoTIF is not a pool of funds allocated for a particular program. The salary of the Executive Director clearly is an allowable administrative cost paid from an appropriation for administrative costs. In addition to being entirely consistent with the applicable statute, it is a budget decision agreed to by DED under its general agreement with MTC and approved by the MTC Board.*

*DED employees providing support to MTC pursuant to the DED's written agreements with MTC record their time using the TMS timekeeping system. DED and MTC agreed to a fixed-cost contract for these services as the most efficient method. In addition, MTC reimburses DED for indirect costs pursuant to the cost allocation plan as do other agencies of the DED.*

- 1.2 MTC appreciates the Auditor's advice on improvements for tracking administrative fund balances. All administrative costs incurred were appropriate expenditures that support the statutory mission of the MTC. MTC staff will continue to work with its outside accounting firm, Williams Keepers, LLC, to identify reporting tools to continue improving its administrative fund account tracking.*
- 1.3 MTC appreciates the Auditor's recommendation to ensure that all costs to administer MTC programs are reflected in its financial reports. The MTC Board believes that its monitoring of administrative costs is effective; however, MTC is committed to continual improvement. MTC will work with DED to identify ways to improve reporting the costs related to operating MTC programs. As noted in the audit report, MTC functions are clearly within the mission of DED.*

## Auditor Comment

- 1.1 The audit report describes several instances where administrative costs were charged to administrative cost pools or program funds at rates other than the established allocation percentages, with no documentation to support the deviation. Regarding the MoTIF administrative funding, the audit report recognizes that the administrative dollars in question are not limited to MoTIF activity, but questions whether a portion of the Executive Director's salary*



## Missouri Technology Corporation Management Advisory Report - State Auditor's Finding

could have been directly charged to other cost pools. By electing to use general administrative cost pools for administrative expenses that could be charged directly to other programs, the MTC risks having to inappropriately charge restricted funds for unrelated costs if general administrative funds are depleted in future periods.

## 2. Accounting Controls and Oversight

MTC budgets and financial information provided to the Board do not contain sufficient detail to properly monitor program funds. In addition, numerous accounting errors were noted during our audit of the MTC. The MTC received approximately \$17.7 million and disbursed approximately \$18.6 million during the 3 years ended June 30, 2012.

### 2.1 Budgets and monitoring

Budget and financial documents presented to the Board do not contain sufficient detail to adequately monitor the various funds administered. As indicated in MAR finding number 1, the MTC does not adequately track administrative fund activity and, similarly, does not adequately track the activity of the various program funds. As a result, the revenues, expenses and fund balances of the various programs and administrative funds are not provided to the Board. While the fiscal year 2011 and 2012 Operating Plans provided to the Board include a consolidated program budget and consolidated administrative budget, the projected administrative expenditures encompass all funding sources and do not separately identify expenditures specific to each funding source. In addition, these budgets lack beginning and projected ending balances and prior year actual amounts.

Quarterly Treasury Reports provided to the Board throughout the year also contain consolidated program information and do not contain information on individual program balances. Without detailed budget to actual reports by fund, the Board cannot adequately monitor the funds administered to ensure funds are being used for their intended purpose.

A complete and well planned budget can serve as a useful management tool by establishing specific cost expectations for each area and providing a means to effectively monitor actual costs.

### 2.2 Accounting misclassifications

Procedures are not adequate to ensure revenues and expenditures are properly classified in the accounting system. MTC personnel provide instructions to an outside accounting firm regarding the classification of transactions in the accounting system. Our review noted multiple classification errors. For example, \$1.5 million in ARRA monies for the Missouri Plant Science Center (MPSC) were incorrectly recorded on the Income Statement as administrative income instead of program income during the 2 years ended June 30, 2011. Because these monies were classified to the MTC general administrative fund rather than creating a separate fund for the MPSC, the corresponding disbursement of these monies was also classified as an administrative expense, resulting in a





## Missouri Technology Corporation Management Advisory Report - State Auditor's Finding

significant overstatement of administrative activity. In addition, our review of the MoTIF fund identified \$99,000 in administrative income improperly recorded as program income and \$99,000 of administrative expenses improperly recorded as program expenses for costs associated with the Executive Director's salary reimbursement to the DED during the 2 years ended June 30, 2012. We also noted \$32,066 for wage expenses were incorrectly recorded as consulting fees during the year ended June 30, 2011.

Accurate accounting records are necessary for MTC officials and the Board to monitor the status of the programs they are charged with implementing, and are essential to effectively evaluate program performance.

### 2.3 Accounting oversight

Procedures to oversee accounting transactions processed by an outside accounting firm are not adequate. Our review of the check register identified 16 incorrectly recorded checks where the sequential check number posted to the check register was off by one digit from the actual check number. In addition, another 24 checks were issued out of sequence and 26 of 40 checks voided during the audit period were not recorded. In addition, none of the voided checks were mutilated and retained.

Adequate oversight includes ensuring the accuracy of the accounting records prepared by the accounting firm. Without thoroughly reviewing the accounting records, there is less assurance all transactions are accounted for properly and financial reports are accurately presented.

## Recommendations

The MTC:

2.1 Prepare a detailed budget for program and administrative funding needs, including beginning and projected ending balances, and budgeted revenues and expenses for each fund. In addition, the MTC should implement procedures to monitor budget-to-actual costs and present this information to the Board throughout the year.

2.2&

2.3 Establish procedures to monitor the accuracy of financial records and ensure records are complete and accurate. Procedures should include accounting for the numerical sequence of checks and properly defacing and retaining voided checks.

## Auditee's Response

2.1 *MTC appreciates the Auditor's advice for improving budgeting and monitoring procedures. As a part of MTC's ongoing efforts to strengthen its governance, MTC has significantly increased the amount of detailed financial information provided to the MTC Board and instituted a practice of adopting an annual operating plan, which includes both administrative and programmatic budgets for the funding made available to MTC. The MTC Board receives a*



Missouri Technology Corporation  
Management Advisory Report - State Auditor's Finding

*Treasurer's Report prior to each regular quarterly Board meeting that includes financial statements (balance sheet as of the most recent month-end and profit and loss statement), a quarterly transaction report, an outstanding checks report, a report of administrative expenses comparing actual amounts to the corresponding amounts in the operating budget approved by the MTC Board, and an investment portfolio report. In addition to the quarterly Treasurer's Report, the MTC Board also receives a monthly financial report which includes financial statements (balance sheet as of the most recent month-end and year-to-date profit and loss statement), monthly transaction report, monthly outstanding check report, a report of administrative expenses comparing actual amounts to the corresponding amounts in the operating budget approved by the MTC Board and a monthly loan exception report. MTC staff will continue to seek ways to improve the financial information regularly provided to the Board to further strengthen oversight.*

2.2&

2.3 *MTC contracts with Williams Keepers, LLC to provide financial accounting and related services to MTC. Williams Keepers is a highly respected accounting firm in central Missouri with substantial experience assisting public bodies. While Williams Keepers has advised MTC that the process for destroying voided checks was entirely appropriate, MTC now requires Williams Keepers to return any voided check to MTC staff to confirm the check has been properly defaced and retained. Additionally, all voided checks are clearly recorded in the MTC's general ledger. MTC also notes that there have been no unauthorized disbursements based on the previous practice used for destroying voided checks. MTC will continue to work with Williams Keepers to further improve the way MTC's finances are classified, recorded, tracked and presented.*

## Auditor Comment

2.1 While MTC officials have improved the information provided to the Board since the prior audit, information provided pertaining to program and administrative fund balances remains aggregated, and would be more beneficial if individual program and administrative fund balances are included.

## 3. Notes Receivable

Controls and procedures over payments collected on promissory notes receivable could be improved. In addition, the MTC does not adequately monitor past due promissory notes and does not assess penalties due as required by promissory notes. Notes receivable on approved projects of the LCDI and SSBCI programs totaled \$6.7 million as of June 30, 2012.



## Missouri Technology Corporation Management Advisory Report - State Auditor's Finding

### 3.1 Receipts and deposits

Neither prenumbered receipt slips nor a summary control log of receipts is maintained to document the date of each payment received. Rather, payments received are recorded on subsidiary ledgers maintained for each loan and only the check date is recorded. As a result, it is difficult to determine if receipts are deposited in a timely manner. Utilizing the recorded check date and allowing 2 days for mail delivery, our review estimates 29 of the 71 receipts reviewed, or 38 percent, were not deposited within 5 days of receipt. Under these assumptions, the time elapsed from receipt to deposit on these 29 receipts ranged from 6 to 34 calendar days.

Failure to implement adequate receipting and depositing procedures increases the risk that loss or misuse of monies received will go undetected.

### 3.2 Monitoring

MTC procedures are not sufficient to adequately monitor notes receivable and ensure timely collection of amounts due and compliance with the terms of the promissory notes. At least 13 of the 71 payments received during the period from December 31, 2009, to June 13, 2012, appear to have been delinquent and at least 12 payments from one company remained outstanding as of October 15, 2012.

As noted above, the MTC does not record the date payments are received. However, by utilizing the recorded check date and allowing 2 days for mail delivery, we estimated at least 13 of the 71 payments reviewed were greater than 15 days delinquent when received. Furthermore, four of these payments were more than 31 days past due. If the actual receipt date is closer to the actual deposit date, the period of delinquency is even longer.

As of October 15, 2012, one company had not remitted a payment on its loan since August 15, 2011, even though the original promissory note was amended in April 2011 due to difficulties making the original loan payments. In addition, the August 15, 2011, payment received was for the monthly payment due June 30, 2011. MTC notified the company on September 26, 2011, that interest was accruing at the past due rate. MTC also required the company to provide weekly status updates, furnish financial statements for the quarter ending June 30, 2011, and obtain ownership of and install collateral in the Missouri facility. Although weekly status updates and the June 30, 2011, unaudited financial statements were furnished to the MTC, there was no documentation of whether the collateral was acquired and installed in Missouri or if more recent financial statements were requested by the MTC or provided by the company.

Our review identified another company missed its November 2011 payment. While MTC officials notified the company of the past due payment in December 2011, payment was not made until July 2012 when we inquired about the missed payment.



## Missouri Technology Corporation Management Advisory Report - State Auditor's Finding

In addition, no late payment penalties were assessed on past due payments of any projects as stipulated in the promissory notes. The promissory notes indicate if a borrower fails to make any payment within 15 days after the date such payment is due, the borrower shall pay on demand to MTC a late charge equal to 5 percent of the amount of such overdue payment.

Procedures to monitor and follow-up on past due promissory notes are necessary to ensure payment is received. Failure to monitor unpaid amounts may result in lost revenue and program funds.

## Recommendations

The MTC:

- 3.1 Issue prenumbered receipt slips or maintain a summary log of all payments received, noting the receipt date, and reconcile with deposit records to ensure receipts are deposited in a timely manner.
- 3.2 Establish procedures to monitor and timely follow up on past due payments, including enforcing late payment fees in accordance with promissory notes.

## Auditee's Response

*The MTC Board of Directors provided the following written response:*

- 3.1 *MTC appreciates the Auditor's advice for improved tracking of loan payments and deposits. MTC staff has taken several steps to improve loan payment tracking. Check dates and receipt dates for each loan payment are now recorded in MTC's loan payment tracking log. MTC has also made an electronic payment option available to borrowers to encourage timely payments in an efficient, business-friendly manner.*
- 3.2 *MTC agrees in part and disagrees in part with this finding. With respect to enforcing late payment fees, MTC views late payment fees as a last resort for materially non-compliant companies after other efforts have been exhausted. MTC is a non-profit corporation whose mission is to support early-stage small businesses. Many times these companies are staff-constrained and payment systems are not fully developed or affordable. MTC uses best efforts to resolve payment delinquencies in a way that will facilitate the company's growth and not compromise its efforts to successfully commercialize its technologies. A more aggressive approach to late payment fees is inconsistent with MTC's economic development mission to assist small businesses.*

*MTC agrees that loan payment tracking and compliance always can be improved. MTC staff is now preparing a monthly exception report that more quickly identifies late or missed payments and*



## Missouri Technology Corporation Management Advisory Report - State Auditor's Finding

*other outstanding contractual obligations of its loan portfolio. These reports are used to bring borrowers back into compliance and are also included in MTC's monthly financial report to the Board. Additionally, MTC is implementing a loan tracking software solution to electronically track loan payments and obligations in a more systematic way that allows existing staff resources to be used more efficiently.*

### 4. Meeting Minutes

Open meeting minutes do not always disclose the potential conflict of interest for board members recusing themselves from participating in discussions or voting on decisions.

Board members appear to be properly recusing themselves from discussions or votes on decisions in which they have potential conflicts, as required by current policy, however, meeting minutes rarely disclose the nature of the potential conflict of interest. Our review of the MTC Board's fiscal year 2012 minutes identified 18 recusals by Board members; however, the nature of the conflict was not disclosed in the minutes for any of these recusals. In addition, an instance was noted in which one Board member did not recuse himself, but did disclose a potential conflict of interest in the minutes. There was no documentation in the minutes of any action taken by the Board to determine if an actual conflict existed.

As required by statute, the MTC Board includes a significant number of individuals with interests or representation in the technology industry. While such involvement provides industry insights and can be beneficial, it also results in the potential for conflicts of interest. Disclosing the nature of any conflicts resulting in recusals from discussions or votes would increase the transparency of the Board and its decisions.

### Recommendation

The MTC Board should revise the conflict of interest policy to require disclosure of the nature of potential conflicts of interest in the meeting minutes.

### Auditee's Response

*The MTC Board of Directors provided the following response:*

*MTC appreciates the Auditor's advice for continued improvement of its best-in-class conflicts of interest policy. The MTC Board employs a very conservative conflicts of interest policy to address actual and even perceived conflicts of interest that may arise in the course of executing its economic development mission. Auditors identified one instance where a Board member disclosed a potential conflict of interest but did not recuse from the discussion and voted on the matter. This specific disclosure was made out of an abundance of conservatism given the very proactive efforts the MTC undertakes to prevent conflicts of interest or even the appearance of a conflict. The MTC Board determined that, under the circumstances, the*



Missouri Technology Corporation  
Management Advisory Report - State Auditor's Finding

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*disclosed relationship did not rise to the level which required a recusal of the Board member pursuant to Article III, Section 2 of MTC's Conflicts of Interest Policy.*

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# Missouri Technology Corporation

## Organization and Statistical Information

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The Missouri Technology Corporation (MTC) was authorized by Section 348.251, RSMo, in 1994 to replace the Missouri Business Modernization and Technology Corporation. The MTC was organized and held its first board meeting on November 14, 1994, and its Articles of Incorporation were filed with the Secretary of State on January 10, 1995. The MTC is a not-for-profit corporation.

The purposes of the MTC are to contribute to the strengthening of the economy of the state through development of science and technology, to promote the modernization of Missouri businesses by supporting the transfer of science, technology, and quality improvement methods to the workplace and to enhance the productivity and modernization of Missouri businesses by providing leadership in the establishment of methods of technology application, technology commercialization, and technology development. MTC staff include one full time Acting Executive Director paid by MTC funds, as well as a Director of Operations and a Senior Associate, who are full time Department of Economic Development (DED) employees working on MTC related tasks part of the time. The MTC reimburses the DED a pro rata share of the costs related to these two employees.

In 1999, the Governor and General Assembly appropriated \$2 million to the MTC for a state investment in a new technology park located at Fort Leonard Wood, Missouri. The University of Missouri matched the state's investment with \$2 million of its own funds and took on the role of managing partner.

In May 2007, the Lewis and Clark Discovery Initiative (LCDI) was signed into law to provide Missouri's colleges and universities with funding for facility and infrastructure improvements. An appropriation of \$15 million was directed to the MTC for various programs designed to improve commercialization of Missouri technologies. As of June 30, 2012, LCDI disbursements totaled approximately \$8.8 million, which included \$8 million for programs (equity investments, grants, and loans) and \$800,000 for administrative expenses.

In 2008, the MTC, at the request of the Missouri Life Sciences Research Board, began providing administrative services to that Board. The MTC reviews activity and funding reports of ten Missouri Innovation Centers and works with the University of Missouri and the Missouri Federal and State Technology program.

In 2009, the MTC, through a DED appropriation, was designated to receive \$2.5 million for the planning, design, renovation, equipment purchase and construction of the Missouri Plant Science Center in Mexico, Missouri. The 25,000 square-foot facility opened its doors and welcomed its managing tenant, Soy Labs LLC, in the spring of 2011.



## Missouri Technology Corporation Organization and Statistical Information

In September 2010, the State Small Business Credit Initiative (SSBCI) was created by Congress upon passage of the Small Business Job Act of 2010. The SSBCI provides federal funds to strengthen state programs that support lending to small businesses and small manufacturers. In 2011, the state of Missouri was awarded almost \$27 million through this initiative from the U.S. Treasury that will be disbursed over a 7-year period, of which \$16.9 million will be passed through the DED to the MTC for the Innovation, Development and Entrepreneurial Advancement program. The MTC received approximately \$11.5 million in SSBCI funding through June 30, 2012.

The MTC Board of Directors is composed of 15 members:

- 1) The director of the Department of Economic Development or his designee;
- 2) The president of the University of Missouri system or his designee;
- 3) A member of the state senate appointed by the president pro tem of the senate;
- 4) A member of the house of representatives appointed by the speaker of the house;
- 5) Eleven members appointed by the governor, two of which shall be from the public sector and nine from the private sector who shall include, but shall not be limited to, individuals who represent technology-based businesses and industrial interests. The governor shall appoint one of the private sector members as chairman.

The members of the MTC Board of Directors as of June 30, 2012 were:

Appointed Board members	Term Expires October 1,
Joseph G. Bannister, Chairman	2012
Daniel P. Mehan, Vice-Chairman	2014
Dr. Jim Baker, Secretary-Treasurer	2013
Elizabeth Canuteson	2015
Victoria A. Gonzalez	2012
Gary Kemp	2013
David Kerr	2012
Donn Rubin	2014
Gregory A. Steinhoff	2012
Michael D. Welte	2013
Vacant (1)	

(1) Dr. Anthony Harris resigned on August 24, 2011





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Missouri Technology Corporation  
Organization and Statistical Information

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Standing Board members

Jason Hall, Delegate for the Department of Economic Development  
Director

Dr. Michael F. Nichols, Delegate for the President, University of Missouri

Rob Schaaf, State Senate

Thomas Long, House of Representatives

Ex-Officio Board members

Colonel Charles A. Williams, Fort Leonard Wood

Raymond Tait, Ph.D., Research Alliance of Missouri Chair

Nasser Arshadi, Ph.D., Research Alliance of Missouri Treasurer

In 2003, following a request by the governor and under a contractual agreement with the DED, the MTC established the Research Alliance of Missouri (RAM). The RAM is a cooperative effort of the DED, the MTC and many Missouri higher education institutions with active research and development programs. The mission of the RAM is to improve the well-being of Missourians through increased research productivity and technology innovation within Missouri universities; to promote economic development through increased collaborative efforts between the academic and business sectors; and to provide greater access of Missouri businesses to university-derived technologies. The primary goals of the RAM, according to the strategic plan, are to increase the number of multi-university research proposals and awards and to improve university/industry relationships. Universities in the state with at least \$10 million in research and development expenditures annually are eligible for membership. The RAM is structured as a board with a senior research official of each member university serving as members.

The members of the RAM Board of Directors as of June 30, 2012 were:

Raymond Tait, Ph.D., Chair

Allen Kunkel, Vice Chair

Nasser Arshadi, Ph.D., Treasurer

Maria DiStefano, Ph.D.

Rob Duncan, Ph.D.

Alan Glaros, Ph.D.

Karla Rober

Jane C. Johnson

Evan Kharasch, M.D., Ph.D.

Cindy Kiel

Ted R. Knous, Ph.D.

Krishna Krishnamurthy, Ph.D.

Michael F. Nichols, Ph.D.

Victoria Steel, Ph.D.

Vacant



Missouri Technology Corporation  
Organization and Statistical Information

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American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)

According to management, the MTC was awarded the following American Recovery and Reinvestment Act of 2009 funding during the 3 years ended June 30, 2012:

A \$180,000 grant was provided through the DED from the Department of Natural Resources (DNR) as part of the U.S. Department of Energy's State Energy Program for an Algae-Based Renewable Energy Study. During the 2 years ended June 30, 2012, \$180,000 was received and expended.

A \$1,500,000 grant was provided through the DED from the Federal Budget Stabilization - Medicaid Reimbursement Fund for construction of the Missouri Plant Science Center located at Mexico, Missouri. During the 3 years ended June 30, 2012, \$1,500,000 was received and expended.

A summary of the MTC's financial activity, as reflected in the MTC's compiled financial statements, is presented in the following appendixes.

## Appendix A

### Missouri Technology Corporation Comparative Balance Sheet

	June 30,		
	2012	2011	2010
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$ 9,216,418	8,896,732	10,234,947
Certificates of Deposit	1,718,379	0	0
<b>Total Cash</b>	<b>10,934,797</b>	<b>8,896,732</b>	<b>10,234,947</b>
<b>Other Current Assets</b>			
Notes Receivable	6,716,314	1,496,037	772,111
<b>Total Other Current Assets</b>	<b>6,716,314</b>	<b>1,496,037</b>	<b>772,111</b>
<b>Total Current Assets</b>	<b>17,651,111</b>	<b>10,392,769</b>	<b>11,007,058</b>
<b>Fixed Assets</b>			
Office Equipment	15,280	15,280	15,280
Accumulated Depreciation	(14,371)	(13,766)	(13,161)
<b>Net Fixed Assets</b>	<b>909</b>	<b>1,514</b>	<b>2,119</b>
<b>Other Assets</b>			
Investments	6,438,002	3,037,965	1,914,468
<b>Total Other Assets</b>	<b>6,438,002</b>	<b>3,037,965</b>	<b>1,914,468</b>
<b>Total Assets</b>	<b>\$ 24,090,022</b>	<b>13,432,248</b>	<b>12,923,645</b>
<b>Liabilities and Equity</b>			
<b>Current Liabilities</b>			
Payroll Liabilities	\$ 0	0	900
Contractual Committed Funds	59,648	59,648	320,957
<b>Total Current Liabilities</b>	<b>59,648</b>	<b>59,648</b>	<b>321,857</b>
<b>Equity</b>			
Retained Earnings	13,372,600	12,601,788	13,678,326
Net Income	10,657,774	770,812	(1,076,538)
<b>Total Equity</b>	<b>24,030,374</b>	<b>13,372,600</b>	<b>12,601,788</b>
<b>Total Liabilities and Equity</b>	<b>\$ 24,090,022</b>	<b>13,432,248</b>	<b>12,923,645</b>

Source: Missouri Technology Corporation's compiled financial statements

## Appendix B

### Missouri Technology Corporation

#### Comparative Statement of Revenues and Expenses - Modified Cash Basis

	Year Ended June 30		
	2012	2011	2010
Income			
Administrative Income	\$ 306,531	1,172,904	588,308
Program Income	13,207,859	2,189,000	0
Miscellaneous Income	106	93	54
Total Income	13,514,496	3,361,997	588,362
Expense			
Administrative Services	2,340	2,716	2,064
Bank Service Charge	36	36	36
Conference Expense	0	17,757	510
Depreciation	605	605	1,762
Dues and Subscriptions	0	15	545
Fees	10	0	0
Insurance	8,044	8,806	9,604
License and Permits	0	0	15
Meetings	835	210	901
Miscellaneous	0	0	70
Office Supplies	249	316	682
Payroll Expense	0	0	(18)
Payroll Tax	6,502	6,502	6,502
Postage and Delivery	1,455	1,895	2,425
Printing and Reproduction	1,458	3,948	1,132
Professional Fees			
Accounting	21,410	61,408	19,224
Consulting	0	32,066	132,750
Legal Fees	307,978	127,547	270,797
Program Expense	2,491,180	2,332,838	1,124,794
Rent	63	0	0
Retirement Expense	495	0	0
Supplies	30	191	0
Telecommunications	3,779	4,195	7,673
Travel and Entertainment	7,071	7,141	18,747
Wages	116,771	85,985	116,237
Total Expense	2,970,311	2,694,177	1,716,452
Net Operating Income	10,544,185	667,820	(1,128,090)
Other Income			
Interest Income - Administrative	113,462	35,815	51,552
Interest Income - Program	0	19,944	0
Other Income	0	158	0
Program Reimbursement	127	0	0
Unrealized Gain(Loss)	0	47,075	0
Net Income	\$ 10,657,774	770,812	(1,076,538)

Source: Missouri Technology Corporation's compiled financial statements

## Appendix C

### Missouri Technology Corporation Notes Receivable

Name of Recipient	Funding Source	Balance as of June 30, 2012
AndroJek, Inc.	LCDI	\$ 125,000
Apse, LLC	SSBCI	50,000
CardiaLen, Inc.	SSBCI	250,000
Cars 'N' Kids, Inc.	LCDI	15,000
Cervimark, LLC	LCDI	50,000
Confluence Life Sciences, Inc.	LCDI	75,000
Confluence Life Sciences, Inc.	SSBCI	250,000
Dermelle, LLC	SSBCI	100,000
Electrochaea, LLC	SSBCI	240,000
Emerald Automotive, LLC	SSBCI	2,000,000
GremIn, LLC	SSBCI	100,000
Innovaprep, LLC	LCDI	399,664
Katalyst Surgical, LLC	LCDI	431,214
Kypha, Inc.	LCDI	225,000
Leinco Technologies, Inc.	LCDI	278,712
PetScreen, Inc.	LCDI	246,757
Pulse Therapeutics, Inc.	LCDI	11,067
Spogen Biotech, Inc.	SSBCI	90,000
Sustainable Community Development, LLC	LCDI	480,000
SyMyCo, Inc.	LCDI	250,000
Traxxsson, LLC	LCDI	75,000
Vasculox, Inc.	LCDI	73,900
VirRx, Inc.	LCDI	50,000
Verto Medical Solutions, LLC	SSBCI	750,000
Xtend Energy, LLC	SSBCI	100,000
		\$ <u>6,716,314</u>

LCDI - Lewis and Clark Discovery Initiative

SSBCI - State Small Business Credit Initiative

Source: Missouri Technology Corporation's Detailed Balance Sheet

## Appendix D

### Missouri Technology Corporation Equity Investments

Name of Recipient	Funding Source	Balance as of June 30, 2012
AndroJek, Inc.	SSBCI	\$ 200,000
Global Velocity, Inc.	SSBCI	749,999
ImmunoPhotonics, Inc.	LCDI	69,000
ImmunoPhotonics, Inc.	SSBCI	205,809
Jbara Software, Inc.	SSBCI	50,000
Kereos, Inc.	SSBCI	250,000
Kiosite, LLC	SSBCI	335,000
LockerDome, LLC	SSBCI	199,997
Media Convergence Group, Inc.	LCDI	187,500
Missouri Plant Science Center	ARRA	1,500,000
Pulse Therapeutics, Inc.	LCDI	197,075
Pulse Therapeutics, Inc.	SSBCI	1,000,000
UM/FLW Technology Park	State Appropriation in 1999	1,493,622
		<u>\$ 6,438,002</u>

ARRA - American Recovery and Reinvestment Act

LCDI - Lewis and Clark Discovery Initiative

SSBCI - State Small Business Credit Initiative

Source: Missouri Technology Corporation's Detailed Balance Sheet



Thomas A. Schweich  
Missouri State Auditor

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# FOLLOW-UP REPORT ON AUDIT FINDINGS

## Fortieth Judicial Circuit City of Pineville Municipal Division



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July 2013

Report No. 2013-058

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<http://auditor.mo.gov>

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# Fortieth Judicial Circuit, City of Pineville Municipal Division

## Follow-Up Report on Audit Findings

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#### Status of Findings\*

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# THOMAS A. SCHWEICH

## Missouri State Auditor

Presiding Judge  
Fortieth Judicial Circuit  
and  
Municipal Judge  
and  
Honorable Mayor  
and  
Members of the Board of Aldermen  
City of Pineville, Missouri

We have conducted follow-up work on audit report findings contained in Report No. 2013-14, *Fortieth Judicial Circuit, City of Pineville Municipal Division*, issued in February 2013, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the municipal division about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the municipal division, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed the written status of selected findings and recommendations and supporting documentation submitted by city and municipal division officials, and held meetings with city and municipal division officials. Documentation provided by the municipal division included manual receipt slips; bank statements; Justice Information System (JIS), the Missouri

Courts automated case management system reports; case files; ticket logs; and various other financial and court records. This report is a summary of the results of this follow-up work, which was substantially completed during June 2013.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with a prominent initial "T" and a stylized "S".

Thomas A. Schweich  
State Auditor

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# Fortieth Judicial Circuit, City of Pineville Municipal Division

## Follow-Up Report on Prior Audit Findings

### Status of Findings

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1. Missing Monies	Between June 2010 and May 2012 municipal division cash receipts totaling at least \$19,648 were received but not deposited. Some essential records documenting amounts received and case and ticket dispositions could not be located by the municipal division. These problems with records, along with correspondence with various defendants, indicated additional funds of at least \$1,648 could have also been missing. The former Court Clerk was primarily responsible for receipting, recording, and depositing all monies received by the municipal division.
-------------------	---

Recommendation	The City of Pineville Municipal Division work with law enforcement officials regarding any possible criminal prosecution related to the missing funds, including restitution. In addition, an attempt should be made to locate or recover the missing court records and documents to determine whether additional monies are missing.
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Status	<b>Implemented</b>  The City Clerk indicated the Municipal Division is working closely with the Missouri State Highway Patrol in its investigation of these and possibly additional missing monies and records. A Class C Felony charge for theft/stealing was filed against the former Court Clerk on June 13, 2013. A claim was filed with the city's insurance company related to the theft, and \$18,251 was received in June 2013 in settlement of the claim.
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2. Accounting Controls and Procedures	Significant weaknesses were identified with accounting controls and procedures of the municipal division.
---------------------------------------	---

2.1 Segregation of duties	The duties of receiving and depositing monies were not adequately segregated from recording transactions. The former Court Clerk was primarily responsible for all duties related to the collection of monies, posting fines and court costs received into the Justice Information System (JIS), and deposit preparation. Neither the Municipal Judge nor other city officials independent of the cash custody and record keeping functions provided any supervision or review of the work performed by the former Court Clerk.
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Recommendation	The City of Pineville Municipal Division segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.
----------------	--

Status	<b>In Progress</b>  The current Court Clerk still receives, records, and deposits all monies. The City Clerk indicated she has been reconciling the mail log to manual receipt slips, and manual receipt slips to the JIS, and the JIS to deposits, but she has
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Fortieth Judicial Circuit, City of Pineville Municipal Division  
Follow-up Report on Prior Audit Findings  
Status of Findings

not documented this reconciliation or review. The City Clerk indicated she will start documenting this reconciliation and review immediately.

## 2.2 Receipting, recording, and depositing procedures

Receipting, recording, and depositing procedures were inadequate. Manual receipt slips were often issued for monies paid to the court; however, no formal written policy had been established documenting when the use of manual receipt slips was appropriate and a separate receipt book was not maintained for municipal division monies received. There was no independent review to ensure manual receipt slips were properly recorded in the JIS and subsequently deposited. At least 110 manual receipt slips totaling \$19,648 were either not recorded or were not accurately recorded in the JIS and deposited. Manual receipt slips were not recorded in the JIS on a timely basis or deposited timely or intact. Generic rediform manual receipt slips were issued for monies received, manual receipt slips were not always issued in numerical order, and the same series of manual receipt slips were used to receipt both municipal division and city monies. The method of payment was not recorded on some receipt slips, and the method of payment recorded on some manual receipt slips did not agree to the method of payment recorded in the JIS. Manual receipt slips were not accounted for properly. Manual receipt slips issued prior to February 16, 2010, could not be located, and the numerical sequence of the JIS receipt slips issued was not accounted for properly. Checks and money orders on hand during a cash count had not been restrictively endorsed.

## Recommendation

The City of Pineville Municipal Division establish procedures to ensure all manual receipt slips are subsequently posted to the JIS, and ensure all monies are deposited timely and intact. The use of manual receipt slips should be limited. In addition, the composition of receipt slips should be reconciled to the composition of deposits, and checks and money orders should be restrictively endorsed upon receipt.

## Status

### In Progress

As noted in section 2.1, the City Clerk indicated she is reconciling manual receipt slips to the JIS and to deposits. However, during our review of March and April 2013 municipal division records, we noted a few instances where monies received were not recorded timely in the JIS or deposited in a timely manner, and the method of payment was not always documented on manual receipt slips issued. The City Clerk indicated in the future, monies will be recorded and deposited more timely, she will ensure the method of payment is documented on the manual receipt slips when reconciling them to the JIS and deposit, and she will run a report of receipts issued from the JIS to ensure the numerical sequence of JIS receipts is accounted for properly. Our review of March and April 2013 records also showed the municipal division is issuing official prenumbered receipt slips separate from the city, accounting for the numerical sequence of manual receipt slips,



Fortieth Judicial Circuit, City of Pineville Municipal Division  
Follow-up Report on Prior Audit Findings  
Status of Findings

and retaining all copies of voided receipt slips. The City Clerk indicated she will immediately start endorsing checks and money orders upon receipt.

### 2.3 Unpaid fines and costs

Established procedures for processing and collecting monies due on tickets were not followed by the former Court Clerk. While a list of unpaid fines and costs was maintained in the JIS, the former Court Clerk did not generate this report for the Municipal Judge's review.

#### Recommendation

The City of Pineville Municipal Division develop adequate procedures to account for and follow up on unpaid fines and costs.

#### Status

##### **In Progress**

The municipal division is currently utilizing tax intercept and debt offset collection activity for all unpaid fines and costs. The Court Clerk is preparing a list of unpaid fines and costs for non-residents and in the future, will generate a report of unpaid fines and costs from the JIS at least quarterly. The City Clerk indicated she will provide the Municipal Judge with a copy of both of these reports for his review and approval on a quarterly basis.

### 2.4 Adjustments

Adjustments in the JIS were not properly documented or reviewed by someone independent of receipting, recording, and depositing duties.

#### Recommendation

The City of Pineville Municipal Division require an independent review and approval of all adjustments made in the JIS, and retain adequate documentation to support adjustments.

#### Status

##### **In Progress**

Nine adjustments totaling \$242 were recorded by the Court Clerk in March and April 2013 without a documented independent review. In the future, the City Clerk indicated she will sign off on all fee adjustments of more than \$5. In addition, the City Clerk will run a report of adjustments from the JIS for review on a monthly basis and will randomly select cases from the report to ensure adjustments of more than \$5 have been properly approved. The City Clerk has contacted the Office of State Courts Administrator to receive supervisory training to help her adequately monitor adjustments and ensure proper documentation is retained.

### 2.5 Report of cases heard

A monthly list of all cases heard was not prepared and filed with the city as required by state law.

#### Recommendation

The City of Pineville Municipal Division ensure a monthly list of cases heard in the municipal division is prepared and filed with the city in accordance with state law.



Fortieth Judicial Circuit, City of Pineville Municipal Division  
Follow-up Report on Prior Audit Findings  
Status of Findings

Status	<b>Implemented</b>
	The Municipal Division filed a report with the city in June 2013, and the Court Clerk indicated she plans to continue filing these reports monthly as required.
3. Municipal Division Procedures	Municipal division procedures related to ticket accountability, amended and dismissed charges on tickets, case dispositions, and monitoring of excess revenues needed improvement.
3.1 Ticket accountability	Neither the city Marshal's office nor the municipal division adequately accounted for the numerical sequence and ultimate disposition of traffic tickets issued. Some ticket books assigned to officers were not posted to the log of ticket books assigned that was maintained by the Marshal's office. Neither copies of tickets nor a list of all tickets issued or voided by the Marshal's office was maintained.
Recommendation	The City of Pineville Municipal Division work with the city Marshal's office to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.
Status	<b>In Progress</b>
	The City Clerk is maintaining a log of all tickets turned into the municipal division by the city Marshal's office. The City Clerk indicated she plans to investigate any skips in numerical sequences of ticket numbers.
3.2 Amended and dismissed charges on tickets	Procedures were not in place to ensure ticket information entered in the JIS was always approved by the City Prosecutor (such as amended charges, changes in fines and costs, and dismissals).
Recommendation	The City of Pineville Municipal Division develop procedures to ensure all amended and dismissed tickets, and tickets for which fines and costs have been adjusted, are approved by the City Prosecutor and properly posted to the JIS.
Status	<b>In Progress</b>
	The City Prosecutor now prepares a list of all amended and dismissed tickets, and tickets for which fines and costs have been adjusted and submits the list to the City Clerk for her review. The City Clerk indicated in the future, she plans to compare the City Prosecutor's list of amended and dismissed tickets to information recorded in the JIS at least monthly.
3.3 Case disposition	The former Court Clerk did not consistently or accurately document the final disposition of each case on the court dockets in the JIS. The Municipal



Fortieth Judicial Circuit, City of Pineville Municipal Division  
Follow-up Report on Prior Audit Findings  
Status of Findings

Judge did not review and document his approval of court dockets for traffic tickets paid at the violation bureau or for other court dockets after case dispositions were recorded in the JIS. Neither the City Prosecutor nor the Municipal Judge provided adequate oversight or documented their approval of suspended case activity recorded in JIS.

**Recommendation**

The City of Pineville Municipal Division ensure the proper disposition of cases is documented. The Municipal Judge should review and document his approval of the recorded disposition of all cases. In addition, the City Prosecutor or Municipal Judge should review and document their approval of suspended out of state or area resident tickets recorded.

**Status**

**In Progress**

The Municipal Judge has not implemented procedures to ensure his documented approval of all dispositions is recorded. The City Clerk indicated when a ticket is paid at the violations bureau, the ticket is filed without being held for review of the Municipal Judge. In the future, the City Clerk indicated these tickets will be presented to the Municipal Judge for his review and approval at the next court date. The Municipal Judge has begun documenting approval of the final disposition of suspended cases.

**3.4 Monitoring of excess revenues**

The municipal division and the city did not have adequate ongoing procedures to track tickets issued on state or federal highways located in the city, and the related fines and court costs collected, to determine whether excess revenues should be distributed to the Department of Revenue (DOR).

**Recommendation**

The City of Pineville Municipal Division work with the City of Pineville to track the collection of fines and court costs for traffic violations on the state and federal highways to ensure compliance with the excess revenue state law.

**Status**

**In Progress**

The municipal division has established a system in the JIS to identify fines and court costs collected on state and federal highways. Fines and court costs collected on state and federal highways are then separately recorded from other fines in the city accounting system to be used to calculate excess revenues. The City Clerk indicated this calculation will be completed near the end of calendar year 2013.



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Shelby County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Shelby County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the year ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is written in a cursive style with a large, stylized "S" at the end.

Thomas A. Schweich  
State Auditor

July 2013  
Report No. 2013-059



ANNUAL FINANCIAL REPORT

**SHELBY COUNTY, MISSOURI**

For the Year Ended December 31, 2012

SHELBY COUNTY, MISSOURI  
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## **INTRODUCTORY SECTION**

SHELBY COUNTY, MISSOURI  
List of Elected Officials

*County Commission*

Presiding Commissioner – Glenn Eagan

Western District Commissioner – Kerry McCarty

Eastern District Commissioner – Maurice Shuck

*Other Elected Officials*

Assessor – Marge Gander

Circuit Clerk – Rose Shively

Collector – John Chinn

Coroner – Ralph Eagan

County Clerk – Tracy Smith

Prosecuting Attorney – Jordan Force

Public Administrator – Susan Wilt

Recorder – Audrey Buzzard

Sheriff – Dennis Perrigo

Treasurer – Jesse Burton

## McBRIDE, LOCK & ASSOCIATES

### INDEPENDENT AUDITORS' REPORT

To the County Commission and  
Officeholders of Shelby County, Missouri

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Shelby County, Missouri as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express opinions on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1, the financial statements are prepared by Shelby County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

## **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Shelby County, Missouri, as of December 31, 2012, or the changes in its financial position for the year then ended.

## **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each fund of Shelby County, Missouri, as of December 31, 2012, and their respective cash receipts and disbursements, and budgetary results for the year then ended, on the basis of the financial reporting provisions prescribed or permitted by Missouri Law described in Note 1.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*(Original Signed by McBride, Lock & Associates)*

McBride, Lock & Associates  
Kansas City, Missouri  
May 16, 2013

## **FINANCIAL SECTION**

SHELBY COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
- ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

Fund	Cash and Cash Equivalents January 1 (Note 7)	Receipts	Disbursements	Cash and Cash Equivalents December 31
General Revenue	\$ 196,917	\$ 1,139,780	\$ 1,170,250	\$ 166,447
Special Road & Bridge	156,627	1,018,387	1,008,288	166,726
Assessment	41,989	117,679	125,412	34,256
911	164,644	244,050	288,754	119,940
Prosecuting Attorney Training	2,177	585	1,937	825
Prosecuting Attorney Bad Check	10,376	2,406	3,010	9,772
Prosecuting Attorney Tax Collection	1,832	238	9	2,061
Childrens Trust	3,408	293	1,009	2,692
Chemical Emergency Preparedness	6,366	9,983	841	15,508
Hazardous Materials Emergency Preparedness	5,610	14	3,400	2,224
Election Services	2,585	513	1,711	1,387
DARE	1,439	800	14	2,225
Recorders Storage/Preservation	6,185	3,208	2,194	7,199
Recorders Technology	3,646	1,845	2,439	3,052
Sheriff Civil Fees	29,607	10,599	24,504	15,702
Law Enforcement Training	2,541	2,309	2,930	1,920
County Law Enforcement Restitution	19,548	31,068	15,168	35,448
Safe Return Project Grant	438	1	9	430
Inmate Security	3,184	2,300	9	5,475
Collector's Tax Maintenance	19,569	7,349	3,699	23,219
Deputy Sheriff Salary Grant	-	18,168	18,168	-
Total	<u>\$ 678,688</u>	<u>\$ 2,611,575</u>	<u>\$ 2,673,755</u>	<u>\$ 616,508</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.



SHELBY COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
 BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2012

		GENERAL REVENUE FUND	
		Budget	Actual
RECEIPTS			
Property taxes	\$	380,000	\$ 401,852
Sales taxes		425,000	385,744
Intergovernmental		227,803	202,991
Charges for services		73,750	80,526
Interest		500	342
Other		48,300	58,325
Transfers in		25,000	10,000
Total Receipts	\$	1,180,353	\$ 1,139,780
DISBURSEMENTS			
County Commission	\$	116,429	\$ 91,338
County Clerk		78,781	75,870
Elections		49,068	49,623
Buildings and grounds		101,262	122,264
Employee fringe benefits		103,240	98,390
Treasurer		44,603	44,892
Collector		72,820	71,794
Recorder of Deeds		56,338	56,348
Circuit Clerk		18,000	11,237
Court administration		7,547	1,809
Public Administrator		24,796	24,226
Sheriff		219,352	211,939
Jail		58,800	55,710
Prosecuting Attorney		80,867	81,518
Juvenile Officer		52,800	26,623
Coroner		15,266	12,390
Other County Government		112,472	98,111
Transfers out		39,249	36,168
Emergency fund		35,410	-
Total Disbursements	\$	1,287,100	\$ 1,170,250
RECEIPTS OVER (UNDER)			
DISBURSEMENTS	\$	(106,747)	\$ (30,470)
CASH and CASH EQUIVALENTS, JANUARY 1		196,917	196,917
CASH and CASH EQUIVALENTS, DECEMBER 31	\$	90,170	\$ 166,447

The accompanying Notes to the Financial Statements are an integral part of these statements.

SHELBY COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
 BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2012

	SPECIAL ROAD AND BRIDGE FUND		ASSESSMENT FUND		911 FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ 240,000	\$ 254,591	\$ -	\$ -	\$ -	\$ -
Sales taxes	105,000	96,434	-	-	270,000	241,089
Intergovernmental	1,369,000	599,143	94,376	98,155	-	-
Charges for services	30,000	26,779	-	-	-	-
Interest	500	377	50	86	200	200
Other	45,500	41,063	1,000	1,438	28,300	2,761
Transfers in	-	-	18,000	18,000	-	-
Total Receipts	<u>\$ 1,790,000</u>	<u>\$ 1,018,387</u>	<u>\$ 113,426</u>	<u>\$ 117,679</u>	<u>\$ 298,500</u>	<u>\$ 244,050</u>
DISBURSEMENTS						
Salaries	\$ 234,671	\$ 230,012	\$ 84,144	\$ 84,530	\$ 223,046	\$ 222,900
Employee fringe benefits	45,190	43,643	15,202	15,087	27,647	32,100
Materials and supplies	1,362,500	563,530	3,000	2,813	2,000	2,448
Services and Other	82,750	114,134	25,050	22,982	26,200	22,591
Capital Outlay	55,000	45,374	-	-	13,400	8,715
Construction	6,000	1,595	-	-	-	-
Transfers out	25,000	10,000	-	-	-	-
Total Disbursements	<u>\$ 1,811,111</u>	<u>\$ 1,008,288</u>	<u>\$ 127,396</u>	<u>\$ 125,412</u>	<u>\$ 292,293</u>	<u>\$ 288,754</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (21,111)	\$ 10,099	\$ (13,970)	\$ (7,733)	\$ 6,207	\$ (44,704)
CASH and CASH EQUIVALENTS, JANUARY 1	<u>\$ 156,627</u>	<u>\$ 156,627</u>	<u>\$ 41,989</u>	<u>\$ 41,989</u>	<u>\$ 164,644</u>	<u>\$ 164,644</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 135,516</u></u>	<u><u>\$ 166,726</u></u>	<u><u>\$ 28,019</u></u>	<u><u>\$ 34,256</u></u>	<u><u>\$ 170,851</u></u>	<u><u>\$ 119,940</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

SHELBY COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
 BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2012

	PROSECUTING ATTORNEY TRAINING FUND		PROSECUTING ATTORNEY BAD CHECK FUND		PROSECUTING ATTORNEY TAX COLLECTION FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	423	582	2,500	2,393	60	235
Charges for services	-	-	-	-	-	-
Interest	3	3	13	13	5	3
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 426</u>	<u>\$ 585</u>	<u>\$ 2,513</u>	<u>\$ 2,406</u>	<u>\$ 65</u>	<u>\$ 238</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ 6,000	\$ 2,369	\$ -	\$ -
Employee fringe benefits	-	45	489	223	-	-
Materials and supplies	-	-	-	-	-	-
Services and Other	2,550	1,892	6,100	418	1,000	9
Capital Outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,550</u>	<u>\$ 1,937</u>	<u>\$ 12,589</u>	<u>\$ 3,010</u>	<u>\$ 1,000</u>	<u>\$ 9</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (2,124)	\$ (1,352)	\$ (10,076)	\$ (604)	\$ (935)	\$ 229
CASH and CASH EQUIVALENTS, JANUARY 1	<u>\$ 2,177</u>	<u>\$ 2,177</u>	<u>\$ 10,376</u>	<u>\$ 10,376</u>	<u>\$ 1,832</u>	<u>\$ 1,832</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u>\$ 53</u>	<u>\$ 825</u>	<u>\$ 300</u>	<u>\$ 9,772</u>	<u>\$ 897</u>	<u>\$ 2,061</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

SHELBY COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
 BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2012

	CHILDRENS TRUST FUND		CHEMICAL EMERGENCY PREPAREDNESS FUND		HAZARDOUS MATERIALS EMERGENCY PREPAREDNESS FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	250	289	3,000	9,966	1,000	7
Charges for services	-	-	-	-	-	-
Interest	5	4	10	17	10	7
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 255</u>	<u>\$ 293</u>	<u>\$ 3,010</u>	<u>\$ 9,983</u>	<u>\$ 1,010</u>	<u>\$ 14</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	150	81	250	220
Services and Other	1,100	1,009	1,125	760	350	265
Capital Outlay	-	-	-	-	2,800	2,915
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,100</u>	<u>\$ 1,009</u>	<u>\$ 1,275</u>	<u>\$ 841</u>	<u>\$ 3,400</u>	<u>\$ 3,400</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (845)	\$ (716)	\$ 1,735	\$ 9,142	\$ (2,390)	\$ (3,386)
CASH and CASH EQUIVALENTS, JANUARY 1	<u>\$ 3,408</u>	<u>\$ 3,408</u>	<u>\$ 6,366</u>	<u>\$ 6,366</u>	<u>\$ 5,610</u>	<u>\$ 5,610</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 2,563</u></u>	<u><u>\$ 2,692</u></u>	<u><u>\$ 8,101</u></u>	<u><u>\$ 15,508</u></u>	<u><u>\$ 3,220</u></u>	<u><u>\$ 2,224</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

SHELBY COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
 BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2012

	ELECTION SERVICES FUND		DARE FUND		RECORDERS STORAGE/ PRESERVATION FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	900	510	500	800	2,650	3,200
Interest	5	3	-	-	5	8
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 905</u>	<u>\$ 513</u>	<u>\$ 500</u>	<u>\$ 800</u>	<u>\$ 2,655</u>	<u>\$ 3,208</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	9
Services and Other	2,450	565	400	14	200	-
Capital Outlay	1,000	1,146	-	-	5,800	2,185
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,450</u>	<u>\$ 1,711</u>	<u>\$ 400</u>	<u>\$ 14</u>	<u>\$ 6,000</u>	<u>\$ 2,194</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,545)	\$ (1,198)	\$ 100	\$ 786	\$ (3,345)	\$ 1,014
CASH and CASH EQUIVALENTS, JANUARY 1	<u>\$ 2,585</u>	<u>\$ 2,585</u>	<u>\$ 1,439</u>	<u>\$ 1,439</u>	<u>\$ 6,185</u>	<u>\$ 6,185</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u>\$ 40</u>	<u>\$ 1,387</u>	<u>\$ 1,539</u>	<u>\$ 2,225</u>	<u>\$ 2,840</u>	<u>\$ 7,199</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

SHELBY COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
 BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2012

	RECORDERS TECHNOLOGY FUND		SHERIFF CIVIL FEES FUND		LAW ENFORCEMENT TRAINING FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	1,475	1,845	13,000	10,581	2,800	2,306
Interest	-	-	50	18	100	3
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 1,475</u>	<u>\$ 1,845</u>	<u>\$ 13,050</u>	<u>\$ 10,599</u>	<u>\$ 2,900</u>	<u>\$ 2,309</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ 2,000	\$ 2,000	\$ -	\$ -
Employee fringe benefits	-	-	193	193	-	-
Materials and supplies	-	-	-	-	-	-
Services and Other	-	-	3,250	14	3,550	2,930
Capital Outlay	3,600	2,439	21,000	22,297	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,600</u>	<u>\$ 2,439</u>	<u>\$ 26,443</u>	<u>\$ 24,504</u>	<u>\$ 3,550</u>	<u>\$ 2,930</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,125)	\$ (594)	\$ (13,393)	\$ (13,905)	\$ (650)	\$ (621)
CASH and CASH EQUIVALENTS, JANUARY 1	<u>\$ 3,646</u>	<u>\$ 3,646</u>	<u>\$ 29,607</u>	<u>\$ 29,607</u>	<u>\$ 2,541</u>	<u>\$ 2,541</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 1,521</u></u>	<u><u>\$ 3,052</u></u>	<u><u>\$ 16,214</u></u>	<u><u>\$ 15,702</u></u>	<u><u>\$ 1,891</u></u>	<u><u>\$ 1,920</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

SHELBY COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
 BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2012

	COUNTY LAW ENFORCEMENT RESTITUTION FUND		SAFE RETURN PROJECT GRANT FUND		INMATE SECURITY FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	290	-	-	-
Charges for services	16,980	31,025	-	-	2,460	2,294
Interest	20	43	100	1	10	6
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 17,000</u>	<u>\$ 31,068</u>	<u>\$ 390</u>	<u>\$ 1</u>	<u>\$ 2,470</u>	<u>\$ 2,300</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	600	9	-	9
Services and Other	19,000	15,168	-	-	3,000	-
Capital Outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 19,000</u>	<u>\$ 15,168</u>	<u>\$ 600</u>	<u>\$ 9</u>	<u>\$ 3,000</u>	<u>\$ 9</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,000)	\$ 15,900	\$ (210)	\$ (8)	\$ (530)	\$ 2,291
CASH and CASH EQUIVALENTS, JANUARY 1	<u>\$ 19,548</u>	<u>\$ 19,548</u>	<u>\$ 438</u>	<u>\$ 438</u>	<u>\$ 3,184</u>	<u>\$ 3,184</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 17,548</u></u>	<u><u>\$ 35,448</u></u>	<u><u>\$ 228</u></u>	<u><u>\$ 430</u></u>	<u><u>\$ 2,654</u></u>	<u><u>\$ 5,475</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

SHELBY COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
 BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2012

	COLLECTOR'S TAX MAINTENANCE FUND		DEPUTY SHERIFF SALARY GRANT FUND	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	8,000	7,317	-	-
Interest	35	32	-	-
Other	-	-	-	-
Transfers in	-	-	21,249	18,168
Total Receipts	<u>\$ 8,035</u>	<u>\$ 7,349</u>	<u>\$ 21,249</u>	<u>\$ 18,168</u>
DISBURSEMENTS				
Salaries	\$ 3,500	\$ 2,782	\$ 17,827	\$ 16,609
Employee fringe benefits	265	213	1,592	1,559
Materials and supplies	7,000	584	-	-
Services and Other	2,500	120	1,830	-
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	<u>\$ 13,265</u>	<u>\$ 3,699</u>	<u>\$ 21,249</u>	<u>\$ 18,168</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (5,230)	\$ 3,650	\$ -	\$ -
CASH and CASH EQUIVALENTS, JANUARY 1	<u>\$ 19,569</u>	<u>\$ 19,569</u>	<u>\$ -</u>	<u>\$ -</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 14,339</u></u>	<u><u>\$ 23,219</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.



SHELBY COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Shelby County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, Circuit Clerk, Collector, Coroner, County Clerk, Recorder, Prosecuting Attorney, Public Administrator, Treasurer and Sheriff.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Shelby County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

Certain elected County officials, particularly the County Collector, Treasurer, Circuit Clerk and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those

principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

#### D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. The County did not have any funds which had actual expenditures exceed budgeted amounts.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for calendar year 2012 were:

	<u>General Revenue</u>	<u>Special Road &amp; Bridge</u>
Real Estate	\$ 58,431,658	\$ 41,471,245
Personal Property	29,173,816	22,276,736
Railroad and Utilities	9,313,212	7,790,791

For calendar year 2012, the County Commission approved tax levies per \$100 of assessed valuation of tangible taxable property as follows:

General Revenue	\$0.3300
Special Road & Bridge	\$0.3500

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

## 2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Cash Equivalents" caption. Cash and cash equivalents include both deposits and short-term investments. Investments are considered short-term when original maturities are less than one year. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions, and short-term U.S. Treasury bills.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2012, the carrying amount of the County's deposits was \$616,508, and the bank balances were \$1,152,693. Of the bank balances, \$250,000 for December 31, 2012 was covered by federal depository insurance and the remainder was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2012, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue and Road & Bridge funds. These amounts, all of which were secured by pledged collateral amounted to \$2,821,037.

## 3. COUNTY EMPLOYEES' RETIREMENT PLANS

### A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

#### 1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

## 2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 573-632-9203.

## 3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2012, the County collected and remitted to CERF employee contributions of approximately \$72,961.

## 4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

## 5. CLAIMS, COMMITMENT AND CONTINGENCIES

### A. Compensated Absences

The County provides full time employees with up to 60 days of sick leave to accrue at seven or eight hours per month depending upon their normal day. Upon termination, an employee will not be compensated for accumulated sick leave. Vacation time is accrued for every full time employee, and accrues at the rate of five days per year up to twenty days per year depending on the length of employment. Employees must use vacation leave in the year in which it is earned. Upon termination, an employee will be compensated for accumulated vacation time.

## B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

The County's expenditures for federal awards did not exceed \$500,000 in 2012. Therefore, the County is not required to obtain a Single Audit in accordance with Office of Management and Budget Circular A-133.

## 6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

## 7. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2012, to exclude the POST and Circuit Clerk Sound Recording funds. The effect of the aforementioned change in reporting entity is to decrease cash balances of the governmental funds as previously reported at December 31, 2011 by the amount representing cash balances of the excluded funds.

## 8. LONG TERM DEBT

The County had the following debt outstanding at December 31, 2012:

- A. \$93,170 for the capital lease of a John Deere motor grader. The lease is paid in annual installments of \$33,324 due on January 21 each year through 2016, with interest at 3.55%. The County made the January 21, 2013 payment in December 2012. The schedule of remaining payments is below:

<u>Payment Date</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Payment</u>
January 21, 2014	\$ 29,962	\$ 3,362	\$ 33,324
January 21, 2015	31,043	2,281	33,324
January 21, 2016	32,164	1,160	33,324

- B. \$1,545 for the operating lease and maintenance agreement for a copier in the Sheriff's office. The agreement is for 36 months with monthly payments of \$77 through September 2014.

#### 9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2012 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through May 16, 2013, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

## **COMPLIANCE SECTION**



**McBRIDE, LOCK & ASSOCIATES**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

To the County Commission and  
Officeholders of Shelby County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Shelby County, Missouri as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Shelby County, Missouri's basic financial statements and have issued our report thereon dated May 16, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Shelby County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Shelby County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Shelby County, Missouri's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Shelby County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted two matters that we reported to management of Shelby County, Missouri, in the accompanying schedule of findings and recommendations section as item 1 and 2.

## **Shelby County, Missouri's Response to Findings**

Shelby County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. Shelby County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*(Original Signed by McBride, Lock & Associates)*

McBride, Lock & Associates  
Kansas City, Missouri  
May 16, 2013

## **FINDINGS AND RECOMMENDATIONS**

SHELBY COUNTY, MISSOURI  
FINDINGS AND RECOMMENDATIONS

**MATERIAL WEAKNESSES IN INTERNAL CONTROL**

None

**SIGNIFICANT INTERNAL CONTROL DEFICIENCIES**

None

**ITEMS OF NONCOMPLIANCE**

None

**OTHER MATTERS**

**1. Outstanding Checks**

Condition: The December 31, 2012 bank reconciliation for the Treasurer's main checking account listed as outstanding five checks totaling \$61 that had been outstanding for more than six months, three of which were over one year old. The December 31, 2012 bank reconciliation for the Collector's main checking account included one check that was over a year old, and the December 31, 2012 reconciliation for the Collector's old checking account listed as still outstanding four stale checks totaling \$33, one of which had been outstanding for five years and the other three had been outstanding for over two years.

Recommendation: We recommend that stale checks be investigated and removed from bank reconciliations in order to facilitate that accuracy of the bank balances being reported. New checks should be issued if necessary and the old check should be stopped or the funds should be turned over to the state unclaimed fees fund.

County Treasurer's Response: The outstanding checks in the Treasurer's main checking account will be investigated and the disposition of same will be resolved.

County Collector's Response: The one check over one year old in the amount of \$0.63 (refunded amount) has been stopped and the funds will be distributed as "miscellaneous" to the County. The old account showing four outstanding/stale checks totaling \$33 (for refunded amounts) has been closed, and the remaining funds will be distributed as "miscellaneous."

Auditor's Evaluation: The responses are appropriate to correct the concern.

**2. Accounting for Transfers**

Condition: The transfers in and transfers out reported on the County's 2013 budget did not equal for the year ended December 31, 2012. The General Revenue fund recorded \$18,168 of transfers out to the Deputy Sheriff Salary Grant Fund to transfer grant money received by the General Revenue Fund for the deputy Sheriff's salary. However, the Deputy Sheriff Salary Grant Fund

recorded the receipts as intergovernmental revenue instead of as a transfer in from the General Revenue Fund.

The financial statements presented in the report have been revised to balance transfers in and transfers out between funds.

Recommendation: We recommend that the County Clerk ensure that transactions between funds are recorded as transfers in and out and that they are in balance at all times.

County's Response: We will review the Deputy Salary Fund and plan to describe the funds as a transfer rather than as an intergovernmental revenue.

Auditor's Evaluation: The response is appropriate to correct the concern.

SHELBY COUNTY, MISSOURI  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditors' follow-up on action taken by Shelby County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2011 and 2010.

1. *Condition:* During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to the financial statements.

*Status:* Resolved.

2. *Condition:* Documentation of the County's internal controls has not been implemented.

*Status:* Resolved.

3. *Condition:* During our audit, we noted there is no formal fraud risk assessment in place.

*Status:* Resolved.

4. *Condition:* Lack of segregation of duties within the office of the Recorder and Collector. The Recorder and Collector are allowed to write, approve, sign and reconcile expenditures to the bank statement.

*Status:* Resolved.



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Scotland County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Scotland County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the year ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Thomas A. Schweich  
State Auditor

July 2013  
Report No. 2013-060

ANNUAL FINANCIAL REPORT

**SCOTLAND COUNTY, MISSOURI**

For the Year Ended December 31, 2012



SCOTLAND COUNTY, MISSOURI  
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## **INTRODUCTORY SECTION**

SCOTLAND COUNTY, MISSOURI  
List of Elected Officials

*County Commission*

Presiding Commissioner – C. E. Harris, Jr.

Western District Commissioner – Paul Campbell

Eastern District Commissioner – Danette Clatt

*Other Elected Officials*

Assessor – Jim Ward

Circuit Clerk – Anita Watkins

Collector – Kathy Becraft

Coroner – Ginny Monroe

County Clerk – Batina Dodge

Prosecuting Attorney – Kimberly Nicoli

Public Administrator – Ellen Aylward

Recorder – Dana Glasscock

Sheriff – Wayne Winn

Treasurer – Kathy Kiddoo

## McBRIDE, LOCK & ASSOCIATES

### INDEPENDENT AUDITORS' REPORT

To the County Commission and  
Officeholders of Scotland County, Missouri

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Scotland County, Missouri as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri Law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express opinions on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1, the financial statements are prepared by Scotland County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between this regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

## **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Scotland County, Missouri, as of December 31, 2012, or the changes in its financial position for the year then ended.

## **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each fund of Scotland County, Missouri, as of December 31, 2012, and their respective cash receipts and disbursements, and budgetary results for the year then ended, on the basis of the financial reporting provisions prescribed or permitted by Missouri Law described in Note 1.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*(Original Signed by McBride, Lock & Associates)*

McBride, Lock & Associates  
Kansas City, Missouri  
May 3, 2013

## **FINANCIAL SECTION**

SCOTLAND COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2012

Fund	Cash and Cash Equivalents	Receipts	Disbursements	Cash and Cash Equivalents
	January 1, 2012 (Note 7)			December 31, 2012
General Revenue Fund	\$ 217,669	\$ 807,004	\$ 826,819	\$ 197,854
Special Road and Bridge Fund	135,785	1,122,399	943,574	314,610
Assessment Fund	16,495	95,446	99,944	11,997
FEMA Fund	243,203	4,567	229,083	18,687
Road and Bridge Sales Tax Fund	278	371,829	350,093	22,014
Road Rock Fund	32,105	213,379	195,000	50,484
Off System Fund	4,738	15,387	15,317	4,808
CDBG Fund	-	181,854	181,854	-
Law Enforcement Sales Tax Fund	13,800	116,999	129,243	1,556
Law Enforcement Training Fund	1,338	1,577	2,145	770
Prosecuting Attorney Training Fund	208	274	443	39
User Fee Fund	13,465	2,527	2,756	13,236
Local Emergency Planning Commission Fund	171	6,963	912	6,222
Drug Forfeiture Fund	2,408	36	-	2,444
Recorder Tech Fund	9,057	1,461	8,000	2,518
Prosecuting Attorney Bad Check Fund	2,335	4,035	5,230	1,140
Batterers Intervention Fund	15,424	6,312	14,058	7,678
Divorce Education Fund	140	1,505	1,000	645
Election Service Fund	2,326	13,593	2,727	13,192
Help America Vote Act Fund	26	4,888	4,913	1
Sheriff Civil Service Fund	238	4,366	4,299	305
Sheriff Special Project Fund	2,333	822	745	2,410
Childrens Trust Fund	180	215	-	395
Tax Maintenance Fund	1,686	4,742	4,424	2,004
Prosecuting Attorney Delinquent Tax Fund	747	11	-	758
County of Scotland Improvement Corporation Fund	-	25,460	25,452	8
Total	<u>\$ 716,155</u>	<u>\$ 3,007,651</u>	<u>\$ 3,048,031</u>	<u>\$ 675,775</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

SCOTLAND COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2012

	GENERAL REVENUE FUND	
	Budget	Actual
RECEIPTS		
Property taxes	\$ 278,236	\$ 320,595
Sales taxes	200,000	210,665
Intergovernmental	116,448	134,742
Charges for services	89,588	111,787
Interest	7,000	6,804
Other	14,589	19,861
Transfers in	2,550	2,550
Total Receipts	<u>\$ 708,411</u>	<u>\$ 807,004</u>
DISBURSEMENTS		
County Commission	\$ 77,738	\$ 123,498
County Clerk	70,648	67,523
Elections	40,000	40,250
Buildings and grounds	68,172	57,317
Employee fringe benefits	80,000	50,463
Treasurer	35,632	34,753
Collector	59,974	61,154
Recorder of Deeds	50,038	53,171
Circuit Clerk	-	-
Court Administration	10,822	11,759
Public Administrator	17,600	19,264
Sheriff	171,749	174,809
Jail	-	-
Prosecuting Attorney	58,348	58,348
Juvenile Officer	-	-
Coroner	9,000	9,000
Other County Government	45,000	45,380
Health and Welfare	5,335	5,827
Transfers out	22,600	14,303
Emergency fund	101,000	-
Total Disbursements	<u>\$ 923,656</u>	<u>\$ 826,819</u>
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	\$ (215,245)	\$ (19,815)
CASH and CASH EQUIVALENTS, JANUARY 1	<u>217,669</u>	<u>217,669</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 2,424</u></u>	<u><u>\$ 197,854</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.



SCOTLAND COUNTY, MISSOURI  
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

	SPECIAL ROAD AND BRIDGE FUND		ASSESSMENT FUND		FEMA FUND		ROAD AND BRIDGE SALES TAX FUND	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 338,455	\$ 424,818	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	210,665	210,665
Intergovernmental	421,000	440,082	76,220	82,175	-	1,390	131,052	-
Charges for services	-	-	-	-	-	-	-	-
Interest	4,500	6,040	500	477	4,000	3,177	1,346	1,346
Other	43,025	54,554	800	2,794	-	-	-	-
Transfers in	196,905	196,905	10,000	10,000	-	-	27,000	159,818
Total Receipts	<u>\$ 1,003,885</u>	<u>\$ 1,122,399</u>	<u>\$ 87,520</u>	<u>\$ 95,446</u>	<u>\$ 4,000</u>	<u>\$ 4,567</u>	<u>\$ 370,063</u>	<u>\$ 371,829</u>
DISBURSEMENTS								
Salaries	\$ 328,988	\$ 314,317	\$ 70,696	\$ 70,696	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	73,850	40,632	11,800	5,408	-	-	-	-
Materials and supplies	458,700	485,774	5,000	9,941	108,412	44,195	32,528	32,528
Services and Other	91,000	75,851	15,350	13,899	6,633	3,717	-	-
Capital Outlay	-	-	-	-	-	-	299,925	300,065
Construction	5,000	-	-	-	-	-	-	-
Transfers out	27,000	27,000	-	-	122,912	181,171	17,500	17,500
Total Disbursements	<u>\$ 984,538</u>	<u>\$ 943,574</u>	<u>\$ 102,846</u>	<u>\$ 99,944</u>	<u>\$ 237,957</u>	<u>\$ 229,083</u>	<u>\$ 349,953</u>	<u>\$ 350,093</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 19,347	\$ 178,825	\$ (15,326)	\$ (4,498)	\$ (233,957)	\$ (224,516)	\$ 20,110	\$ 21,736
CASH and CASH EQUIVALENTS, JANUARY 1	<u>135,785</u>	<u>135,785</u>	<u>16,495</u>	<u>16,495</u>	<u>243,203</u>	<u>243,203</u>	<u>278</u>	<u>278</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u>\$ 155,132</u>	<u>\$ 314,610</u>	<u>\$ 1,169</u>	<u>\$ 11,997</u>	<u>\$ 9,246</u>	<u>\$ 18,687</u>	<u>\$ 20,388</u>	<u>\$ 22,014</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

SCOTLAND COUNTY, MISSOURI  
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

	ROAD ROCK FUND		OFF SYSTEM FUND		CDBG FUND		LAW ENFORCEMENT SALES TAX FUND	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 195,000	\$ 212,179	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	105,334	105,334
Intergovernmental	-	-	775,259	15,317	782,404	181,854	2,430	2,430
Charges for services	-	-	-	-	-	-	-	-
Interest	1,800	1,090	250	70	-	-	203	203
Other	-	110	-	-	-	-	4,906	4,932
Transfers in	-	-	-	-	-	-	4,100	4,100
Total Receipts	<u>\$ 196,800</u>	<u>\$ 213,379</u>	<u>\$ 775,509</u>	<u>\$ 15,387</u>	<u>\$ 782,404</u>	<u>\$ 181,854</u>	<u>\$ 116,973</u>	<u>\$ 116,999</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	195,000	195,000	-	-	-	-	12,800	18,249
Services and Other	-	-	-	-	-	-	117,929	110,994
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	775,259	15,317	651,352	50,802	-	-
Transfers out	-	-	-	-	131,052	131,052	-	-
Total Disbursements	<u>\$ 195,000</u>	<u>\$ 195,000</u>	<u>\$ 775,259</u>	<u>\$ 15,317</u>	<u>\$ 782,404</u>	<u>\$ 181,854</u>	<u>\$ 130,729</u>	<u>\$ 129,243</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,800	\$ 18,379	\$ 250	\$ 70	\$ -	\$ -	\$ (13,756)	\$ (12,244)
CASH and CASH EQUIVALENTS, JANUARY 1	<u>32,105</u>	<u>32,105</u>	<u>4,738</u>	<u>4,738</u>	<u>-</u>	<u>-</u>	<u>13,800</u>	<u>13,800</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 33,905</u></u>	<u><u>\$ 50,484</u></u>	<u><u>\$ 4,988</u></u>	<u><u>\$ 4,808</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 44</u></u>	<u><u>\$ 1,556</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

SCOTLAND COUNTY, MISSOURI  
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

	LAW ENFORCEMENT TRAINING FUND		PROSECUTING ATTORNEY TRAINING FUND		USER FEE FUND		LOCAL EMERGENCY PLANNING COMM FUND	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	500	491	-	-	-	-	2,400	6,963
Charges for services	900	1,086	264	273	2,190	2,327	-	-
Interest	-	-	-	-	238	200	-	-
Other	-	-	1	1	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,400</u>	<u>\$ 1,577</u>	<u>\$ 265</u>	<u>\$ 274</u>	<u>\$ 2,428</u>	<u>\$ 2,527</u>	<u>\$ 2,400</u>	<u>\$ 6,963</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	1,000	50	-	-
Services and Other	1,751	2,145	443	443	12,500	2,706	2,570	912
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,751</u>	<u>\$ 2,145</u>	<u>\$ 443</u>	<u>\$ 443</u>	<u>\$ 13,500</u>	<u>\$ 2,756</u>	<u>\$ 2,570</u>	<u>\$ 912</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (351)	\$ (568)	\$ (178)	\$ (169)	\$ (11,072)	\$ (229)	\$ (170)	\$ 6,051
CASH and CASH EQUIVALENTS, JANUARY 1	<u>1,338</u>	<u>1,338</u>	<u>208</u>	<u>208</u>	<u>13,465</u>	<u>13,465</u>	<u>171</u>	<u>171</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 987</u></u>	<u><u>\$ 770</u></u>	<u><u>\$ 30</u></u>	<u><u>\$ 39</u></u>	<u><u>\$ 2,393</u></u>	<u><u>\$ 13,236</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 6,222</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

SCOTLAND COUNTY, MISSOURI  
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

	DRUG FORFEITURE FUND		RECORDER TECH FUND		PROSECUTING ATTORNEY BAD CHECK FUND		BATTERERS INTERVENTION FUND	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,035	457	-	-
Charges for services	-	-	1,234	1,354	3,577	3,578	-	-
Interest	40	36	159	107	-	-	-	-
Other	-	-	-	-	-	-	6,000	6,312
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 40</u>	<u>\$ 36</u>	<u>\$ 1,393</u>	<u>\$ 1,461</u>	<u>\$ 4,612</u>	<u>\$ 4,035</u>	<u>\$ 6,000</u>	<u>\$ 6,312</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 2,520	\$ 2,520	\$ -	\$ -
Employee fringe benefits	-	-	-	-	247	259	-	-
Materials and supplies	-	-	-	-	900	767	-	-
Services and Other	-	-	-	-	1,355	1,684	14,058	14,058
Capital Outlay	-	-	9,000	8,000	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,000</u>	<u>\$ 8,000</u>	<u>\$ 5,022</u>	<u>\$ 5,230</u>	<u>\$ 14,058</u>	<u>\$ 14,058</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 40	\$ 36	\$ (7,607)	\$ (6,539)	\$ (410)	\$ (1,195)	\$ (8,058)	\$ (7,746)
CASH and CASH EQUIVALENTS, JANUARY 1	<u>2,408</u>	<u>2,408</u>	<u>9,057</u>	<u>9,057</u>	<u>2,335</u>	<u>2,335</u>	<u>15,424</u>	<u>15,424</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 2,448</u></u>	<u><u>\$ 2,444</u></u>	<u><u>\$ 1,450</u></u>	<u><u>\$ 2,518</u></u>	<u><u>\$ 1,925</u></u>	<u><u>\$ 1,140</u></u>	<u><u>\$ 7,366</u></u>	<u><u>\$ 7,678</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

SCOTLAND COUNTY, MISSOURI  
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

	DIVORCE EDUCATION FUND		ELECTION SERVICE FUND		HELP AMERICA VOTE ACT FUND		SHERIFF CIVIL SERVICE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	884	925	4,640	4,640	-	-
Charges for services	-	-	-	2,651	-	-	4,500	4,332
Interest	-	-	30	119	31	31	60	34
Other	1,470	1,505	-	9,898	14	14	400	-
Transfers in	-	-	-	-	203	203	-	-
Total Receipts	<u>\$ 1,470</u>	<u>\$ 1,505</u>	<u>\$ 914</u>	<u>\$ 13,593</u>	<u>\$ 4,888</u>	<u>\$ 4,888</u>	<u>\$ 4,960</u>	<u>\$ 4,366</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ 1,000	\$ 832	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	851	795	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and Other	1,200	1,000	1,000	1,100	2,363	2,363	600	328
Capital Outlay	-	-	-	-	-	-	4,500	3,971
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	2,550	2,550	-	-
Total Disbursements	<u>\$ 1,200</u>	<u>\$ 1,000</u>	<u>\$ 2,851</u>	<u>\$ 2,727</u>	<u>\$ 4,913</u>	<u>\$ 4,913</u>	<u>\$ 5,100</u>	<u>\$ 4,299</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 270	\$ 505	\$ (1,937)	\$ 10,866	\$ (25)	\$ (25)	\$ (140)	\$ 67
CASH and CASH EQUIVALENTS, JANUARY 1	<u>140</u>	<u>140</u>	<u>2,326</u>	<u>2,326</u>	<u>26</u>	<u>26</u>	<u>238</u>	<u>238</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 410</u></u>	<u><u>\$ 645</u></u>	<u><u>\$ 389</u></u>	<u><u>\$ 13,192</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 98</u></u>	<u><u>\$ 305</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

SCOTLAND COUNTY, MISSOURI  
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

	SHERIFF SPECIAL PROJECT FUND		CHILDRENS TRUST FUND		TAX MAINTENANCE FUND		PROSECUTING ATTORNEY DELINQUENT TAX FUND	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	4,125	4,690	-	-
Interest	-	-	-	-	45	52	15	11
Other	600	822	180	215	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 600</u>	<u>\$ 822</u>	<u>\$ 180</u>	<u>\$ 215</u>	<u>\$ 4,170</u>	<u>\$ 4,742</u>	<u>\$ 15</u>	<u>\$ 11</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	2,100	338	-	-
Services and Other	745	745	180	-	1,780	4,086	200	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 745</u>	<u>\$ 745</u>	<u>\$ 180</u>	<u>\$ -</u>	<u>\$ 3,880</u>	<u>\$ 4,424</u>	<u>\$ 200</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (145)	\$ 77	\$ -	\$ 215	\$ 290	\$ 318	\$ (185)	\$ 11
CASH and CASH EQUIVALENTS, JANUARY 1	<u>2,333</u>	<u>2,333</u>	<u>180</u>	<u>180</u>	<u>1,686</u>	<u>1,686</u>	<u>747</u>	<u>747</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 2,188</u></u>	<u><u>\$ 2,410</u></u>	<u><u>\$ 180</u></u>	<u><u>\$ 395</u></u>	<u><u>\$ 1,976</u></u>	<u><u>\$ 2,004</u></u>	<u><u>\$ 562</u></u>	<u><u>\$ 758</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

SCOTLAND COUNTY, MISSOURI  
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

	COUNTY OF SCOTLAND IMPROVEMENT CORPORATION FUND	
	Budget	Actual
RECEIPTS		
Property taxes	\$ -	\$ -
Sales taxes	-	-
Intergovernmental	7,452	7,452
Charges for services	-	-
Interest	-	8
Loan Proceeds	18,000	18,000
Transfers in	-	-
Total Receipts	<u>\$ 25,452</u>	<u>\$ 25,460</u>
DISBURSEMENTS		
Salaries	\$ -	\$ -
Employee fringe benefits	-	-
Materials and supplies	-	-
Services and Other	-	-
Capital Outlay	25,452	25,452
Construction	-	-
Transfers out	-	-
Total Disbursements	<u>\$ 25,452</u>	<u>\$ 25,452</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 8
CASH and CASH EQUIVALENTS, JANUARY 1	<u>-</u>	<u>-</u>
CASH and CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ -</u></u>	<u><u>\$ 8</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

SCOTLAND COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Scotland County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, Circuit Clerk, Collector, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder, Sheriff, and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Scotland County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

Certain elected County officials, particularly the County Collector, Treasurer, Circuit Clerk and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs



from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

#### D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law. The County adopted a formal budget for all reported funds.

10. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

Fund
Road and Bridge Sales Tax Fund
Law Enforcement Training Fund
Prosecuting Attorney Bad Check Fund
Tax Maintenance Fund

11. Chapter 50.610 and Chapter 50.740, RSMo require that counties prepare budgets that balance proposed expenditures with estimated revenues and other sources of financial resources. Accordingly, counties are not authorized to have deficit fund balances. No funds were budgeted to a deficit fund balance.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for calendar year 2012 were:

Real Estate	\$38,134,190
Personal Property	\$ 19,419,152
Railroad and Utilities	\$ 5,971,391

For calendar year 2012, the County Commission approved tax levies per \$100 of assessed valuation of tangible taxable property as follows:

General Revenue	\$0.4954
Road & Bridge	\$0.3469
Special Road & Bridge	\$0.3199
Road Rock Tax (assessed per agricultural acre)	\$0.7500

The Road & Bridge levy and the Special Road & Bridge levy is collected and accounted for within the Special Road & Bridge Fund.

- F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing

obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

#### G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

## 2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Cash Equivalents" caption. Cash and cash equivalents include both deposits and short-term investments. Investments are considered short-term when original maturities are less than one year. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions, and short-term U.S. Treasury bills.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2012, the carrying amount of the County's deposits was \$675,775, and the bank balances totaled \$807,698. Of the bank balances, \$253,389 for December 31, 2012, was covered by federal depository insurance and the remainder was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2012, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue and Road & Bridge funds. These amounts, all of which were secured by pledged collateral, amounted to \$2,762,945.

## 3. COUNTY EMPLOYEES' RETIREMENT PLANS

#### A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

### 1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

### 2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 573-632-9203.

### 3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2012, the County collected and remitted to CERF employee contributions of approximately \$36,138.

#### 4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

#### 5. CLAIMS, COMMITMENT AND CONTINGENCIES

##### A. Litigation

The County was involved in litigation as of the audit report date. On February 6, 2013, a judgment was rendered against the County in the amount of \$178,566 plus interest and court costs. On March 5, 2013, interest at the rate of 5.13% per annum was assigned to the judgment amount pursuant to Section 408.040.2 RSMo. The County is currently appealing the above court decision. As of the audit report date, the outcome of the appellate court case is indeterminable.

##### B. Compensated Absences

The County provides employees with annual leave. Each employee is entitled to five days annual leave after their first whole year of employment, ten days annual leave after two years of employment, and fifteen days annual leave after five years of employment. Annual leave must be used by December 31st of the year in which it was earned or that time is accrued. Annual leave accrual shall commence with the employee's date of employment with Scotland County. Employees may accrue vacation leave to a maximum of 240 hours, except personnel who are FLSA-exempt, may accrue vacation leave to a maximum of 360 hours. In the event an employee becomes ill during a scheduled vacation, sick leave shall not be granted. As vacation is granted for a period of recreation, no employee shall be permitted to waive such leave for the purpose of receiving double pay. Upon termination of employment, any employee who has accumulated vacation time shall be paid for unused time at the final regular rate received by such employee. This terminates all prior service with the County.

Sick time is accrued at 8 hours for each full month employed. A maximum of two-hundred forty hours of sick leave may be accumulated after adding the prior sick leave and current sick leave.

An employee must work one-hundred twenty hours in a given month to earn eight hours of current sick leave for that month. An employee may accrue sick leave with pay to a maximum of two-hundred forty hours. When an employee ends service with Scotland County, they will be paid for any unused prior sick leave based on the individual's pay rate as of the last date of employment. This terminates all prior service with the County. After ten years of full-time service, the employees shall receive compensation for twenty-five percent of sick time accrued. After fifteen years of full-time service, the employees shall receive compensation for forty percent of sick time accrued, valued at the average of their last three annual salaries. After twenty years of service, the employees shall receive compensation for fifty percent of sick time accrued, valued at the average of their last three annual salaries.

### C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

The County's expenditures for federal awards did not exceed \$500,000 in 2012. Therefore, the County is not required to obtain a Single Audit in accordance with Office of Management and Budget (OMB) Circular A-133.

## 6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

## 7. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2012, to exclude the Law Library Fund and include the Tax Maintenance Fund. The effect of the aforementioned change in reporting entity will affect cash balances of the governmental funds as previously reported at December 31, 2011 by the amount representing cash balances of these respective funds.

## 8. LONG TERM DEBT AND CONTRACTUAL OBLIGATIONS

The County had the following debt and contractual obligations outstanding at December 31, 2012:

- A. \$77,625 for the capital lease of a Caterpillar excavator. The lease is paid in annual installments of \$13,898 inclusive of interest at 3.55% due on April 13<sup>th</sup> each year through 2016. A final payment of \$32,310 due on April 13, 2017. This is paid from the Special Road and Bridge Fund.
- B. \$16,530 for a long term contractual obligation with Mapping Solutions for a GIS system for the Assessor's office. No interest is assessed. Phase 1 of 3 was completed within this fiscal period. Phase 2 of 3 was completed in fiscal year 2013. Phase 3 of 3 is scheduled to be completed in fiscal year 2014. Future payments are anticipated to be \$8,425 for fiscal year 2013 and \$8,105 for fiscal year 2014. This is paid from the Assessment Fund.
- C. \$47,024 for a contractual obligation with Henry M. Adkins and Son, Inc. for election equipment. Financing options are available at 3% of the unpaid balance per annum for up to four years from the purchase date or through February 24, 2016. This is paid from the General Revenue Fund.
- D. \$18,000 for a promissory note with the USDA for a truck. The note is paid in annual installments of \$3,379 inclusive of interest at 3.5% per annum due on September 19<sup>th</sup> each year through 2018. This is paid from the General Revenue Fund.
- E. \$20,000 for a promissory note with the USDA for radio equipment. The note is paid in annual installments of \$3,754 inclusive of interest at 3.5% per annum due on December 28<sup>th</sup> each year through 2018. This is paid from the General Revenue Fund.

## 9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2012 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through May 3, 2013, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

## **COMPLIANCE SECTION**



**McBRIDE, LOCK & ASSOCIATES**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the County Commission and  
Officeholders of Scotland County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Scotland County, Missouri as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Scotland County, Missouri's basic financial statements and have issued our report thereon dated May 3, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Scotland County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Scotland County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Scotland County, Missouri's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, identified as items 1 and 2 in the accompanying schedule of findings and recommendations, that we consider to be a significant deficiencies.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Scotland County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as items 3 and 4.

## **Scotland County, Missouri's Response to Findings**

Scotland County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. Scotland County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*(Original Signed by McBride, Lock & Associates)*

McBride, Lock & Associates  
Kansas City, Missouri  
May 3, 2013

## **FINDINGS AND RECOMMENDATIONS**

SCOTLAND COUNTY, MISSOURI  
FINDINGS AND RECOMMENDATIONS

**MATERIAL WEAKNESSES IN INTERNAL CONTROL**

None

**SIGNIFICANT INTERNAL CONTROL DEFICIENCIES**

**1. Sheriff's Office – Segregation of Duties**

Condition: The Office Manager for the Sheriff's Office performs the majority of the cash handling, recording, and reconciliation functions. This individual receives funds, prepares deposits, takes deposits to the bank, prepares checks, mails checks, and reconciles the bank account. The Office Manager is also an authorized signer on the bank account.

It was noted that to alleviate segregation of duties concerns, the Sheriff documents his review of the bank reconciliation and that a copy of the bank statement is sent to the County Treasurer and County Clerk.

Recommendation: We recommend the receipting and depositing function be segregated to provide for improved controls.

County's Response: The audit recommendation is being taken into consideration.

Auditor's Evaluation: We continue to recommend that the segregation of duties issue be addressed.

**2. Unauthorized Signer on County Bank Accounts**

Condition: Upon review of signature cards, it was noted that a former commissioner is still an authorized signer on the County bank accounts.

Recommendation: We recommend that steps be taken to immediately remove this individual as an authorized signer on the County bank accounts.

County's Response: This issue was resolved on May 9, 2013 when depository bids were opened and a new agreement accepted.

Auditor's Evaluation: The stated corrective action appears appropriate.

## **ITEMS OF NONCOMPLIANCE**

### **3. BUDGETARY COMPLIANCE**

Condition: We noted that actual expenditures exceeded budgeted expenditures for the following funds in 2012 by more than an inconsequential amount:

<u>Fund</u>
Road and Bridge Sales Tax Fund
Law Enforcement Training Fund
Prosecuting Attorney Bad Check Fund
Tax Maintenance Fund

Recommendation: We recommend the County Commission and County Clerk ensure compliance with State Statutes and the Missouri Constitution by refraining from approving expenditures in excess of budgeted amounts. In the event that the originally adopted budget is inadequate to finance current year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.

County's Response: The County will implement the audit recommendation.

Auditor's Evaluation: The stated corrective action appears appropriate.

## **OTHER MATTERS**

In planning and performing our audit of the financial statements of Scotland County, Missouri (the County) as of and for the year ended December 31, 2012, in accordance with generally accepted government auditing standards, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below. We previously reported on the County's internal control in our report dated May 3, 2013. (A separate report dated May 3, 2013 contains our report on significant deficiencies in the County's internal control). This document does not affect our report dated May 3, 2013.

#### **4. Sheriff's Office – Inmate Funds**

Condition: During the internal control discussion with the Office Manager in the Sheriff's Office, it was noted that inmate money on account for commissary purchases is maintained as cash and stored in an unlocked file cabinet drawer behind the dispatcher's desk. These funds represent an immaterial amount (around \$100 to \$150 in total) in comparison to the County's operation.

Recommendation: We recommend that these funds be stored in a locked box or locked file cabinet drawer to ensure the physical security of these funds.

County's Response: The County will implement the audit recommendation.

Auditor's Evaluation: The stated corrective action appears appropriate.

SCOTLAND COUNTY, MISSOURI  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditors' follow-up on action taken by Scotland County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2011 and 2010.

1. *Condition:* For the year ended December 31, 2011, the County budgeted a negative fund balance for the Law Enforcement Sales Tax Fund and the FEMA Fund.

*Status:* Resolved.

2. *Condition:* For the year ended December 31, 2010, the County incurred a negative fund balance for the Special Road and Bridge Fund.

*Status:* Resolved.

3. *Condition:* For the year ended December 31, 2011, actual expenses exceeded budgeted expenses for the Assessment Fund and the Law Library Fund.

*Status:* Partially resolved. For the current fiscal year, actual expenses did not exceed budgeted expenses for the above mentioned funds. However, there were other funds in which actual expenses did exceed budgeted expenses. See item 3 in the Schedule of Findings and Recommendations.

4. *Condition:* For the year ended December 31, 2010, actual expenses exceeded budgeted expenses for the Special Road and Bridge Fund, FEMA Fund, Off System Fund, and the Local Emergency Planning Commission Fund.

*Status:* Partially resolved. For the current fiscal year, actual expenses did not exceed budgeted expenses for the above mentioned funds. However, there were other funds in which actual expenses did exceed budgeted expenses. See item 3 in the Schedule of Findings and Recommendations.



# Thomas A. Schweich

Missouri State Auditor

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## Dade County



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July 2013

Report No. 2013-061

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<http://auditor.mo.gov>





# CITIZENS SUMMARY

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## Findings in the audit of Dade County

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### County Sales Tax

The county performed sales tax reduction calculations for 2009 and 2010, but incorrectly certified a tax rate with a voluntary reduction instead of a sales tax reduction for both years. As provided by state law, the voluntary reduction taken in a non-reassessment year (even year) resulted in a reduced tax rate ceiling for the county's General Revenue Fund for 2011 and 2012. In addition, a calculation for the sales tax rollback was not performed by the county for 2011 or 2012, and the county certified tax rates equal to the lowered tax rate ceiling for both years, reporting no reductions. State law requires the county to reduce property taxes for 50 percent of sales taxes collected, and based upon these requirements, the county over-collected General Revenue property taxes totaling \$229,643 for the two years 2011 and 2012.

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### Sheriff Controls and Procedures

As noted in our prior audit report, significant weaknesses continue to exist in the Sheriff's accounting controls and procedures. Accounting duties are not adequately segregated, and an adequate supervisory review is not performed. The Sheriff's office did not maintain electronic accounting records; the current Sheriff indicated the information was deleted from the computer system prior to his taking office. The Sheriff's office lacks adequate procedures for receipting, depositing, and transmitting monies. Receipt slips were not issued for some monies received, several receipt slip books were used concurrently, both copies of voided receipt slips were not always retained, the numerical sequence of receipt slips was not accounted for properly, some entries on receipt slips were not legible, receipt slips did not always indicate the method of payment, composition of receipts was not reconciled to composition of deposits, checks were not restrictively endorsed immediately upon receipt, and receipts were often not deposited or transmitted timely or intact. The Sheriff's office did not prepare monthly bank reconciliations and lists of liabilities for the two bank accounts during the audit period. The Sheriff's office has not established adequate controls over seized property.

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### Payroll Controls and Procedures

The county does not maintain centralized records of leave balances and leave used and earned, making it difficult to ensure vacation, sick and compensatory leave balances are accurate and in compliance with policy. The county's personnel policy indicates overtime will be determined based upon only "hours actually worked on the county's behalf,"; however, nonworking time is sometimes used in calculations to determine overtime. As a result, the county may be paying more compensatory time than required. Documentation to support the accrual of compensatory time by the former Sheriff's office manager/jail administrator was not sufficient and was not documented consistently. Timecards did not always document dates worked and some timecards could not be located. Compensatory time was not always calculated in accordance with county policy. Time records were not always signed as appropriate. Similar conditions were noted in our prior audit report.

County Procedures	The county could not locate records documenting the use of the Sheriff's office vehicles for the year ended December 31, 2012, and the vehicle log maintained by the Assessor and the County Commissioners lacked adequate detail and was not used to reconcile fuel usage to fuel purchases. Sheriff's Revolving Fund monies are to be used only for certain purchases, but \$4,941 of the \$7,977 total disbursements during the audit period were not in compliance with uses allowed by state law. Neither the County Clerk nor the County Commission adequately reviews the activities of the County Collector-Treasurer.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.<sup>\*</sup> However, the audit revealed serious shortcomings with the Sheriff's office.

American Recovery and Reinvestment Act (Federal Stimulus)	Dade County did not receive any federal stimulus monies during the audited time period.
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<sup>\*</sup>The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Dade County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Dade County

We have audited certain operations of Dade County in fulfillment of our duties under Section 29.230, RSMo. In addition, Davis, Lynn, and Moots, P.C., Certified Public Accountants has been engaged to audit the financial statements of Dade County for the 2 years ended December 31, 2012. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Dade County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with a large, stylized "S" at the end.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Pamela Allison Tillery, CPA
In-Charge Auditor:	Natalie B. McNish, CGAP
Audit Staff:	Terese Summers, MSAS, CPA

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# Dade County

## Management Advisory Report

### State Auditor's Findings

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#### **1. County Sales Tax**

Property tax reduction amounts were not properly reported to the State Auditor's office for the 2 years ended December 31, 2010, and the county failed to calculate a sales tax rollback for the 2 years ended December 31, 2012. Without this calculation, the county is unable to document the required property tax levy reduction was utilized.

The county is required to certify to the State Auditor's office the annual property tax levy including the amount the levy is reduced for sales tax collections, as well as any voluntary reductions. For 2009 through 2012, the county certified the tax rate ceiling, sales tax reduction, voluntary reduction, and actual tax levy for the General Revenue Fund as follows:

	2012	2011	2010	2009
Tax rate ceiling	\$ 0.1400	0.1400	0.2505	0.2505
Sales tax reduction	0.0000	0.0000	0.0000	0.0000
Voluntary reduction	0.0000	0.0000	0.1105	0.1200
Actual tax levy	0.1400	0.1400	0.1400	0.1305

The county had worksheets reflecting sales tax reduction calculations for 2009 and 2010. However, for the year 2009, the county incorrectly certified a tax rate with a voluntary reduction instead of a sales tax reduction. For the year 2010, the county originally incorrectly certified a tax rate by failing to show any reduction. After realizing the error, the county re-certified a tax rate with a reduction; however, the reduction was incorrectly reported as a voluntary reduction instead of a sales tax reduction. The calculation for the sales tax rollback was not performed by the county for 2011 or 2012, and as a result, the county has not properly determined the General Revenue property tax levy.

In calculating the property tax rate ceiling for 2011, the State Auditor's office followed Section 137.073.5(4), RSMo, which states a voluntary reduction taken in a non-reassessment year (even year), results in a reduced tax rate ceiling during the subsequent reassessment year (odd year). As a result, the tax rate ceiling for the county's General Revenue Fund was lowered for 2011 and 2012. The county subsequently certified tax rates equal to the lowered tax rate ceiling for each year, reporting no reductions.

Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected. Dade County voters enacted a one-half cent sales tax with a provision to reduce property taxes by 50 percent of sales tax collected. The county is required to estimate the annual property tax levy to meet the 50 percent reduction requirement and in the following year calculate any excess property collected based upon actual sales tax collection.



Dade County  
Management Advisory Report - State Auditor's Findings

Based upon the reduced tax rate ceiling required by Section 137.073.5(4), RSMo, and the failure of the county to reduce the tax levy for a sales tax reduction, the over collection of General Revenue property taxes for 2011 and 2012 are as follows:

		Year Ended December 31,	
		2012	2011
For Sales Tax Reductions			
Required property tax revenue reduction	\$	115,377	114,266
Actual property tax revenue reduction		0	0
Over collection		115,377	114,266
Prior years over collection		114,266	0
Total property tax over collected	\$	229,643	114,266

To ensure property tax levies are properly set and property tax ceilings are maintained, the County Commission and County Clerk should ensure property tax levies are adequately reduced by 50 percent of sales tax revenue and are accurately reported and certified as such. Documentation of calculations and tax rate setting decisions is important to demonstrate compliance with statutory provisions and serve as a reference tool should questions arise.

## Recommendation

The County Commission and County Clerk properly calculate and report property tax rate reductions (sales tax or voluntary) and develop a plan to correct improper property tax reductions from prior years. During the tax rate setting process, the County Commission and County Clerk should ensure tax rate information reported back to the county in the State Auditor's office certification letter is consistent with expectations and, if not, promptly follow up on any discrepancies.

## Auditee's Response

*The County Commission provided the following written response:*

*There was a law change regarding the tax levies, 137.073.5 (4) which, from what we understand has caused several counties to have this issue of losing their tax rate ceiling. We will work with the County Clerk to correct this.*

*The County Clerk provided the following written response:*

*I took office in January of 2011. There was a law change regarding the tax levies, which, from what I understand has caused several counties to have this issue of losing their tax rate ceiling. Having looked back on prior years for help in setting the tax levy, I didn't realize that the county had lost the tax rate ceiling. The tax levy rate did not change, and a calculation of the sales tax rollback was not performed. The County Commission and myself have been notified of this and will take the steps to correct this in the future.*



## **2. Sheriff Controls and Procedures**

Despite similar concerns noted in our prior audits, significant weaknesses continue to exist in the Sheriff's accounting controls and procedures. The current Sheriff took office in January 2013.

Deposits into the Sheriff's bank account for civil and criminal process fees, bonds, and other miscellaneous fees, and concealed carry weapon permit monies collected and transmitted to the County Collector-Treasurer totaled approximately \$38,200 during the year ended December 31, 2012.

### **2.1 Segregation of duties**

Accounting duties are not adequately segregated, and an adequate supervisory review of accounting records is not performed. An office manager is responsible for receipting, recording, depositing, disbursing, reconciling the bank account, and transmitting monies to the County Collector-Treasurer. While the current Sheriff performs and documents his review of the monthly bank reconciliation, a comparison of monies received to those deposited or transmitted is not performed by the Sheriff.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are safeguarded. If proper segregation of duties cannot be achieved, the Sheriff should implement an adequate independent or supervisory review of bank and accounting records.

### **2.2 Record retention**

Electronic accounting records maintained by the former Sheriff are not available. According to the current Sheriff, this information was deleted from the computer system prior to his taking office. Record retention is necessary to ensure the validity of transactions and provide an audit trail. Section 109.270, RSMo, indicates all records made or received by officials in the course of their public duties are public property and are not to be disposed of except as provided by law.

### **2.3 Receipting, depositing, and transmitting monies**

Procedures for receipting, depositing and transmitting monies are not sufficient.

Our review of receipt slips, deposits, and transmittals for the year ended December 31, 2012, and through January 24, 2013, determined the following:

- Beginning May 2012, receipt slips were no longer issued for paper service and phone commission monies, and receipts slips were not always issued for other monies received. From May through December 2012, \$5,089 was collected and deposited for paper service and phone commissions, but was not receipted. Also, an additional \$6,488 received for bonds, grants, board bills, and concealed carry permits was collected and deposited, but not receipted, resulting in a total of \$11,577 being deposited or transmitted, but not recorded in receipt records.





## Dade County Management Advisory Report - State Auditor's Findings

- Several receipt slip books were used concurrently, both copies of voided receipt slips were not always retained, the numerical sequence of receipt slips was not accounted for properly, and some entries on receipt slips were not legible.
- Receipt slips issued did not always indicate the method of payment, and the composition of receipts was not reconciled to the composition of deposits. Additionally, checks were not restrictively endorsed immediately upon receipt.
- Receipts were often not deposited or transmitted intact or timely. For example, monies collected on December 14, 2012, totaling \$877, were deposited on December 26, 2012, while monies collected on December 13, 2012, totaling \$252, were not deposited until January 3, 2013. In addition, concealed carry weapon permit monies totaling \$350 collected between August 6 and October 2, 2012, were not transmitted to the County Collector-Treasurer until October 10, 2012.

Without accurate and up-to-date receipt records, and a detailed reconciliation of these records, there is no assurance all monies have been recorded and deposited. To reduce the risk of loss, theft, or misuse of monies received going undetected, procedures should be established to ensure all monies received are properly receipted and deposited or transmitted intact and timely.

### 2.4 Bank reconciliations and liabilities

Monthly bank reconciliations and lists of liabilities for the two bank accounts (bond and fee) were not prepared during the year ended December 31, 2012. Our review of the bond bank account and other records indicated \$761 in unidentified monies at December 31, 2012.

The preparation and review of monthly bank reconciliations is necessary to ensure accounting records are in balance and to identify errors in a timely manner. Additionally, liabilities should be identified monthly and reconciled to cash balances to ensure sufficient cash is available for the payment of all amounts due and all monies in the bank account can be identified. Prompt follow up on discrepancies is necessary to resolve errors and ensure monies are properly disbursed.

### 2.5 Seized property

Adequate controls over seized property have not been established. While a notebook of individual seized property case reports is maintained, it is not complete and accurate, and periodic inventories of seized property on hand are not conducted. Numerous seized property items included on the reports (including \$313 cash seized in 2010) could not be located in the seized property storage area. Some seized property items were stored in unsecured locations within and outside the Sheriff's office. In addition, several seized property items were not tagged for identification to a specific case. Also,



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Dade County  
Management Advisory Report - State Auditor's Findings

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several items in the seized property storage area have been held for a long period of time.

Further, the release of seized cash totaling \$748 was not adequately documented. According to a seized property report, \$748 was seized on June 6, 2012, and a hand written note on the report indicates the cash was released; however, it does not indicate the date the cash was released, who released the cash, or who received the cash.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of theft or misuse of the items. Accurate and complete inventory records of all seized property items, including information such as description, current location, case number, date of seizure, and disposition of such property, are necessary to ensure all items are accounted for properly. Periodic inventories should also be performed and compared to the list of seized property to ensure seized property is accounted for properly. Section 542.301, RSMo, provides guidance for the disposition of unclaimed seized property. Proper disposal of such items would eliminate the significant risks of unauthorized access, use, or theft. Furthermore, adequate documentation should be maintained to support the chain of custody and release of seized property.

Similar conditions  
previously reported  
**Recommendations**

Similar conditions to sections 2.1, 2.3, and 2.4 were noted in our prior audit report.

The Sheriff:

- 2.1 Adequately segregate accounting duties to the extent possible or ensure an adequate independent or supervisory review of bank and accounting records is performed and documented.
- 2.2 Ensure accounting records are properly retained.
- 2.3 Ensure legible receipt slips are issued for all monies received, all copies of voided receipts slips are retained, the numerical sequence of receipt slips is accounted for properly, the method of payment is indicated on all receipt slips, the composition of receipts is reconciled to the composition of deposits, and checks are restrictively endorsed immediately upon receipt. In addition, the Sheriff should ensure receipts are deposited or transmitted intact and in a timely manner.
- 2.4 Prepare bank reconciliations monthly and reconcile bank balances to monthly lists of liabilities. Any differences should be investigated and resolved.



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- 2.5 Maintain complete and accurate seized property inventory records. The Sheriff should perform a periodic inventory of seized property, compare it to the seized property list, and investigate any differences. The Sheriff should also make timely and appropriate dispositions of seized property.

## Auditee's Response

*The Sheriff provided the following written responses:*

- 2.1 *Segregation of duties is not possible because of budget restraints. It is not likely this will change now or in the foreseeable future. I will perform a monthly internal audit of receipts to bank activity to ensure accuracy and accountability.*
- 2.2 *All records will be retained as required by law. The financial records that are missing are not recoverable by this office.*
- 2.3 *All receipts are now being deposited intact on a weekly basis. A legible and numbered receipt slip will be issued for all monies received by this office. All copies of voided receipt slips will be retained. Policies have been put in place to ensure that the proper receipt slip type be used for each transaction, the method of payment be accurately recorded, and checks be restrictively endorsed immediately upon receipt. Receipt slips will be audited against bank deposits to ensure they are accurate.*
- 2.4 *Monthly bank reconciliations will be completed timely. I will audit monthly reconciliations, as well as written receipts, to ensure accuracy.*
- 2.5 *Seized property is being inventoried and documented. An accurate and auditable inventory system is being put in place. All seized property will be destroyed or disposed of according to law and when allowed by law.*

## 3. Payroll Controls and Procedures

Controls and procedures over payroll records need improvement.

### 3.1 Centralized records

Centralized records of leave balances and leave used and earned are not maintained. Employees are responsible for recording and tracking their own leave balances. Without centralized leave records, the County Commission cannot ensure employee vacation, sick, and compensatory leave balances are accurate and in compliance with county policy, and all employees are treated equitably. Centralized leave records also aid in determining unused vacation and compensatory leave upon termination of employment.



## Dade County Management Advisory Report - State Auditor's Findings

### 3.2 Personnel policy

Compensatory time (overtime) is not always earned and paid in accordance with the county personnel policy. For example, the County Collector-Treasurer used nonworking time (vacation, sick leave, compensatory time used, and holidays) in his calculation to determine the amount of overtime paid to his deputy clerk, resulting in an overpayment. The county may be paying more compensatory time to employees than required as a result of using nonworking time in its calculations of overtime earned. The county personnel policy indicates overtime will be determined based upon only "hours actually worked on the county's behalf".

### 3.3 Sheriff's office payroll records

Documentation to support the accrual of compensatory time (overtime) by the former Sheriff's office manager/jail administrator was not sufficient and was not documented consistently.

The office manager/jail administrator was paid \$3,384 for 376 hours of compensatory time earned during 2012. The County Clerk prepared payroll checks based on bi-weekly timesheets prepared by the office manager/jail administrator from weekly timecards prepared by employees. We noted 25 of 48 weekly timecards did not adequately document the dates worked (day, month, year), 4 weekly timecards could not be located, compensatory time was sometimes calculated at double time which is not in accordance with the county personnel policy of time and a half, and the calculations of compensatory time (overtime) on some bi-weekly timesheets were not accurate. In addition, timecards of some employees were not signed and timecards and bi-weekly timesheets were not always reviewed or signed by the Sheriff.

To ensure the accuracy of time worked and leave taken, time records should be reviewed and signed by the employee and the employee's supervisor to indicate their agreement to the actual time worked and leave taken. In addition, to limit the county's liability for compensatory time to law enforcement officers, the county should complete a thorough review of compensatory time calculations and ensure compliance with the county's established policy.

### Similar conditions previously reported Recommendations

Similar conditions were noted in our prior audit report.

The County Commission:

- 3.1 Maintain centralized leave records for all county employees.
- 3.2 Ensure the calculation of employee overtime is in accordance with the county personnel policy.



Dade County  
Management Advisory Report - State Auditor's Findings

- 3.3 Ensure adequate reviews of time records, leave records, and other payroll records are performed. The County Commission should also work with the Sheriff to ensure timecards and timesheets are signed by employees and their supervisor, as appropriate.

## Auditee's Response

*The County Commission provided the following written responses:*

- 3.1 *We will request all officeholders to submit these records to the County Clerk and the County Clerk to maintain centralized leave records.*
- 3.2 *We will remind the officeholders to follow county policy for compensatory time.*
- 3.3 *We will ask each department head to review the timesheets, leave records, and other payroll records before being turned into the County Clerk's office. We will try to ensure the employees of the Sheriff's office and the Sheriff sign timesheets.*

## 4. County Procedures

Procedures related to fuel usage need improvement. Disbursements from the Sheriff's Revolving Fund were not always appropriate, and the county has not established adequate procedures to review activities of the County Collector-Treasurer.

### 4.1 Fuel use and purchases

Records documenting the use of Sheriff's office vehicles could not be located for the year ended December 31, 2012. In addition, the vehicle log maintained by the Assessor and the County Commissioners did not indicate who used the county vehicle, the date the vehicle was used, or when fueled; and was not submitted to the County Clerk for reconciling fuel usage to fuel purchases. Accounting records indicate approximately \$17,800 of fuel was purchased during the year ended December 31, 2012.

Procedures for reviewing fuel use and reconciling use to fuel purchased are necessary to ensure the reasonableness and propriety of fuel use and disbursements. Also, mileage and fuel logs are necessary to document the appropriate use of vehicles and to support fuel charges. Failure to account for fuel purchases could result in loss, theft, and misuse going undetected.

### 4.2 Sheriff's Revolving Fund

During the year ended December 31, 2012, \$4,941 of \$7,977 total disbursements made from the Sheriff's Revolving Fund were not in compliance with uses allowed by state law. These disbursements included uniforms, handcuffs, and pepper spray costing \$1,021, towing expenses totaling \$2,820, and a \$1,100 transfer to the Law Enforcement Fund.

Per Section 50.535, RSMo, Sheriff's Revolving Fund monies are to be used for the purchase of equipment, to provide training, and to make necessary



## Dade County Management Advisory Report - State Auditor's Findings

expenditures to process applications for concealed carry endorsements or renewals, including but not limited to the purchase of equipment, training, fingerprinting, background checks, and employment of additional personnel.

### 4.3 Review of activity

Neither the County Clerk nor the County Commission adequately reviews the activities of the County Collector-Treasurer, who collected property tax monies of approximately \$5.1 million during the year ended February 28, 2013. The County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes, and no evidence was provided to indicate procedures are performed to verify the accuracy and completeness of the County Collector-Treasurer's annual settlements. As a result, there is an increased risk of loss, theft, and misuse of property tax monies going undetected.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable to the county treasury. An account book or other records which summarize all taxes charged to the County Collector-Treasurer, monthly collections, delinquent credits, abatements and additions, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector-Treasurer are complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector-Treasurer's annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

### Similar conditions previously reported

Similar conditions to sections 4.1 and 4.3 were noted in our prior audit report.

### Recommendations

- 4.1 The County Commission require fuel use logs be maintained for all county-owned vehicles, and ensure these logs are reviewed for accuracy and reconciled to fuel purchases. Any significant discrepancies should be investigated.
- 4.2 The County Commission and Sheriff use Sheriff's Revolving Fund monies in accordance with state law.
- 4.3 The County Clerk maintain an account book with the County Collector-Treasurer. In addition, the County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector-Treasurer's annual settlement.



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Dade County  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The County Commission provided the following written responses:*

- 4.1 *Detailed mileage logs used by the County Assessor and County Commissions have already been implemented. We will request logs from the Sheriff's office periodically and will compare logs to fuel purchases upon receipt of those logs.*
- 4.2 *This has been noted, and in the future we will use the monies in accordance with state law.*
- 4.3 *We will ensure this is implemented for the new tax year.*

*The Sheriff provided the following written response:*

- 4.2 *Disbursements from the revolving fund will only be made in compliance with the law.*

*The County Clerk provided the following written response:*

- 4.3 *I will implement this for the new tax year and work with the County Collector-Treasurer to ensure this done.*

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# Dade County

## Organization and Statistical Information

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Dade County is a township-organized, third-class county. The county seat is Greenfield, Missouri.

Dade County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintain county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 23 full-time employees and 7 part-time employees on December 31, 2012. The townships maintain county roads.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2013	2012
Randy Daniel, Presiding Commissioner	\$	25,760
William G. Marshall, Associate Commissioner		23,760
David Rusch, Associate Commissioner		23,760
Carolyn Kile, Recorder of Deeds		36,000
Melinda Wright, County Clerk		36,000
Gary Troxell, Prosecuting Attorney		43,000
Steven Stapp, Sheriff		40,000
Gary Banta, County Coroner		10,000
Judy McGuire, Public Administrator		25,000
Rod O'Connor, County Collector-Treasurer (1), year ended March 31,	38,999	
Annette Black, County Assessor , year ended August 31,		36,000
Justin Hunt, County Surveyor (2)		N/A

(1) Includes \$2,999 of commissions earned for collecting city property taxes.

(2) Compensation on a fee basis.

### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

Dade County did not receive any federal stimulus monies during the year ended December 31, 2012.





**Thomas A. Schweich**  
Missouri State Auditor

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# Southern Dallas County Fire Protection District



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August 2013

Report No. 2013-062

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

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## Findings in the audit of the Southern Dallas County Fire Protection District

Accounting Controls and Procedures	The Southern Dallas County Fire Protection District (district) did not segregate the accounting duties performed by the Secretary/Treasurer, or conduct a supervisory review. The district does not follow up on outstanding checks and does not issue receipt slips for monies received. The district does not properly report wages, withhold employee payroll taxes from, or pay the employer share of taxes on compensation paid to the Secretary/Treasurer and firefighters and did not prepare and file Forms 1099-MISC with the IRS for individuals who performed mowing/spraying services and work on the district's helicopter pad.
Budgets and Financial Reports	Annual budgets approved by the Board are not adequate or in compliance with state law. The Board does not monitor budget to actual receipts and disbursements, and actual disbursements exceeded the overall budget by \$15,504. The Secretary/Treasurer does not provide the Board with sufficient monthly financial reports, so the Board cannot effectively monitor the district's financial activity and condition.
Meetings, Public Records, and Bylaws	Meeting notices/agendas do not always document that a closed meeting is planned and do not cite the specific exception as the reason for the closed meeting. The district does not document the vote of each member to go into a closed meeting in the open meeting minutes. The district has not adopted a formal policy regarding public access to district records and does not have up-to-date and comprehensive bylaws.
Bidding	The district has not adopted a formal written bidding policy and lacks sufficient bidding procedures. The district decides whether to solicit bids on a case-by-case basis and does not document its reasons for selecting a bid other than the lowest bidder.
Capital Assets	The district does not maintain current, complete, and detailed records of capital assets, including land, buildings, vehicles, equipment, and furniture.
Firefighter Training and Records	The district does not maintain adequate training records and has not developed a written comprehensive training plan to ensure its Standard Operating Guidelines are met. Audit staff reviewed the firefighter training records and found, of those who had reached employment status requiring

training, three had received the training, five had not received the required training and adequate records were not maintained for the other three firefighters.

In the areas audited, the overall performance of this entity was **Fair**.\*

American Recovery and  
Reinvestment Act  
(Federal Stimulus)

The Southern Dallas County Fire Protection District did not receive any federal stimulus monies during the audited time period.

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our website: <http://auditor.mo.gov>**

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# Southern Dallas County Fire Protection District

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the Board of Directors  
Southern Dallas County Fire Protection District

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Southern Dallas County Fire Protection District. We have audited certain operations of the district in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Southern Dallas County Fire Protection District.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with a large, stylized 'S' at the end.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Toni M. Crabtree, CPA
In-Charge Auditor:	Terri Erwin, MBA, CGAP

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# Southern Dallas County Fire Protection District

## Management Advisory Report

### State Auditor's Findings

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#### **1. Accounting Controls and Procedures**

Accounting duties are not segregated, outstanding checks are not followed up on timely, and receipts slips are not issued. The Southern Dallas County Fire Protection District (district) also does not properly prepare and file Forms W-2 or 1099-MISC.

##### **1.1 Segregation of duties**

Accounting duties are not segregated, and there is no supervisory review of the work performed by the Secretary/Treasurer, who is responsible for all record keeping duties of the fire district. The duties include receiving and depositing monies, recording receipts and disbursements, preparing and distributing checks, receiving bank statements and preparing bank reconciliations, and preparing financial reports.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurances that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, there should be a documented independent review of district transactions.

##### **1.2 Outstanding checks**

The district does not follow up on outstanding checks. At December 31, 2012, the district had 19 checks, totaling \$240, which have been outstanding for more than a year. Several checks are over 4 years old.

Outstanding checks should be periodically reviewed to determine if the payees can be readily located and if there is a need to reissue the checks. When a payee cannot be located, various statutory provisions provide for the disposition of unclaimed monies.

##### **1.3 Receipt slips**

The district does not issue receipt slips for monies received. Although monies received are recorded in the district's computerized accounting system, the method of payment is not denoted and the system does not assign a receipt and/or transaction number. Thus, an accounting trail is lacking and the records do not provide adequate accountability for all monies received.

To properly account for all receipts and ensure monies are properly deposited, prenumbered receipt slips should be issued in numerical order for all monies received, and the method of payment should be recorded on each receipt slip and reconciled to the composition of receipts recorded in the accounting system and deposits.

##### **1.4 Payroll reporting and withholdings**

The district does not properly report wages, withhold employee payroll taxes from, or pay the employer share of taxes on compensation paid to the Secretary/Treasurer and firefighters.



## Southern Dallas County Fire Protection District Management Advisory Report - State Auditor's Findings

Although for 2012 the district filed a Form-1099 for the Secretary/Treasurer's compensation, these payments appear to represent compensation subject to Form W-2 reporting and payroll tax withholding. The Secretary/Treasurer is appointed by the Board of Directors and uses a district computer to perform her duties. Firefighters are paid \$5 per run and were not issued Forms W-2 in 2012.

Section 105.300, RSMo, defines an appointive officer or employee of a political subdivision as an employee for Social Security purposes. Internal Revenue Service (IRS) firefighters guidelines provide that volunteers are considered employees. State and federal laws require employers to withhold payroll taxes and pay the employer's share of Social Security and Medicare on compensation paid to employees. The Internal Revenue Code requires employers to report wages on W-2 forms and withhold and remit federal income tax. Similarly, Chapter 143, RSMo, includes requirements for reporting wages and withholding state income taxes.

### 1.5 Form 1099

The district did not prepare and file Forms 1099-MISC with the IRS, as required. In 2012 the district paid approximately \$1,100 and \$1,200 to individuals for mowing/spraying services and work on the district's helicopter pad, respectively, but did not prepare Forms 1099-MISC for these individuals.

Sections 6041 to 6050 of the Internal Revenue Code require non-wage payments of at least \$600 in one year for professional services or for services performed as a trade or business by non-employees (other than corporations) be reported to the federal government on Form 1099-MISC.

## Recommendations

The Board of Directors:

- 1.1 Segregate the accounting duties to the extent possible, or at a minimum, establish procedures for a documented independent review of the record keeping functions.
- 1.2 Follow up on outstanding checks in a timely manner.
- 1.3 Ensure prenumbered receipt slip are prepared for all monies received, and reconciled to the composition of receipts recorded in the accounting system and deposits.
- 1.4 Ensure all compensation paid to the Secretary/Treasurer and firefighters are subject to payroll taxes and properly reported on W-2 forms. The district should also contact the IRS and state for guidance regarding prior years.
- 1.5 Prepare and file Forms 1099-MISC with the IRS as required.





Southern Dallas County Fire Protection District  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The Board of Directors provided the following written responses:*

- 1.1 It is not possible to segregate duties. A board member will review records monthly.*
- 1.2 We will take care of the outstanding checks.*
- 1.3 We will start giving receipts as of August 2013.*
- 1.4 We are talking to the Internal Revenue Service about this now, and will take under advisement.*
- 1.5 We are collecting data to file 1099s at this time.*

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## 2. Budgets and Financial Reports

District budgets and monthly financial reports are not adequate, and the Board does not adequately monitor the financial activities of the district.

### 2.1 Annual budget

The annual budgets approved by the Board are not adequate or in compliance with state law. The budgets only include anticipated disbursements. In addition, the disbursements are listed by broad categories and are not itemized as required.

Section 67.010, RSMo, requires each political subdivision of the state to prepare an annual budget which presents a complete financial plan and specific information, including, but not limited to, a budget message and comparisons of actual revenues, itemized by year, fund, and source; and expenditures, itemized by year, fund, activity, and object, for the two preceding years.

A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific cost expectations for each area. It will also assist in setting tax levies and informing the public about district operations and current finances.



Southern Dallas County Fire Protection District  
Management Advisory Report - State Auditor's Findings

## 2.2 Budget monitoring

The Board does not monitor budget to actual receipts and disbursements. As a result, in 2012 the Board approved disbursements in excess of various budget categories and exceeded the overall budget by \$15,504, as follows:

Budget Category	Budgeted Disbursements	Actual Disbursements	Actual (Over) Under Budget
Building loan, lease, and insurance	\$ 23,500	22,490	1,010
Truck repair, maintenance, and fuel	5,000	11,760	(6,760)
Pay, dues, office expense, telephone, and utilities	6,000	12,491	(6,491)
Building repair and maintenance	4,000	15,213	(11,213)
Classes and mileage	2,500	135	2,365
Firefighter equipment, supplies, and expenses	6,000	10,415	(4,415)
Building Reserve	10,000	0	10,000
Total	\$ 57,000	72,504	(15,504)

Section 67.080, RSMo, provides that no disbursements of public monies shall be made unless authorized in the budget. Section 67.040, RSMo, allows for increases in authorized expenditures, but only after the governing body adopts a resolution setting forth the facts and reasons.

Failure to adhere to the limits imposed by budgets weakens the Board's effectiveness in controlling the district's financial condition. The district should ensure that monthly budget to actual comparisons are received and reviewed prior to approving disbursements.

## 2.3 Financial reports

The monthly financial reports presented to the Board are not sufficient. As a result, the Board cannot effectively monitor the district's financial activity and condition.

At monthly meetings, the Secretary/Treasurer presents a Treasurer's report, consisting of a "Bills to be Paid" report, and the check register for checks written/paid the previous month. However, the Board does not receive other financial information such as the beginning and ending fund balance, a reconciliation of bills paid the prior month to the check register, or financial reports, such as a monthly schedule of receipts and disbursements or balance sheet, from the computerized accounting system. During our review of disbursements, we found that two checks, totaling \$6,975, were paid in July 2012, but not listed on the Bills to be Paid report. In addition, although the minutes indicate the Board approves the report, the report is not signed and/or initialed by the Board President or any other Board member to show the Board's authorization.

To effectively monitor financial activities and the financial condition of the district, and make informed decisions, the Board must receive complete and accurate monthly financial reports and information.



Southern Dallas County Fire Protection District  
Management Advisory Report - State Auditor's Findings

## Recommendations

The Board of Directors:

- 2.1 Prepare annual budgets that contain all information required by state law.
- 2.2 Obtain and perform adequate reviews of budget to actual financial information monthly, ensure actual disbursements do not exceed budgeted amounts, and if necessary, amend the district's budget.
- 2.3 Ensure monthly financial reports are complete, accurate, and provide sufficient information to monitor financial activity and condition. In addition, the Board should consider signing/initialing the Bills to be Paid report to show its review and approval.

## Auditee's Response

*The Board of Directors provided the following written responses:*

*We can comply.*

### 3. Meetings, Public Records, and Bylaws

The district needs to improve procedures for conducting and documenting Board meetings and providing public access to records. District bylaws are outdated.

#### 3.1 Meeting minutes and notices/agendas

There are significant weaknesses regarding meeting minutes and notices/agendas. Instead of two separate documents, the district combines meeting notices and agendas into one document.

- Meeting notices/agendas do not always document that a closed meeting is planned. For example, closed meetings were held on July 11, 2012, and December 11, 2012; however, the related notice/agenda failed to indicate a closed meeting was planned.
- Meeting notices/agendas typically just document "personnel", instead of citing the specific exception, as the reason for the closed meeting, when applicable.
- The vote of each member for closing a meeting is not documented in the open meeting minutes.

Section 610.022, RSMo, requires that a public governmental body planning to hold a closed meeting "... shall give notice of the time, date, and place of such meeting or vote and the reason for holding it by reference to the specific exception allowed . . . ." This section also requires that before any meeting may be closed, the question of holding the closed meeting and the reason(s) for the closed meeting, including reference to a specific section of



## Southern Dallas County Fire Protection District Management Advisory Report - State Auditor's Findings

the law, shall be voted on during open meeting. These reasons and the vote of each member to close the meeting should be documented in the open minutes.

### 3.2 Public access policy

The district has not adopted a formal policy regarding public access to district records.

A formal policy regarding public access to district records would establish guidelines for the district to make the records available to the public. This policy should identify a person to contact, provide an address to mail such request, and establish a cost schedule for providing copies of public records.

Section 610.023, RSMo, lists requirements of making records available to the public, and Section 610.026, RSMo allows the district to charge fees for providing access to and/or copies of public records and provides requirements related to fees.

### 3.3 Bylaws

The district does not have up-to-date and comprehensive bylaws. Upon our initial request, the district was unable to provide its bylaws. More than a month later, the district found a copy of bylaws, dated August 1988.

Section 321.220, RSMo, provides that the district has the authority to adopt and amend bylaws necessary for ". . . carrying on of the business, objects and affairs of the board and of the district . . . ." Additionally, good business practice dictates the district adopt bylaws to govern board elections, meetings, and rules for transacting district operations and financial matters. Bylaws can be used as a management tool for establishing district policies and procedures. To increase the usefulness of the bylaws, the bylaws should be updated on a regular basis and should comply with applicable laws and regulations. Bylaws should include, among other items, policies relating to budgeting, bidding, and purchasing, as noted in this report. The bylaws should be readily available to employees and the public.

## Recommendations

The Board of Directors:

- 3.1 Ensure meeting notices/agendas identify when closed meetings are planned and the specific reason(s) for the closed meetings, and open meeting minutes document the vote of each member and the reason(s) for going into closed meetings.
- 3.2 Develop written policies regarding procedures to obtain access to, or copies of, public district records.
- 3.3 Maintain up-to-date and comprehensive bylaws which are readily available to employees and the public.



Southern Dallas County Fire Protection District  
Management Advisory Report - State Auditor's Findings

## Auditee's Response

*The Board of Directors provided the following written responses:*

3.1&

3.2      *We can comply.*

3.3      *We will have a new set of bylaws by January 1, 2014.*

## 4. Bidding

Bidding procedures are not sufficient and the district has not adopted a formal written bidding policy. Decisions regarding whether to solicit bids for a particular purchase are made on an item-by-item basis. In addition, the Board does not document its reason(s) for selecting a bid other than the lowest bid. For example, we noted an instance in the minutes when bids were briefly discussed regarding a roof repair project. However, the minutes did not explain why a bid other than the lowest bid was accepted and there was no other bid documentation available.

Bids were either not solicited and/or there was no bid documentation for the following significant purchases during 2012:

Expenditure	Cost
Roof repair	\$ 7,510
Insurance	7,263
Material for roof repair	3,665
Propane	2,096
Helicopter pad, rock and labor	1,195
Lawn service	1,145
Pumper repair	1,117

Formal bidding procedures provide a framework for economical management of the district resources and help ensure the district receives fair value by contracting with lowest and best bidders. Bids can be handled by telephone quotation, written quotation, or sealed bid. Various approaches are appropriate, based on dollar amount and type of purchase. Whichever approach is used, complete documentation should be maintained of all bids received and reasons noted why the bid was selected.

## Recommendation

The Board of Directors establish formal written bidding policies and procedures, including documentation requirements regarding the bids or quotes received and justification for the bid selected.

## Auditee's Response

*The Board of Directors provided the following written response:*

*We will look into bidding prospects. But, we may not bid all items such as insurance and propane.*



Southern Dallas County Fire Protection District  
Management Advisory Report - State Auditor's Findings

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## 5. Capital Assets

The district needs to improve internal controls over and records for capital assets.

The district does not maintain current, complete, and detailed records of capital assets, including land, buildings, vehicles, equipment, and furniture. Upon our request, the district prepared a listing of district vehicles and equipment as of December 2012. According to district personnel, the district previously maintained a listing of vehicles and equipment; however, the listing was on a computer which crashed and no back-up of the information was maintained. The district also does not tag or otherwise identify capital assets as property of the district, or perform an annual physical inventory of district property.

Adequate capital asset records are necessary to secure better internal control over district property and provide a basis for determining proper insurance coverage. Capital asset records should be maintained on a perpetual basis, accounting for property acquisitions and dispositions as they occur, and include a detailed description of the assets such as acquisition cost, descriptions, make and model numbers, and asset identification numbers; the physical location of the assets; and the date and method of disposition of the assets. All capital assets should be identified with a tag or other similar device, and the district should conduct annual physical inventories and compare the results to detailed property records.

### Recommendation

The Board of Directors ensure complete and detailed capital asset records are maintained, assets are properly tagged for identification, and annual physical inventories are performed and compared to detailed records.

### Auditee's Response

*The Board of Directors provided the following written response:*

*We can comply.*

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## 6. Firefighter Training and Records

Some volunteer firefighters have not received required district training.

The district's Standard Operating Guidelines (SOG) outline the training and/or certification required for firefighters. However, the district does not maintain adequate training records and has not developed a written comprehensive training plan to ensure these guidelines are met.

The SOG require firefighters to have the following training after being hired: 1) basic firefighter training within six months, 2) National Incident Management System (NIMS) training within six months, and 3) hazardous materials (Hazmat) awareness training within one year. Other positions, such as the fire chief, lieutenants, and emergency medical technicians (EMTs), need additional training and/or certification.



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Southern Dallas County Fire Protection District  
Management Advisory Report - State Auditor's Findings

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We reviewed the training records of the 22 firefighters who received a "run payment" during 2012. At December 31, 2012, 11 of these firefighters had been with the district for less than 6 months, and were not yet required to and had not received the basic firefighter or NIMS training. Of the remaining 11 firefighters, all of which had reached employment status requiring training, 3 had received the required training as outlined in the SOG, but 5 had not received the required training. Adequate training records were not available for the remaining 3 firefighters, and it is unclear if they received the necessary training.

A written comprehensive training plan is needed to ensure all volunteer firefighters have the necessary and required training. Proper training would ensure firefighters have the basic knowledge and skills necessary to help them function safely and effectively. At a minimum, both for the safety of the firefighters and public, firefighters need to know how to use all apparatus, identify and properly handle hazardous materials, and address other emergency situations. Adequate records of training attended by the firefighters showing, at a minimum, description of course, date, hours, and cost of training should be retained and periodically reviewed by the Board.

## Recommendation

The Board of Directors adopt a written comprehensive training plan to ensure all firefighters receive the required training. The Board should ensure adequate training records are maintained and reviewed periodically to ensure compliance with district policy.

## Auditee's Response

*The Board of Directors provided the following written response:*

*Training and records are being brought up-to-date at this time.*

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# Southern Dallas County Fire Protection District

## Organization and Statistical Information

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The Southern Dallas County Fire Protection District (district), was organized in 1988 pursuant to Chapter 321, RSMo. The district covers 62 square miles and has one fire station.

The elected board acts as the policy-making body for district operations. The three board members serve 6-year terms without compensation. Members of the Board at December 31, 2012, were:

John Moore, Chairman  
Jay Buttran, Member  
Steve Brown, Member

Brian Zebel was appointed in Fire Chief in November 2012. His compensation is established by the Board, and is \$50 per month. Previous to Mr. Zebel's appointment, members of the Board served as interim Fire Chiefs during 2012.

Carolyn Rowland has served as Secretary/Treasurer for many years. Her compensation is established by the Board, and is \$80 per month.

At December 31, 2012, the district had 11 volunteer firefighters. Firefighters are paid \$5 for each run response.

### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Southern Dallas County Fire Protection District did not receive any federal stimulus monies during the year ended December 31, 2012.

### Financial Activity

A summary of the district's financial activity for the year ended December 31, 2012, follows:



Southern Dallas County Fire Protection District  
Year Ended December 31, 2012

	General Fund
RECEIPTS	
Property taxes	\$ 59,824
Interest	167
Donations	100
Swimming pool fees	150
Miscellaneous receipts	841
Total Receipts	<u>61,082</u>
DISBURSEMENTS	
Wages	1,560
Firefighter run payments	5,180
Building lease payment	14,904
Roof repair	11,175
Firefighter supplies	8,645
Truck repair and maintenance	7,757
Insurance	7,586
Fuel	4,002
Utilities	3,261
Building repair and maintenance	1,507
Telephone	1,376
Helipad	1,195
Lawn service	1,145
Supplies	1,017
Office expense	587
Dues and subscriptions	501
Trash service	192
Mileage reimbursement	85
City of Buffalo, water purchases	48
Miscellaneous	781
Total Disbursements	<u>72,504</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(11,422)</u>
CASH, January 1, 2012	<u>48,515</u>
CASH, December 31, 2012	<u>\$ 37,093</u>



**Thomas A. Schweich**  
Missouri State Auditor

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# Missouri Veterans Commission Capital Improvement Trust Fund



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August 2013

Report No. 2013-063

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the Missouri Veterans Commission Capital Improvement Trust Fund

### Cost Allocation Transfers

The Office of Administration (OA) continues to transfer monies from the Missouri Veterans Commission Capital Improvement Trust Fund to the General Revenue Fund to cover a cost allocation for central services provided by state offices, such as the OA, State Auditor, Governor, Lieutenant Governor, Secretary of State, Attorney General, General Assembly, Capitol Police, and Department of Revenue. However, Section 42.300.1, RSMo, requires the fund to be used solely by the Missouri Veterans Commission for construction, maintenance, renovation or equipment needs of veterans' homes and cemeteries in Missouri; transfers defined in the statute; and the administration of the Missouri Veterans Commission. The fund may also be used for matching fund grants for veterans' service officer programs and expenses associated with providing medals, medallions and certificates for service during World War II, the Korean Conflict, and the Vietnam War.

In the areas audited, the overall performance of this entity was **Good**.\*

### American Recovery and Reinvestment Act (Federal Stimulus)

The Missouri Veterans Commission Capital Improvement Trust Fund did not receive any federal stimulus monies during the audited time period.

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Missouri Veterans Commission Capital Improvement Trust Fund

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor

and

Jerry Lee, Director

Department of Public Safety

and

Larry D. Kay, Director

Missouri Veterans Commission

Jefferson City, Missouri

and

Douglas Nelson, Commissioner

Office of Administration

Jefferson City, Missouri

We have audited the Missouri Veterans Commission Capital Improvement Trust Fund, as required by Section 42.300.4, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2012 and 2011. The objectives of our audit were to:

1. Evaluate internal controls over significant management and financial functions related to the fund.
2. Evaluate compliance with certain legal provisions related to the fund.
3. Evaluate the economy and efficiency of certain management practices and operations related to the fund, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the agencies that administer the fund; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Missouri Veterans Commission's management and was not subjected to the procedures applied in our audit of the fund.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) noncompliance with a legal provision, and (3) no significant deficiencies in management practices and procedures. The accompanying Management Advisory Report presents our finding arising from our audit of the Missouri Veterans Commission Capital Improvement Trust Fund.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Chris Vetter, CPA
In-Charge Auditor:	Matthew Schulenberg, CFE

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# Missouri Veterans Commission Capital Improvement Trust Fund

## Management Advisory Report

### State Auditor's Findings

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#### **Cost Allocation Transfers**

Central services cost allocation transfers made by the Office of Administration (OA) from the Missouri Veterans Commission Capital Improvement Trust (VCCIT) Fund to the General Revenue Fund continue to appear questionable based on legal restrictions. In addition, while the OA made changes to its procedures in response to a 2010 State Auditor's office report, current procedures still do not require personnel to document reasons for including a fund in the cost allocation plan. The OA transferred \$20,761 and \$60,145 from the VCCIT Fund for a portion of central services costs during the years ended June 30, 2012 and 2011, respectively.

Central services are services provided to other state agencies by state offices including the OA, State Auditor, Governor, Lieutenant Governor, Secretary of State, Attorney General, General Assembly, Capitol Police, and Department of Revenue. Examples of central services costs allocated include accounting services, facilities management, technology services, budget and planning, personnel, and purchasing services provided by the OA; audits performed by the State Auditor's office; and the administration of revenue and taxation duties by the Department of Revenue.

Report No. 2010-29, *Central Services Cost Allocation Plan*, issued in March 2010, questioned the propriety of some cost allocation transfers, including those from the VCCIT Fund based on statutory language limiting the fund's use. While state law regarding the fund has changed since that report was issued, the use of VCCIT Fund monies for cost allocation transfers remains questionable. Currently Section 42.300.1, RSMo, indicates the fund shall be used solely by the Missouri Veterans Commission for construction, maintenance, renovation, or equipment needs of veterans' homes and cemeteries in Missouri; transfers defined in the statute; and the administration of the Missouri Veterans Commission. According to the statute this fund may also be used for ". . . matching fund grants for veterans' service officer programs to any federally chartered veterans' organization or municipal government agency that is certified by the Veterans Administration to process veteran claims within the Veterans Administration System. . . ." The statute also indicates the fund may be used for ". . . payment of Missouri National Guard and Missouri veterans commission expenses associated with providing medals, medallions and certificates in recognition of service in the armed forces of the United States during World War II, the Korean Conflict, and the Vietnam War."

The OA changed cost allocation procedures in response to the 2010 audit report, including formalizing the review of fund eligibility through an analysis model to ensure consistency and performing an additional examination of all funds classified in earlier fiscal years. Officials provided us with documentation of the review of all funds for the year ended June 30, 2012, and indicated the annual review includes a review of statutory language. The OA classifies the VCCIT Fund as eligible for inclusion in



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Missouri Veterans Commission  
Management Advisory Report - State Auditor's Finding

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cost allocation plan transfers, but there are no comments or other justification provided to indicate why the OA considers central services cost allocation transfers from the fund allowable.

If the OA intends to continue making transfers from the VCCIT Fund, a clear and sufficient legal basis for doing so should be documented.

## Recommendation

The OA review the legal basis for including the VCCIT Fund in the cost allocation transfer and document specific reasons why the transfer is allowable.

## Auditee's Response

*The OA provided the following response:*

*One component of OA's analysis model that is used to determine if a fund should be included or excluded from the cost allocation plan is a review of the statutory authorization of the fund. Programs established in statute could not function without the associated administrative costs and those administrative costs are part of the cost of the program. Therefore, unless the statute specifically prohibits use of a fund for administrative purposes, it is assumed that administrative expenses are permitted. This is consistent with the legislative process that annually appropriates the authority to charge funds for central administrative costs. The VCCIT fund (42.300.1(8) RSMo) authorizes funding of the administration of the Missouri Veterans Commission. The Missouri Veterans Commission and the other programs authorized for funding under this section require administrative costs in order to function, the annual cost allocation transfer that is appropriated by the legislature acknowledges those costs, and the VCCIT fund statute does not prohibit use of the fund for administrative purposes.*



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# Missouri Veterans Commission Capital Improvement Trust Fund Organization and Statistical Information

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The Missouri Veterans Commission Capital Improvement Trust Fund was established by Section 42.300, RSMo. The fund receives monies transferred from the Gaming Commission Fund as authorized by Section 313.835, RSMo, and is used for the construction, maintenance, renovation, or equipment needs of homes; construction, maintenance, renovation, equipment needs and operation of cemeteries; and fund transfers to the Missouri Veterans Homes Fund to maintain the solvency of that fund. It also funds the medallion recognition programs.

The Missouri Veterans Commission is composed of nine members. Two members shall be members of the Senate, one appointed by the President Pro Term of the Senate and one appointed by the Senate Minority Floor Leader, two members shall be members of the House of Representatives, one appointed by the Speaker of the House of Representatives and one appointed by the House Minority Floor Leader, and in appointing such members, preference shall be given to current or former members of the military and their spouses, parents, and children. Members appointed from the House of Representatives and the Senate shall be appointed for a two-year term or until a successor is appointed and may be reappointed to the Commission. Five members, who shall be veterans appointed by the Governor, with the advice and consent of the Senate, for a four-year term; except that initial appointments to the Commission shall consist of two veterans to serve four-year terms, two veterans to serve three year terms, and one veteran to serve a two-year term. In addition, the chair of the Missouri military preparedness and enhancement Commission or the chair's designee shall be an ex officio member of the Commission.

At June 30, 2012, the Commission was composed of five veterans, appointed for 4-year terms by the Governor and confirmed by the Senate, two members of the Senate, and two members of the House of Representatives.

## Commission Members At June 30, 2012

Commissioner	Term Expires
John Comerford	August 1, 2012
Paul E. Connors	November 2, 2013
Scott C. Englund	November 2, 2013
Nancy M. Nelson	November 2, 2013
Charles R. "Chuck" Wooten	November 1, 2015
Senator Victor Callahan	December 31, 2012
Senator David Pearce	December 31, 2014
Representative Barney Fisher	December 31, 2012
Representative Jason Kander	December 31, 2012

The Commission appoints an executive director who implements policies and is responsible for the statewide management of veterans programs. The



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## Missouri Veterans Commission Capital Improvement Trust Fund Organization and Statistical Information

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executive director reports regularly to the Commission concerning all aspects of program operations through quarterly Commission meetings. Larry Kay has been the Executive Director since appointed to the position on May 18, 2009.

The Office of Administration also receives appropriations which are expended on behalf of the Commission for the design, construction, and leasing of Commission facilities and cemeteries.

### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Missouri Veterans Commission Capital Improvement Trust Fund did not receive any federal stimulus monies during the 2 years ended June 30, 2012.

## Appendix A

### Veterans Commission Capital Improvement Trust Fund Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

	Year Ended June 30,	
	2012	2011
<b>RECEIPTS</b>		
Federal receipts	\$ 624,523	2,612,932
Other	4,705	14,750
Interest	115,948	128,786
Total Receipts	<u>745,176</u>	<u>2,756,468</u>
<b>DISBURSEMENTS</b>		
Salaries and Wages	1,430,244	1,480,704
Travel	24,247	32,820
Supplies	448,593	306,776
Professional Development	4,459	4,249
Communication Services and Supplies	60,452	59,511
Professional Services	84,006	253,495
Equipment	343,821	298,124
Property and Improvements	2,427,401	3,045,138
Other	93,063	141,884
Program Distributions	<u>1,505,974</u>	<u>1,020,453</u>
Total Disbursements	<u>6,422,260</u>	<u>6,643,154</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS BEFORE TRANSFERS</b>	<b>(5,677,084)</b>	<b>(3,886,686)</b>
<b>TRANSFERS FROM:</b>		
Gaming Commission Fund	6,001,044	6,600,617
<b>TRANSFERS TO:</b>		
Missouri Consolidated Health Care Plan	(333,474)	(367,588)
Retirement System	(206,670)	(204,756)
Old Age, Survivors, Disability and Health Insurance Program	(101,827)	(105,051)
OA-Cost Allocation Plan	(20,761)	(60,145)
OA-Workers' Compensation	(5,227)	(1,236)
Total Transfers	<u>5,333,085</u>	<u>5,861,841</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS</b>	<b>(343,999)</b>	<b>1,975,155</b>
<b>CASH AND INVESTMENTS, JULY 1</b>	<u>19,284,160</u>	<u>17,309,005</u>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<u><u>\$ 18,940,161</u></u>	<u><u>19,284,160</u></u>

Appendix B

Veterans Commission Capital Improvement Trust Fund  
Comparative Statement of Appropriations and Expenditures (1)

	Year Ended June 30,					
	2012			2011		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
MISSOURI VETERANS COMMISSION						
Veterans Homes Personal Service	\$ 27,804	26,700	1,104	27,804	25,800	2,004
Maintenance and Repair Statewide						
Veterans Commission Capital Improvement Trust Fund	0	0	0	1,802	1,802	0
Maintenance and Repair Cape Girardeau-Mexico Home	0	0	0	3,271	0	3,271
Veterans Recognition Program Expense and Equipment	538,840	7,091	531,749	538,840	19,371	519,469
Statewide Maintenance and Repair	0	0	0	28,616	27,488	1,128
Veterans Home Emergency Generators	202,411	202,411	0 (2)	1,182,485	1,182,485	0
Cape Girardeau Veterans Home Fire Lane Hydrant	0	0	0	1,000	1,000	0
Administration and Service Personal Service	1,412,245	1,328,232	84,013	1,412,245	1,367,985	44,260
Administration and Service Expense and Equipment	1,040,479	929,774	110,705	1,040,479	958,226	82,253
Veterans Officer Program	1,600,000	1,499,374	100,626	1,000,000	1,000,000	0
Critical Maintenance and Repair	439,057	412,682	26,375 (2)	60,943	60,943	0
Veterans Emergency Generators	4,508,055	213,338	4,294,717 (2)	346,622	346,622	0
St James Sprinklers	1,604,892	58,343	1,546,549 (2)	372,094	372,093	1
St James Veterans Home Roof	878,538	97,283	781,255 (2)	344,938	344,937	1
Mexico Veterans Home Roof	0	0	0	248,501	0	248,501
Warrensburg Veteran Solarium	213,655	110,876	102,779 (2)	105,817	105,816	1
Warrensburg Veteran Chapel	742,236	55,398	686,838 (2)	136,359	136,358	1
Higginsville Veterans Cemetery	2,401,351	221,998	2,179,353 (2)	195,980	195,979	1
Springfield Veterans Cemetery	1,450,130	66,725	1,383,405 (2)	68,935	68,935	0
Cameron Veterans Solarium	224,708	171,913	52,795 (2)	76,821	76,820	1
Cameron Veterans Chapel	707,348	71,564	635,784 (2)	147,923	147,923	0
Veterans Recognition Program Personal Service	89,181	75,312	13,869	89,181	86,918	2,263
Department of Public Safety-Institutional	57,132	57,132	0	57,132	57,132	0
Critical Maintenance and Repair	700,000	89,674	610,326 (2)	0	0	0
Missouri Veterans Commission Critical Capital Improvements Proje	5,000,000	680,873	4,319,127 (2)	0	0	0
Total Missouri Veterans Commission	23,838,062	6,376,693	17,461,369	7,487,788	6,584,633	903,155
OFFICE OF ADMINISTRATION						
Department of Public Safety Information Technology Consolidation						
Consolidation Expense and Equipment	39,000	38,967	33	39,000	38,068	932
Unemployment Benefits	6,601	6,600	1	20,455	20,453	2
Total Office of Administration	45,601	45,567	34	59,455	58,521	934
Total Veterans Commission Capital Improvement Fund	\$ 23,883,663	6,422,260	17,461,403	7,547,243	6,643,154	904,089

(1) The amounts include Office of Administration appropriations which were expended on behalf of the Missouri Veterans Commission (MVC) for design and construction and leasing of MVC facilities and cemeteries.

(2) Biennial appropriations set up in 2012 are re-appropriations to fiscal year 2013. After the fiscal year-end processing has been completed, the unexpended fiscal year 2012 appropriation balance for a biennial appropriation is established in fiscal year 2013. Therefore, there is no lapsed balance for a biennial appropriation at the end of fiscal year 2012.

## Appendix C

### Veterans Commission Capital Improvement Trust Fund Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2012	2011	2010	2009	2008
Salaries and wages	\$ 1,430,244	1,480,704	1,359,178	1,108,207	983,819
Travel, in-state	22,325	28,695	29,674	18,291	14,735
Travel, out-of-state	1,922	4,125	4,576	4,594	947
Fuel and utilities	0	0	0	40,575	40,474
Supplies	448,593	306,776	210,919	189,164	332,457
Professional development	4,459	4,249	3,257	564	1,450
Communication service and supplies	60,452	59,511	55,712	34,833	21,122
Services:					
Professional	84,006	253,495	299,285	408,753	285,650
Housekeeping and janitorial	7,297	17,465	8,609	7,297	4,942
Maintenance and repair	19,689	58,494	54,043	48,316	34,510
Equipment:					
Computer equipment	3,123	859	27,936	29,177	0
Motorized equipment	284,318	186,137	210,951	230,049	82,995
Office equipment	12,438	25,857	20,150	12,744	8,187
Other equipment	43,942	85,271	94,740	21,888	9,074
Property and improvements	2,427,401	3,045,138	3,508,545	1,787,893	550,953
Building lease payments	57,442	57,858	43,595	577	0
Equipment rental and leases	4,363	2,833	694	2,221	819
Miscellaneous expenses	4,272	5,234	3,346	2,979	3,196
Program distributions	1,505,974	1,020,453	1,005,017	999,714	753,836
Total Expenditures	\$ <u>6,422,260</u>	<u>6,643,154</u>	<u>6,940,227</u>	<u>4,947,836</u>	<u>3,129,166</u>

Appendix D

Veterans Commission Capital Improvement Trust Fund  
Statement of Changes in General Capital Assets

	Land	Land Improvements	Buildings	Equipment	Construction in Progress	Total General Capital Assets
BALANCE, July 1, 2010	\$ 30,000	426,966	68,316,668	2,538,600	12,449,478	83,761,712
Additions	0	135,000	9,186,542	286,421	2,997,205	12,605,168
Dispositions	0	0	0	(156,468)	(9,313,416)	(9,469,884)
BALANCE, June 30, 2011	30,000	561,966	77,503,210	2,668,553	6,133,267	86,896,996
Additions	0	0	0	305,519	2,331,064	2,636,583
Dispositions	0	0	(6,690,545)	(75,190)	0	(6,765,735)
BALANCE, June 30, 2012	<u>\$ 30,000</u>	<u>561,966</u>	<u>70,812,665</u>	<u>2,898,882</u>	<u>8,464,331</u>	<u>82,767,844</u>



Thomas A. Schweich  
Missouri State Auditor

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# FOLLOW-UP REPORT ON AUDIT FINDINGS

## Rockwood R-VI School District

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August 2013

Report No. 2013-064



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<http://auditor.mo.gov>

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# Rockwood R-VI School District

## Follow-Up Report on Audit Findings

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\*Includes selected findings





# THOMAS A. SCHWEICH

## Missouri State Auditor

To the Board of Education  
Rockwood R-VI School District

We have conducted follow-up work on certain audit report findings contained in Report No. 2013-018, *Rockwood R-VI School District*, issued in February 2013, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the school district about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the school district, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed the district's action plan, which was created in response to our audit report and is available on the district's website. We also reviewed supporting documentation submitted by school district officials and held meetings with school district officials. Documentation provided by the district included policies, reconciliations, and various financial records. This report is a summary of the results of this follow-up work, which was substantially completed during June 2013.

A handwritten signature in black ink, reading "Thomas A. Schweich".

Thomas A. Schweich  
State Auditor

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# Rockwood R-VI School District

## Follow-Up Report on Prior Audit Findings

### Status of Findings

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1. Program Management Services, Change Orders, and Conflict of Interest	Significant fees in excess of those provided for by contract were paid to the program management company overseeing construction and renovation projects funded by bond issues. A change order process was frequently used rather than seeking bids to accomplish substantial project changes or new projects and reasons were not sufficiently documented. A conflict of interest existed between the program management company and a School Board member. Problems were also noted with the process for selecting program management services and retention of the related documentation.
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1.1 Program management fees	Concerns were noted regarding additional fees paid to the program management company based on added projects and change orders. The company was paid additional fees of \$1,203,178 for managing projects not itemized in the original scope of the program management contracts, without making modifications to the existing contracts or entering into new contracts. Due to the vagueness of the program management contracts, these additional fees appeared to represent overpayments.
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When projects itemized in the contract were completed under budget, therefore not utilizing the full amount of the bond proceeds designated for those projects and on which the management fees were based, additional construction projects were performed with the remaining bond issuance monies. There was no written basis for the fees paid to manage the additional projects, and these appear to have represented overpayments. Also, fees for 17 additional projects were paid at a different percentage than stated in the contract and the fee percentage for 12 additional projects could not be determined.

Recommendation	The Rockwood School Board ensure all services to be provided and fees to be paid are clearly documented in a contract to avoid confusion and misunderstanding. In addition, the district should attempt to collect any overpayment of fees.
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Status	<p><b>In Progress</b></p> <p>The district has neither solicited nor entered into an agreement for program management services since audit completion. However, district personnel indicated contracts related to similar future arrangements will include clear fee provisions to prevent misunderstandings. Also, Policy and Regulation 7130, Construction Manager Selection, approved by the Board at its March 7, 2013, meeting requires fees to be considered as part of the proposal and selection process, and requires the Board to establish a fair and reasonable price for such services.</p>
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Revisions to Policies 7210, Construction Contracts, Bidding, and Awards, and 7211, Approval of Building Projects, were approved by the Board at its June 20, 2013, meeting. Policy 7210 documents district requirements to



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Rockwood R-VI School District  
Follow-up Report on Prior Audit Findings  
Status of Findings

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clearly define, with detailed specifications, each construction project prior to the procurement of the construction services. No bid for the construction, alteration, or repair of any building shall be accepted if it does not conform to the approved plans and specifications. All bids and proposals will be retained as required by Policy 1510, Records Retention/Destruction. Payment to the construction project manager is to be made monthly for the work completed, less a percentage to be determined to ensure completion. The final payment will be made only after acceptance of the project by the Board and completion of the items to be corrected. In addition, Policy 7211 regarding change orders states the change order request form must clearly define all additional fees resulting from the proposed change, including any adjustment to the fee for program management.

Final determinations or decisions regarding possible fee overpayments have not yet been made. The district hired a program management expert to perform an investigation of the program management contracts and fees paid. A report with the investigation results will be provided to the district's attorney. The attorney will evaluate the report findings along with other information and present to the Board both the expert's report and her recommendations regarding fees paid and the district's options. The investigation results are expected to be released later this year.

## 1.2 Change orders

The district did not bid out significant work resulting from change orders, treated some new projects as change orders, and issued new contracts which were not bid. The district does not have documentation justifying the reasons for using change orders instead of bidding for significant project additions and changes.

## Recommendation

The Rockwood School Board ensure improved planning and monitoring of projects is performed to avoid significant change orders and give consideration to soliciting bids when substantial changes or additions are necessary. All decisions and justification for the decisions should be properly documented.

## Status

### **Implemented**

District Policy 7210 provides if a project changes substantially after bids are awarded, the Director of Purchasing, along with the Director of Facilities, will consider whether the additional scope of work should be bid separately and will document the reasons for their decision. If it is determined that the additional work should be bid, Policy and Regulation 3170, Purchasing, will be followed. If it is determined that a change order is appropriate, Policy 7211 which guides the change order process will be followed. Policy 7211 was revised to require any change to an approved contract be in writing using the approved change order request form and authorized by the superintendent/designee or board as applicable. The superintendent/designee



Rockwood R-VI School District  
Follow-up Report on Prior Audit Findings  
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may approve change order amounts of less than \$15,000; otherwise Board approval is required. Additionally, any proposed work at a new location not identified in the original scope of the project cannot be completed by a change order, but requires a new construction contract be bid. The change order request form was revised to ensure all appropriate information and approvals are documented.

Since the release of our audit report, the district has not had any large construction projects ongoing. Thus there have been no actual change order situations to manage.

### 1.3 Conflict of interest

Board member Steve Smith was employed by Glenn Construction Company while serving as a Board member, and did not always abstain from voting on issues related to his employer, resulting in a conflict of interest.

### Recommendation

The Rockwood School Board ensure each Board member avoids participation in decisions or other situations that could result in the appearance of or actual conflict of interest.

### Status

#### **Implemented**

Personnel training for all Board members and the Superintendent's cabinet, regarding conflicts of interest was given on June 20, 2013, by the district's attorney. There are no current conflicts of interest.

### 1.4 Selection process and record retention

The district used Glenn Construction Company for program management services for all construction and renovation projects financed with bond issue monies since the late 1990s. Proposals were solicited for these services each time bond issues were proposed to voters. Management fees were negotiated after the award of the contract was made. For proposals related to the 2010 bond issue monies, the district only maintained documentation submitted by two of the three bidders and did not retain bid evaluation committee scorecards to support the committee's recommendation. Also, district personnel indicated proposal documentation related to previous contracts entered into with Glenn Construction Company were not retained.

### Recommendation

The Rockwood School Board consider proposed fees as part of the program management services proposal evaluation process and retain all bid documentation for the required period of time.

### Status

#### **In Progress**

Policy and Regulation 7130, Construction Manager Selection, is based on Sections 8.675 to 8.687, RSMo, which provide requirements for selecting and contracting for construction management services. This policy contains specific guidance regarding the process to be followed by the district when



Rockwood R-VI School District  
Follow-up Report on Prior Audit Findings  
Status of Findings

obtaining program management services, and outlines the parameters pertaining to bid advertisement and bidder information required to be submitted. The policy also indicates the number of proposals will not be restricted or curtailed, and will be open to all program managers complying with the terms upon which the proposals are requested. Bidder proposals are required to provide various information including fees for overhead and profit, reimbursable costs, qualifications, references from prior management projects, and financial strength. After evaluation of proposals the Board will select a program manager and negotiate an acceptable contract at a price determined to be fair and reasonable by the Board. The policy provides if the district cannot negotiate an acceptable contract and fee with any of the construction managers submitting proposals, the district is to reevaluate the required construction management services and again advertise for proposals.

Policy 7210 requires all bids and proposals received for construction projects be retained as required by district Policy 1510, Records Retention/Destruction.

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2. Bond Financing

The district used the same provider to serve as both financial advisor and bond underwriter for several general obligation refunding bond issues. These bonds were sold using a negotiated sale rather than a competitive bid process.

Recommendation

The Rockwood School Board discontinue using an underwriter who also acts in a dual capacity as financial advisor.

Status

**Implemented**

The Board approved Policy 3330, Bonded Indebtedness, on May 2, 2013, which states in no event shall any financial advisor for the district also perform underwriting services for the district. The policy also states the district should utilize competitive sales in lieu of negotiated sales. Exceptions to using competitive sales are limited to 1) when the Board determines the interest rate market is volatile enough a negotiated sale is likely to result in a lower cost to the district by executing the sale based on a predetermined interest rate or savings target, or 2) when the district utilizes a tax-credit or other non-standard structure of indebtedness to take advantage of a program which would reduce the cost of the indebtedness such as recovery zone bonds or qualified school construction bonds.

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3. Procurement Cards

The district had not adequately analyzed which staff needed procurement cards or the number of cards needed. The district's master credit card list was not accurate. The procurement card policy provided for users that intended or needed to exceed limits to request transaction and monthly credit limit increases from the purchasing department prior to making the



Rockwood R-VI School District  
Follow-up Report on Prior Audit Findings  
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related transactions; however, documentation of these requests and approvals was not retained.

**Recommendation**

The Rockwood School Board evaluate the need for each procurement card issued and update the master credit card listing periodically. In addition, the Board should periodically evaluate credit card limits and ensure approved purchases exceeding those limits are properly documented. Retention of such approval should be required by policy.

**Status**

**Implemented**

The Director of Purchasing performed a review of credit cards issued and their usage. In addition, several credit cards have been temporarily deactivated during the summer to prevent usage, and a separate file is now maintained to support temporary monthly and individual credit card transaction increases. The Director of Purchasing presented the results of the review of credit cards at the May 16, 2013, Board meeting. Of the 577 card accounts analyzed, 342 cards were authorized for 12 months of continuous use, 145 cards were authorized for temporary closure during the summer, and 90 cards were authorized for permanent closure. In addition, 197 cards were identified for possible monthly limit reduction.

Also, new credit cards issued must be reviewed and approved by the Superintendent's cabinet. The Chief Financial Officer indicated that a review of credit cards will be performed annually.

- 
4. **Procurement Procedures** Contrary to district purchasing Policy 3170, professional services were frequently obtained without benefit of a competitive selection process, and fuel purchases had not been bid for several years. Some purchases, including legal services, were specifically exempted from the purchasing policy.

**Recommendation**

The Rockwood School Board ensure compliance with the district purchasing policy and modify the policy to require a periodic and competitive selection process when obtaining professional services.

**Status**

**Implemented**

The district has revised its purchasing policy regarding expenditures over \$7,500. Modifications require that contracts over \$7,500 be signed by the Board. In addition, contracts must already have been signed by the vendor and the purchasing form completed documenting the purpose for executing the contract including the goods to be received and/or services to be performed.



Rockwood R-VI School District  
Follow-up Report on Prior Audit Findings  
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The purchasing form has been created to ensure all necessary steps have been completed. According to the purchasing policy, those steps include:

- The form must be fully completed. Completion of the form requires the contract to include specific information and justification for the selection, where the product/services will be utilized, length of the contract, the individual submitting the request, person responsible for monitoring the contract, all other vendors submitting bids and the amounts, and the account to which the expenditure is to be charged.
- The completed form and vendor signed contract is to be sent to the attention of the appropriate cabinet level supervisor, who will approve the request and then forward it to the Executive Secretary of Finance, to be included on the agenda at the next Board meeting. After Board approval the contract will be sent back for retention.

In addition, the district solicited and received eight proposals for legal services. The Board determined to retain the current legal counsel because they were the lowest proposal. The district provided us documentation showing the bids received and the proposed rates.

5. Receipting Procedures	Initial receipting and recording of monies was not sufficient and transmittal procedures did not provide proper accountability.
5.1 Receipting procedures	Most departments and/or programs did not issue receipt slips for monies received or issued receipt slips only for cash receipts. Receipt records were not always sufficient to support amounts deposited.
Recommendation	The Rockwood School Board ensure pre-numbered receipt slips are issued for all monies received and the composition of receipts is reconciled to deposits.
Status	<b>In Progress</b>  The district is currently developing a receipting program which allows for any employee to record the receipt of monies when received. At the time the deposit is prepared an audit sheet will be completed documenting the reconciliation of the deposit to the composition of the payment listed on the receipt slips. The receipting program will also track the monies as they are forwarded to the finance clerk and deposited to provide a complete chain of custody. Security will be designed to prevent misuse and ensure the accuracy of transactions recorded. The district has set an implementation target date of late fall or spring of the 2013-2014 school year.



Rockwood R-VI School District  
Follow-up Report on Prior Audit Findings  
Status of Findings

**5.2 Transmitting procedures** Various district departments transmitted monies to the Finance Department and the Community Education Department for further processing and deposit. Although some departments submitted a report of receipts, employees did not document their acknowledgment of the report or of the monies that had been transmitted from one person to the next.

**Recommendation** The Rockwood School Board ensure receipt slips are issued or transmittal records are signed to better document the transmittal of monies between departments.

**Status** **Implemented**  
The district now issues receipt slips for all monies transmitted between departments.

**6. Capital Assets and Fuel Usage** Controls and procedures over district property and fuel usage needed improvement.

**6.1 Capital assets** Procedures and records to account for district property were not adequate. The Director of Finance and the Director of Transportation/Purchasing indicated an annual physical inventory of district property was not performed by the school district. In addition, capital asset listings were not always updated accurately.

**Recommendation** The Rockwood School Board ensure complete, accurate, and detailed capital asset records are maintained and annual physical inventories conducted and compared to detailed records.

**Status** **In Progress**  
The Board approved a revision to Policy 5410, Inventory Requirements, on June 20, 2013, which requires a perpetual inventory to be maintained for the capital assets of the district and totals to be included in district accounts. The policy states the maintenance of the capital asset inventory will result in a complete record of all property information for ready reference, ensure the district has current information for insurance adjusters as they set premiums and supporting documentation in case of loss, determine the district's capital worth, and provide accountability for the district's physical property. A physical inventory is required annually for all capital assets with an individual cost of \$5,000 or more, and computers, laptops and tablets, musical instruments, and cameras that cost \$500 or greater and are susceptible to theft. The district solicited bids and selected the lowest bid to perform the initial inventory in the summer/fall of 2013. The district will then conduct all future annual inventories.





Rockwood R-VI School District  
Follow-up Report on Prior Audit Findings  
Status of Findings

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6.2 Vehicles and fuel use

Controls and procedures over fuel use and purchases needed improvement. The district maintained two diesel tanks for fueling school buses, some non-pool vehicles, and equipment. Records of fuel pumped were provided to the district but no reconciliation to fuel invoices was performed. The maintenance supervisor did not document his review for one diesel tank and no records of fuel usage were maintained at the second diesel tank. In addition, the Director of Transportation did not document his review and approval of monthly fuel card usage reports for district pool vehicles and several other non-pool vehicles. Also, mileage/usage logs were not maintained for pool vehicles (except for one), non-pool vehicles, or buses to adequately monitor the usage of district vehicles.

Recommendation

The Rockwood School Board ensure a documented periodic reconciliation of fuel purchased to fuel used is performed, and investigate any significant discrepancies. In addition, the Board should ensure mileage logs are maintained for all district vehicles.

Status

**Implemented**

The district has developed mileage logs for all vehicles which document the vehicle number, description, department, last transaction, fuel grade, odometer reading, date of reading, and person verifying the reading. In addition, the district indicated it will now be notified within minutes by email from the vendor if an inaccurate odometer reading has been entered when purchasing fuel. The district is monitoring fuel usage compared to fuel purchases for all buses utilized by the district. The Director of Purchasing provided the monthly fuel reconciliation for April 2013. Each month the district calculates the number of gallons of fuel pumped and the miles per gallon for each bus. The actual miles per gallon for each bus is then compared to the average miles per gallon of fuel used for a bus.

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8. Attendance Reporting  
Controls

The district's attendance system did not adequately limit the time frame during which changes could be made to student attendance records. In addition, there was no review by district officials to ensure changes made to current school year attendance records were appropriate. Also, there was no documentation indicating all necessary changes had been completed prior to uploading the attendance reports to the DESE.

Recommendation

The Rockwood School Board implement additional controls and procedures to ensure student attendance data is accurately recorded and reported, including restricting the time frame in which changes to data can be made. In addition, all changes to attendance data should be reviewed to ensure accuracy.



Rockwood R-VI School District  
Follow-up Report on Prior Audit Findings  
Status of Findings

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**Status**

**Implemented**

The Board approved Policy 2310, Student Absences and Excuses, on May 2, 2013. The policy provides for the Superintendent or designee to review the monthly attendance records of the district. The district has developed a procedure which compares changes made to attendance records on a weekly basis. We reviewed the May 2013 attendance reports and noted that district officials had documented their review of the reports. According to district personnel, the software vendor stated the system cannot be changed to restrict the length of time changes can be made to attendance records during the current year.



**Thomas A. Schweich**  
Missouri State Auditor

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# Transportation Development Districts



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August 2013

Report No. 2013-065

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the review of the Transportation Development Districts as of December 31, 2011

Background	As of December 31, 2011, 176 Transportation Development Districts (TDDs) were in existence, with reported total estimated transportation project costs of almost \$1.7 billion and reported total anticipated revenues of over \$2 billion. The scope of the review included compliance with sales tax remittance and financial statement reporting requirements and related legislative issues.
Financial Reporting	While a fine for late filing of financial statements is provided, state law does not establish the agency responsible for the assessment and collection authority of the fines. Forty-nine of the 176 districts (27.8 percent) filed financial statements/audit reports with the State Auditor's office late or failed to file them at all. As of February 1, 2013, the potential accumulated fines could be as much as \$16,859,000.

Because of the compound nature of this audit report, no overall rating is provided.

American Recovery and Reinvestment Act (Federal Stimulus)	Not applicable.
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# Transportation Development Districts

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# THOMAS A. SCHWEICH

## Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Members of the General Assembly

This report includes selected information on all transportation development districts (TDDs) established in the State of Missouri as of December 31, 2011. We reviewed TDDs for compliance with sales tax remittance and financial statement reporting requirements, reviewed related legislative issues, and summarized individual TDD audit findings.

A legislative issue was noted regarding the assessment, collection, and disposition of fines for non-compliance with financial statement reporting requirements.

Audits of individually selected TDDs per Section 238.272, RSMo, are reported on separately. In addition, audits of TDDs intending to abolish the district are performed as required by Section 238.275, RSMo, and are also reported on separately.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Rex Murdock, M.S.Acct.
Audit Staff:	Wayne Kauffman, MBA

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# Transportation Development Districts

## Introduction

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### Background

The Missouri Transportation Development District Act, Sections 238.200 to 238.275, RSMo, allows for the formation of transportation development districts (TDDs). These entities are separate political subdivisions established and organized for the construction of roads, bridges, interchanges, or other transportation-related projects. The projects are generally financed through the issuance of revenue notes, revenue bonds, or other debt securities for a period not to exceed 40 years. TDDs are governed by a board of directors of not less than 5 nor more than 15 members. The board has the authority (after qualified voter approval<sup>1</sup>) to impose sales taxes or tolls, levy property taxes, and levy special assessments within the boundaries of the TDD to pay the expenditures of the entity, including the liquidation of debt incurred to fund the transportation-related projects. The revenues of a TDD, the majority of which are sales taxes, can only be used for transportation-related projects.

The process of establishing a TDD is initiated by the filing of a petition in the circuit court governing the boundaries of which the proposed district is located. Such a petition can be filed by: (1) not less than 50 registered voters within the proposed TDD; (2) all the owners of real property located within its proposed boundaries, if there are no eligible registered voters residing within the proposed district; (3) a local transportation authority (LTA); or (4) two or more LTAs. A county, city, special road district, or any other local public authority having jurisdiction over transportation projects and services can serve as a LTA.

State law requires a copy of the petition filed to establish a TDD be provided to the Missouri Highways and Transportation Commission (MoDOT) and each affected LTA. Those entities are then allowed to file an answer stating agreement with or opposition to the creation of the district. In addition, any resident, taxpayer, or any other entity within the proposed district may join in or file a petition supporting or answer opposing the creation of the district. The circuit court subsequently hears the case, if necessary, and makes a decision whether to authorize the establishment of the district.

The Missouri Transportation Development District Act was enacted in 1990, and the first TDD was established in 1997. As of December 31, 2011, 176 TDDs were in existence in the state of Missouri (including 5 TDDs which were established in 2011). Almost 70 percent of the districts have been established in the state's two largest metropolitan areas (with 83 and 40

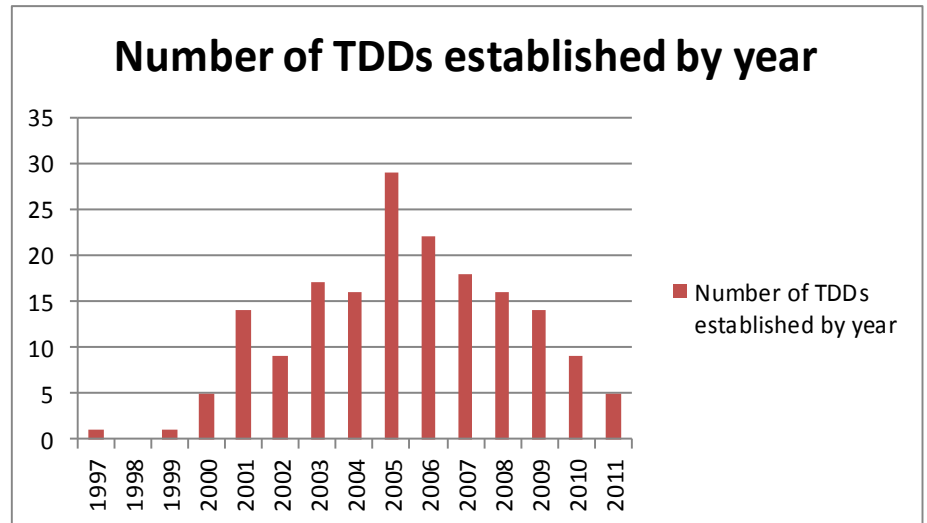
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<sup>1</sup> Section 238.202, RSMo, currently defines qualified voters as any persons residing within the proposed or established district who have registered to vote pursuant to Chapter 115, RSMo, or the owners of real property, who shall receive one vote per acre, provided that any registered voter who also owns property must elect whether to vote as an owner or a registered voter.



## Transportation Development Districts Introduction

of the TDDs located in St. Louis and Kansas City metropolitan areas<sup>2</sup>, respectively).



Officials/representatives of the TDDs reported total estimated transportation project costs of almost \$1.7 billion. In addition, officials/representatives reported total estimated revenues of over \$2 billion would be collected over the lives of the respective TDDs (estimated project costs and anticipated revenue information were not reported for some of the TDDs because the information was not provided to our office).

<sup>2</sup> The St. Louis metropolitan area is defined here as the geographic area that includes the city of St. Louis, St. Louis County, St. Charles County, Jefferson County, and Franklin County. The Kansas City metropolitan area is defined here as the geographic area that includes Jackson County, Platte County, Clay County and Cass County.





## Transportation Development Districts Introduction

The table below breaks down the total estimated project costs and anticipated revenues of the 176 TDDs into various dollar ranges.

Dollar Range	Number of TDDs	
	Estimated Transportation Project Costs	Expected Revenue
\$0 to \$1 million	21	15
\$1 million to \$5 million	71	50
\$5 million to \$10 million	26	35
\$10 million to \$15 million	18	15
\$15 million to \$35 million	21	24
More than \$35 million	10	13
Not reported	9	24

Section 238.275, RSMo, provides for the abolishment of a TDD once its projects are completed, ownership of the projects has been transferred to the MoDOT or the LTA, and the district has no outstanding liabilities. In addition, a TDD can be abolished if the board of directors determines the projects cannot be completed due to lack of funding or for any other reason. Prior to a TDD submitting the question to abolish the district to the applicable voters, the State Auditor's office (SAO) must audit the TDD to determine its financial status, and whether it may be abolished pursuant to law. See Appendix C for information regarding TDDs abolished through 2011.

## Methodology

Our methodology included gathering information regarding the TDDs established in 2011 through discussions with various MoDOT officials and files maintained by that agency, as well as files maintained by the Missouri Department of Revenue (DOR). Information obtained included TDD name, location, applicable county/municipality, date established, identity of the individual(s)/entity who filed the petition, the type of funding (i.e., sales taxes, property taxes, etc.), and the funding rate (e.g., 1 percent). Some of this information is presented in Appendix B.

In addition, survey questionnaires were sent to each TDD established during 2011 requesting information including, but not limited to, the geographic location of the TDD, estimated total project costs, how project costs were financed, estimated total revenues to be collected and over what period of time, when the collection of revenue and incurrence of expenses started, who is responsible for collection of the revenues and administering of the funds, whether financial audits have been conducted by an independent auditor, the name of the development and type of businesses in the district, whether the TDD is located in a tax increment financing redevelopment area, and other information.



## Transportation Development Districts Introduction

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Some data presented in Appendix B was compiled from survey information submitted to our office by officials/representatives of the various TDDs, and from information reported by the MoDOT and DOR. This information was not verified for accuracy by us. Information in Appendix C was obtained from close out reports issued by the SAO. If any information presented in Appendixes B and C was determined to have changed since the previous report, that information was updated on the current appendixes.

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# Transportation Development Districts Results

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## Legislative Issue

### Financial Reporting

While a fine for late filing of the financial statement/audit report is provided, Section 105.145.8, RSMo, does not establish the agency responsible for assessment and collection authority of the fines. In addition, the law does not specify the disposition of the fine amount.

Of the 176 districts in existence at December 31, 2011, 49 districts (27.8 percent) filed financial statements/audit reports late or did not file financial statements with the State Auditor's office (SAO), as required by state law, resulting in total potential fines of up to \$16,859,000 as of February 1, 2013. Some TDDs may have filed a late financial statement with our office after February 1, 2013. A list of TDDs not in compliance is at Appendix A.

Section 105.145, RSMo, requires TDDs to file annual financial statements with the SAO. Section 105.145.8, RSMo, states that any district that fails to timely submit a copy of the annual financial statement with the SAO shall be subject to a fine not to exceed \$500 per day. 15 CSR 40-3.030 provides if a political subdivision is audited by an independent auditor, a copy of the audit report can be filed in lieu of a separate financial report. The annual financial report is to be filed within 4 months of the entity's fiscal year end, while an audit report is to be filed within 6 months of the entity's fiscal year end.

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### Individual District Audits Performed in 2012

The SAO performed two close out audits of TDDs during 2012 (Report No. 2012-21, *Independence Avenue and Colbern Road TDD*, issued in March 2012, and Report No. 2012-115, *Stardust-Munger-Diamond TDD*, issued in September 2012) and determined the financial status of each was such that they were eligible for abolishment. In addition, the SAO audited 14 individual active TDDs, and issued separate reports, (see Appendix D) and noted a variety of concerns summarized as follows:

- Board of Directors - The district does not have an active Board of Directors because the property owners have not elected a board.
- Board Meetings - The board failed to hold meetings as required.
- Board Oversight - The board does not provide sufficient oversight of financial activities of the district, including but not limited to, reviewing revenues, bank statements, invoices, or disbursement approvals.
- Budgets - The district did not adopt budgets, or budgets are not in compliance with state law.
- DOR Collections - Businesses in the district remit district sales tax collections to the city instead of the DOR.
- Engineering Services - The district did not solicit proposals for engineering services.

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## Transportation Development Districts Results

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- Financial Condition - The district has not generated sufficient revenues to fund operations or potentially pay its debt.
- Financial Statements - The district did not submit financial statements to the SAO timely.
- Outstanding Debt - The district has not established procedures to monitor debt, or to ensure district revenues are used only for transportation related projects.
- Professional Services - The district did not solicit requests for proposals for administrative services.

Appendix A

Transportation Development Districts  
Financial Reporting Noncompliance

District Name	Fiscal Year End	Fiscal Year 2011		Fiscal Year 2010		Fiscal Year 2009		Maximum fine to be assessed as of February 1, 2013
		Financial Statement Filed (1)	Fine	Financial Statement Filed (1)	Fine	Financial Statement Filed (1)	Fine	
71 Highway & 150 Highway	12/31	No	\$ 138,500	No	\$ 321,500	Yes	\$ N/A	\$ 460,000
620 Market	12/31	Yes	N/A	Yes, late	103,500	Yes, late	65,000	168,500
1717 Market Place	12/31	No	138,500	No	321,500	Yes	N/A	460,000
Adler Lofts	12/31	No	138,500	No	321,500	Yes	N/A	460,000
Ballpark Village	6/30	No	229,500	Yes	N/A	Yes	N/A	229,500
Blue Ridge Town Centre	12/31	No	138,500	No	321,500	No	504,000	964,000
Boscherts Landing	12/31	No	138,500	Yes	N/A	Yes	N/A	138,500
Bottle District	12/31	No	138,500	No	321,500	Yes	N/A	460,000
Broadway Hotel	12/31	Yes	N/A	No	321,500	Yes	N/A	321,500
Broadway-Fairview	12/31	Yes	N/A	Yes, late	66,000	Yes	N/A	66,000
Conley Road	12/31	Yes	N/A	Yes, late	66,000	Yes	N/A	66,000
Coronado Drive	9/30	Yes, late	12,000	Yes	N/A	Yes	N/A	12,000
Country Club Plaza of Kansas City, Missouri	12/31	Yes, late	103,500	Yes, late	20,500	Yes, late	203,000	327,000
Crackerneck Creek	6/30	Yes, late	26,000	Yes	N/A	Yes	N/A	26,000
Cripple Creek	12/31	Yes	N/A	Yes, late	188,000	Yes	N/A	188,000
East Gateway (2)	Unknown	No	138,500	No	321,500	No	504,000	964,000
Ehrhardt Properties	12/31	Yes	0	No	321,500	N/A	N/A	321,500
Eureka Old Town	6/30	No	229,500	Yes	N/A	Yes	N/A	229,500
Farris Family	12/31	Yes, late	86,500	Yes, late	142,500	Yes, late	384,500	613,500
First Capitol Drive	12/31	Yes, late	52,500	Yes, late	235,500	Yes, late	418,000	706,000
Grindstone Plaza	12/31	Yes	N/A	Yes, late	66,000	Yes	N/A	66,000
Grindstone Plaza Drive	12/31	No	138,500	N/A	N/A	N/A	N/A	138,500
Harrisonville Market Place A	12/31	No	138,500	No	321,500	Yes	N/A	460,000
Harrisonville Market Place B	12/31	No	138,500	No	321,500	Yes	N/A	460,000
Highway 71/291 Partners in Progress	12/31	Yes	N/A	Yes, late	11,500	Yes	N/A	11,500
Hospital Interchange	12/31	Yes	N/A	No	321,500	N/A	N/A	321,500
Hubach Hill Road & North Cass Parkway	10/31	Yes, late	28,000	Yes, late	9,500	Yes	N/A	37,500
Hutchings Farm Plaza	12/31	Yes	N/A	Yes, late	173,500	Yes	N/A	173,500
Interstate 44 and Highway 47 Triangle	12/31	Yes	N/A	Yes	N/A	Yes, late	336,000	336,000
Indian Ridge Resort	12/31	No	138,500	No	321,500	No	504,000	964,000
Interstate Plaza/North Town Village	12/31	Yes, late	40,000	Yes, late	59,500	Yes, late	67,500	167,000
Lee's Summit, Missouri New Longview	12/31	Yes	N/A	Yes, late	164,000	Yes	N/A	164,000
North Kansas City, Missouri Light Rail	9/30	Yes, late	29,000	Yes, late	211,500	Yes, late	394,000	634,500
North Main/Malone	12/31	Yes	N/A	Yes	N/A	Yes, late	19,000	19,000
Northwoods	12/31	No	138,500	No	321,500	No	504,000	964,000
Olive/Graeser	12/31	Yes	N/A	Yes	N/A	No	504,000	504,000
Osage National	6/30	No	229,500	Yes	N/A	Yes	N/A	229,500
Osage Station	12/31	Yes, late	25,500	Yes	N/A	Yes	N/A	25,500
Poplar Bluff Conference Center	12/31	No	138,500	No	321,500	No	504,000	964,000
Rock Bridge Center	12/31	Yes	N/A	Yes, late	66,000	Yes	N/A	66,000
Shoal Creek Parkway/N. Oak Trafficway (2)	Unknown	No	138,500	N/A	N/A	N/A	N/A	138,500
Shoppes at Stadium	12/31	Yes	N/A	Yes, late	66,000	Yes	N/A	66,000
Southtown	12/31	No	138,500	Yes	N/A	Yes	N/A	138,500
Spindler (2)	Unknown	Yes	N/A	No	321,500	No	504,000	825,500
St. John Crossings	12/31	Yes, late	24,500	Yes	N/A	Yes	N/A	24,500
Toad Cove Complex	12/31	Yes	N/A	Yes, late	55,000	Yes, late	237,500	292,500
Toad Cove Resort	12/31	Yes	N/A	Yes, late	55,000	Yes, late	237,500	292,500
Truman Road	12/31	No	138,500	No	321,500	No	504,000	964,000
US 36/1-72	6/30	No	229,500	Yes	N/A	Yes	N/A	229,500
<b>Total</b>			<b>\$ 3,561,500</b>		<b>\$ 6,903,500</b>		<b>\$ 6,394,000</b>	<b>\$ 16,859,000</b>

(1) As of February 1, 2013.

(2) This district has not reported its fiscal year end date as of February 1, 2013. Therefore, the year end date of December 31 was used here for calculation purposes.

Source: Financial statement filings by transportation development districts established as of December 31, 2011.

## Appendix B

Transportation Development Districts  
Information Regarding Establishment, Estimated Project Costs, and Anticipated Revenues

District Name	Date Established	Fiscal Year End	Location	Public Entities Filing Petition to Establish	Number of Property Owners	Estimated Project Costs	Estimated Life	Total Anticipated Revenues	Sales Tax Rate (A)	TDD Within a TIF district?
<b>Benton County</b>										
US Highway 65 and Truman Dam Access	03/12/03	12/31	Warsaw	Property Owner	1	\$ 2,000,000	25 Years	4,250,000	0.500%	No
<b>Boone County</b>										
CenterState	08/05/02	12/31	Columbia	Property Owner	1	7,542,000	21 Years	8,000,000	0.500%	No
Lake of the Woods	03/24/03	12/31	Columbia	Property Owners	2	2,700,000	30 Years	Unknown	0.500%	No
Shoppes at Stadium	09/27/04	12/31	Columbia	Property Owner	1	2,500,000	15 Years	4,000,000	0.500%	No
Stadium Corridor	10/04/04	12/31	Columbia	Property Owners	4	13,819,603	25 Years	16,120,457	0.500%	No
Grindstone Plaza	01/31/05	12/31	Columbia	Property Owners	3	9,400,000	30 Years	24,000,000	0.500%	No
Broadway-Fairview	05/10/05	12/31	Columbia	Property Owner	1	5,000,000	40 Years	17,000,000	0.500%	No
Northwoods	07/22/05	12/31	Columbia	Property Owner	1	1,120,000	30 Years	6,000,000	0.500%	No
Conley Road	12/09/05	12/31	Columbia	Property Owners	3	20,000,000	35 Years	57,000,000	0.500%	No
Blue Ridge Town Centre	02/04/06	12/31	Columbia	Property Owner	1	Unknown	Unknown	Unknown	1.000%	No
Columbia Mall	08/04/06	12/31	Columbia	Property Owners	4	22,000,000	22 Years	10,500,000	0.500%	No
Cross Creek	02/26/07	12/31	Columbia	Property Owner	1	10,200,000	25 Years	5,084,948	0.500%	No
Rock Bridge Center	04/29/08	12/31	Columbia	Property Owner	1	Unknown	Unknown	Unknown	0.500%	No
Grindstone Plaza Drive	01/14/11	12/31	Columbia	Property Owner	(B) 1	Unknown	Unknown	Unknown	Unknown	Unknown
<b>Buchanan County</b>										
St. Joseph Gateway	07/20/04	12/31	St. Joseph	Property Owner	1	4,000,000	23 Years	1,821,212	1.000%	Yes
Tuscany Village	12/21/05	12/31	St. Joseph	Property Owner	1	13,000,000	23 Years	7,200,000	0.250%	Yes
<b>Butler County</b>										
Poplar Bluff Conference Center	05/04/04	12/31	Poplar Bluff	Property Owner	1	2,400,000	40 Years	2,000,000	1.000%	No
Cripple Creek	11/28/05	12/31	Poplar Bluff	Property Owner	1	2,087,628	Unknown	Unknown	1.000%	No
<b>Callaway County</b>										
Fulton South Business 54	06/12/06	12/31	Fulton	Property Owners & Fulton	4	1,400,000	30 Years	2,700,000	0.500%	Yes
<b>Camden County</b>										
Osage Station	07/19/05	12/31	Osage Beach	Property Owner	1	1,700,000	23 Years	1,700,000	0.750%	No
Toad Cove Complex	05/02/08	12/31	Lake Ozark	Property Owners	2	2,000,000	Unknown	Unknown	1.000%	No
Toad Cove Resort	05/02/08	12/31	Lake Ozark	Property Owners	2	3,000,000	40 Years	Unknown	1.000%	No
Horseshoe Bend Pedestrian Corridor	06/10/08	12/31	N/A	Property Owner	1	3,000,000	35 Years	5,940,146	1.000%	No
Lake of the Ozarks Community Bridge	08/25/10	04/30	Lake Ozark	Property Owner	1	41,800,000	Unknown	Unknown	N/A	No
<b>Cass County</b>										
Belton Town Centre	11/17/03	12/31	Belton	Property Owners	10	19,000,000	23 Years	5,480,360	1.000%	Yes
Harrisonville Towne Center	12/12/05	12/31	Harrisonville	Property Owner	1	1,124,000	23 Years	Unknown	1.000%	Yes
Cornerstone Pointe	10/10/06	12/31	Belton	Property Owner	1	2,000,000	25 Years	5,910,656	1.000%	No
Belton/Raymore Interchange	10/30/06	10/31	Belton/Raymore	Property Owners & Belton	3	13,000,000	20 Years	Unknown	0.500%	No
Harrisonville Market Place A	08/27/07	12/31	Harrisonville	Property Owner	(B) 1	Unknown	Unknown	Unknown	Unknown	Unknown
Harrisonville Market Place B	08/27/07	12/31	Harrisonville	Property Owners	(B) 2	Unknown	Unknown	Unknown	Unknown	Unknown
Hubach Hill Road & North Cass Parkway	08/25/08	10/31	Raymore	Property Owner	1	6,831,443	32 Years	6,761,930	0.250%	No
Hwy 71/291 Partners in Progress	01/12/09	12/31	Harrisonville	Harrisonville	50	29,500,000	20 Years	20,000,000	1.000%	No
East Gateway	08/14/09	Unknown	Raymore	Property Owner	(B) 1	Unknown	Unknown	Unknown	Unknown	Unknown
Hospital Interchange	12/09/10	12/31	Harrisonville	Cass County, Missouri	57	16,128,506	20 Years	5,445,669	1.000%	No
<b>Christian County</b>										
Ozark Centre	04/25/03	12/31	Ozark	Property Owner	1	3,408,293	20 Years	6,000,000	0.375%	No
Town and Country Village	10/02/09	12/31	City of Ozark	Property Owner	1	8,930,000	40 Years	11,000,000	1.000%	No
<b>Clay County</b>										
210 Highway	09/23/97	03/31	Kansas City	Property Owner	1	8,587,389	11 Years	5,972,759	1.000%	No
Tower	02/15/06	12/31	Gladstone	Property Owners	2	1,000,000	30 Years	1,700,000	1.000%	No
Briarcliff Parkway and Highway 9	05/17/06	12/31	Kansas City	Property Owner	1	7,036,020	20 Years	3,450,988	0.500%	Yes
North Kansas City, Missouri Light Rail	11/04/08	09/30	North Kansas City	North Kansas City & North Kansas City	(C)	56,000,000	25 Years	56,000,000	0.500%	No
Shoal Creek Parkway/North Oak Trafficway	06/21/11	Unknown	Kansas City	Special Road District Property Owners	(B) 3	Unknown	Unknown	Unknown	Unknown	Unknown

## Appendix B

Transportation Development Districts  
Information Regarding Establishment, Estimated Project Costs, and Anticipated Revenues

District Name	Date Established	Fiscal Year End	Location	Public Entities Filing Petition to Establish	Number of Property Owners	Estimated Project Costs	Estimated Life	Total Anticipated Revenues	Sales Tax Rate (A)	TDD Within a TIF district?
<b>Cole County</b>										
Commons of Hazel Hills	08/11/05	12/31	Jefferson City	Property Owner	1	12,000,000	15 Years	23,000,000	1.000%	No
U.S. Highway 50/63 and City View	09/25/06	12/31	Jefferson City	Property Owners	2	14,700,000	20 Years	8,000,000	1.000%	No
Stone Ridge	01/24/07	12/31	Jefferson City	Property Owner	1	3,106,782	20 Years	2,350,000	1.000%	No
<b>Cooper County</b>										
Boonville Riverfront	02/09/01	12/31	Boonville	Property Owner & of Boonville	1	3,908,420	40 Years	4,000,000	1.000%	No
<b>Franklin County</b>										
Interstate 44 and Highway Triangle 47	04/21/09	12/31	St. Clair	St. Clair	20	2,688,640	30 Years	2,520,000	1.000%	Yes
<b>Greene County</b>										
College Station	03/16/06	06/30	Springfield	Property Owners & Springfield	2	8,600,000	25 Years	4,400,000	1.000%	No
Heer's Tower	03/16/06	06/30	Springfield	Property Owners & Springfield	3	8,826,627	25 Years	187,500	1.000%	No
<b>Jackson County</b>										
Sirother Interchange	01/21/00	12/31	Lee's Summit	Property Owner	1	25,846,800	35 Years	4,231,781	0.500%	Yes
Douglas Square	09/21/00	12/31	Lee's Summit	Property Owners	4	450,000	20 Years	4,320,746	1.000%	No
I-470 and I-350	03/17/01	12/31	Lee's Summit	Property Owner	1	17,080,627	40 Years	134,326,373	1.000%	Yes
Truman Road	06/25/01	12/31	Independence	Property Owner	1	232,700	21 Years	483,363	1.000%	Yes
Country Club Plaza of Kansas City, Missouri	07/12/01	12/31	Kansas City	Property Owners & TIF Commission of KC	3	11,149,363	20 Years	30,163,825	0.500%	Yes
Thirty-Ninth Street	04/25/02	06/30	Independence	Independence	(C)	15,075,640	23 Years	23,614,406	0.125%	Yes
Douglas Station	06/27/02	12/31	Lee's Summit	Property Owner	1	1,742,852	20 Years	3,461,671	1.000%	No
Raintree North	08/19/02	12/31	Lee's Summit	Property Owner	1	1,700,000	14 Years	1,700,000	0.500%	No
I-70 and Adams Dairy Parkway	03/25/03	12/31	Blue Springs	Property Owner	1	1,950,000	10 Years	1,883,723	1.000%	No
M 150 and 135th Street	05/15/03	12/31	Kansas City	Property Owner	1	12,000,000	20 Years	18,817,000	1.000%	No
Lee's Summit, Missouri New Longview	07/31/03	12/31	Lee's Summit	Property Owner	1	5,900,000	20 Years	10,500,000	1.000%	Yes
71 Highway & 150 Highway	11/20/03	12/31	Grandview	Property Owners	2	450,000	23 Years	763,850	1.000%	Yes
Raintree Lake Village	10/19/05	12/31	Lee's Summit	Property Owner	1	1,530,000	24 Years	4,767,995	1.000%	No
Crackerneck Creek	07/26/06	06/30	Independence	Property Owners & Independence	3	15,231,975	24 Years	21,980,746	1.000%	Yes
1200 Main/South Loop	12/11/06	12/31	Kansas City	Property Owners & Kansas City	10	40,583,010	25 Years	64,637,467	1.000%	Yes
Independence Avenue & Colbern Road	05/02/07	12/31	Lee's Summit	Property Owners	4	900,000	30 Years	3,042,600	1.000%	No
Raytown Highway 350	05/07/07	10/31	Raytown	Property Owners & Raytown Consolidated School District #2	2	6,141,276	30 Years	3,871,350	0.125%	Yes
Adams Farm	08/25/08	09/30	Blue Springs	Property Owners	10	36,713,147	30 Years	65,548,559	1.000%	Yes
Coronado Drive	07/23/09	09/30	Blue Springs	Property Owner	1	9,924,000	10 Years	6,086,950	0.500%	No
<b>Jasper County</b>										
1717 Market Place	11/25/05	12/31	Joplin	Property Owners	2	1,428,680	23 Years	2,070,000	0.125%	Yes
Centennial Railroad	11/21/11	10/31	Webb City	Webb City	1	2,698,048	40 Years	600,000	0.500%	No
<b>Jefferson County</b>										
Arnold Triangle	08/13/06	08/31	Arnold	Property Owners & Arnold	5	9,000,000	29 Years	14,000,000	1.000%	Yes
Arnold Retail Corridor	03/11/08	08/31	Arnold	Arnold & Arnold Triangle TDD	(C)	26,950,000	Unknown	56,000,000	1.000%	Yes
Hillsboro Lake Terrace	09/22/10	12/31	Hillsboro	Property Owner	1	5,800,000	40 Years	5,800,000	1.000%	No
<b>Johnson County</b>										
Hawthorne Development	11/30/05	12/31	Warrensburg	Property Owners	7	17,524,000	20 Years	8,807,602	0.500%	No
<b>Lincoln County</b>										
Highway 61, Route U	02/04/08	12/31	Moscow Mills	Property Owner	1	14,100,000	Unknown	9,700,000	0.375%	Yes
<b>Marion County</b>										
Stardust-Munger-Diamond	10/16/01	12/31	Hannibal	Property Owner & Hannibal	1	4,704,000	19 Years	11,678,000	0.625%	Yes
US 36/I-72	06/03/05	06/30	Various	(D) Transportation Corporation, 5 Counties & 6 Cities	(C)	136,000,000	15 Years	43,000,000	0.500%	Yes

## Appendix B

Transportation Development Districts  
Information Regarding Establishment, Estimated Project Costs, and Anticipated Revenues

District Name	Date Established	Fiscal Year End	Location	Public Entities Filing Petition to Establish	Number of Property Owners	Estimated Project Costs	Estimated Life	Total Anticipated Revenues	Sales Tax Rate (A)	TDD Within a TIF district?
<b>Miller County</b>										
Prewitt Point	08/22/03	12/31	Osage Beach	Property Owners	2	4,750,000	25 Years	16,152,000	1.000%	Yes
Horseshoe Bend	04/13/06	12/31	Lake Ozark	Property Owner	1	23,500,000	25 Years	113,079,775	1.000%	Yes
Osage National	06/12/08	06/30	Lake Ozark	Property Owner	1	15,000,000	20 Years	7,341,000	1.000%	Yes
<b>Newton County</b>										
Neosho	02/23/11	12/31	Neosho	Neosho	49	6,917,600	20 Years	10,500,000	0.500%	Yes
<b>Platte County</b>										
Platte County Missouri South I	06/19/01	12/31	Kansas City	Property Owners	3	24,000,000	30 Years	52,000,000	1.000%	No
Platte County Missouri South II	04/12/02	12/31	Kansas City	Property Owner	(E) 1	-	-	-	1.000%	No
Parkville Commons	06/09/03	12/31	Parkville	Property Owner	1	8,000,000	22 Years	12,000,000	1.000%	Yes
Tuileries Plaza	12/09/05	12/31	Kansas City	Property Owner	1	3,600,000	35 Years	8,700,000	1.000%	No
Platte Valley Plaza	03/09/07	12/31	Platte City	Property Owner	1	1,400,000	40 Years	1,400,000	0.875%	No
Park Plaza	07/17/09	12/31	Kansas City	Property Owner	1	2,041,738	26 Years	5,376,233	0.500%	No
<b>Pulaski County</b>										
Interstate Plaza/North Town Village	11/06/01	12/31	St. Robert	Property Owners & St. Robert	27	3,980,000	20 Years	6,500,000	0.500%	Yes
Bowman	02/17/05	12/31	Waynesville	Property Owner	1	125,000	20 Years	500,000	0.500%	No
Farris Family	02/17/05	12/31	St. Robert	Property Owners	4	250,000	10 Years	250,000	0.500%	No
Ehrhardt Properties	12/08/10	12/31	St. Robert	Property Owners	2	390,000	10 Years	627,200	1.000%	Yes
<b>Scott County</b>										
North Main/Malone	11/19/04	12/31	Sikeston	Property Owner	1	8,600,000	23 Years	1,398,084	1.000%	Yes
<b>St. Charles County</b>										
Mark Twain Mall	02/20/01	12/31	St. Charles	Property Owner	1	1,500,000	30 Years	5,000,000	1.000%	Yes
Wentzville	11/16/01	12/31	Wentzville	Property Owners	5	3,150,000	15 Years	5,921,700	0.250%	No
Boscherts Landing	05/16/03	12/31	St. Peters	Property Owners	2	553,342	40 Years	Unknown	1.000%	No
Salt Lick Road	05/16/03	12/31	St. Peters	Property Owner	1	1,406,281	30 Years	Unknown	1.000%	No
WingHaven	09/11/03	12/31	OFallon	Property Owners	12	3,048,098	20 Years	8,178,263	0.625%	No
Hutchings Farm Plaza	03/04/04	12/31	OFallon	Property Owner	1	600,000	8 Years	816,000	1.000%	No
Mexico Road	04/08/04	12/31	OFallon	Property Owner	1	2,600,000	40 Years	3,000,000	1.000%	No
Megan Shoppes	06/07/04	12/31	OFallon	Property Owners	2	1,145,834	40 Years	5,520,000	1.000%	No
Hawk Ridge	09/02/04	06/30	Lake St. Louis	Property Owners & Lake St. Louis	3	19,400,000	25 Years	38,700,000	0.750%	No
Mid Rivers/N	02/17/05	12/31	St. Peters	Property Owner	1	2,206,225	20 Years	8,400,000	0.500%	No
Wentzville Parkway I	03/03/05	12/31	Wentzville	Property Owner	1	3,830,625	30 Years	Unknown	0.500%	No
St. Charles Riverfront	03/04/05	12/31	St. Charles	Property Owner	1	10,000,000	20 Years	8,500,000	1.000%	No
Wentzville II	03/07/05	12/31	Wentzville	Property Owner	1	2,800,000	25 Years	7,500,000	0.500%	No
Kingsmill	05/05/05	12/31	OFallon	Property Owners	2	1,525,000	40 Years	1,525,000	1.000%	No
Dardenne Town Square	08/18/05	12/31	Dardenne	Property Owners	10	15,000,000	40 Years	10,750,000	0.500%	No
			Prairie/Lake Saint Louis							
Barathaven	01/26/06	12/31	Dardenne Prairie	Property Owners	3	4,215,000	20 Years	9,493,639	1.000%	No
Wentzville Three	12/04/06	12/31	Wentzville	Property Owner	1	2,750,000	40 Years	Unknown	0.250%	No
Meadows	01/04/07	12/31	Lake Saint Louis	Property Owner & Lake St. Louis	1	10,900,000	25 Years	27,883,277	0.750%	No
First Capitol Drive	07/22/09	12/31	St. Charles	Property Owner	1	45,000	N/A	N/A	N/A	No
<b>St. Francois County</b>										
Park Hills	07/28/04	12/31	Park Hills	Property Owners	2	750,000	20 Years	200,000	0.500%	Yes



## Appendix B

Transportation Development Districts  
Information Regarding Establishment, Estimated Project Costs, and Anticipated Revenues

District Name	Date Established	Fiscal Year End	Location	Public Entities Filing Petition to Establish	Number of Property Owners	Estimated Project Costs	Estimated Life	Total Anticipated Revenues	Sales Tax Rate (A)	TDD Within a TIF district?
<b>St. Louis County</b>										
Gravois Bluffs	12/07/99	12/31	Fenton	Property Owners & Fenton	2	25,300,000	24 Years	30,211,614	1.000%	Yes
Fenton Crossing	02/08/00	12/31	Fenton	Property Owner	1	4,574,762	20 Years	8,000,000	1.000%	Yes
Meramec Station Road and Highway 141	09/07/00	12/31	N/A	Property Owners	2	6,720,000	40 Years	15,700,000	1.000%	Yes
370/Missouri Bottom Road/Taussig Road	11/01/00	12/31	Hazelton/ Hazelwood	Property Owners	2	34,010,000	17 Years	54,596,724	1.000%	Yes
St. John's Church Road	04/17/01	12/31	N/A	Property Owners	9	12,000,000	40 Years	27,000,000	0.500%	No
Ballwin Town Center	04/26/01	12/31	Ballwin	Property Owner	1	1,300,000	21 Years	5,751,400	0.250%	Yes
Brentwood Pointe	05/16/01	12/31	Brentwood	Property Owners	(F) 2	5,101,697	20 Years	13,503,100	1.000%	Yes
Big Bend Crossing	06/25/01	12/31	Crestwood	Property Owner & Crestwood	1	1,487,415	20 Years	2,500,000	0.250%	No
Shoppes at Old Webster	11/29/01	12/31	Webster Groves	Property Owners	3	520,000	20 Years	865,000	0.625%	No
St. John Crossings	06/25/02	12/31	St. John	Property Owner & St. John	1	901,630	22 Years	2,354,600	0.250%	Yes
Shoppes at Cross Keys	09/18/02	12/31	Florissant	Property Owner	1	4,900,000	23 Years	12,000,000	1.000%	Yes
Station Plaza	12/04/02	12/31	Kirkwood	Property Owner & Kirkwood	1	1,550,000	25 Years	3,461,395	1.000%	No
Hanley/Eager Road	12/16/02	12/31	Brentwood	Property Owners	6	12,000,000	30 Years	22,924,051	1.000%	Yes
Crestwood Point	05/15/03	12/31	Crestwood	Property Owners & Crestwood	2	2,986,000	40 Years	4,827,000	1.000%	Yes
Pershall Road	07/30/03	12/31	Ferguson	Property Owner & Ferguson	1	620,000	25 Years	993,000	1.000%	No
Francis Place	04/13/04	12/31	Richmond Heights	Property Owner	1	4,400,000	23 Years	10,000,000	1.000%	Yes
Eureka Commercial Park	05/10/04	12/31	Eureka	Property Owners	4	1,430,000	40 Years	Unknown	0.875%	No
Olive Boulevard	09/09/04	06/30	Creve Coeur	Property Owners & Creve Coeur	2	6,590,000	20 Years	8,811,735	0.500%	Yes
Chesterfield Commons	10/12/04	12/31	Chesterfield	Property Owner	1	12,000,000	30 Years	Unknown	1.000%	Yes
Eureka Old Town	10/12/04	06/30	Eureka	Property Owners & Eureka	4	1,367,500	30 Years	1,260,000	0.750%	No
Glenwood-Watson	07/26/05	12/31	Crestwood	Property Owners	2	2,350,000	23 Years	1,952,005	1.000%	Yes
Hanley Station	09/29/05	12/31	Brentwood	Property Owner	1	2,000,000	19 Years	6,670,000	1.000%	Yes
Chesterfield Valley	11/28/05	12/31	Chesterfield	Chesterfield	(C) 2	37,300,000	25 Years	25,175,000	0.375%	Yes
Elm Grove	12/20/05	12/31	Hazelwood	Property Owners	2	750,000	40 Years	2,000,000	1.000%	No
Koch Plaza	01/19/06	12/31	Florissant	Property Owner	1	650,000	Unknown	Unknown	0.500%	No
University Place	09/06/06	12/31	N/A	The Curators of the University of Missouri	1	15,415,000	25 Years	26,300,000	1.000%	No
Town and Country Crossing	10/20/06	12/31	Town and Country/Ballwin	Property Owner	1	10,500,000	17 Years	13,000,000	0.500%	No
Shoppes at Hilltop	02/06/07	12/31	Eureka	Property Owner	1	2,500,000	20 Years	4,900,000	1.000%	No
St. Cyr Road	02/20/07	12/31	Moline Acres	Property Owner & Moline Acres	1	1,250,000	22 Years	1,452,155	0.625%	Yes
Highway 367 & Parker Road	03/02/07	12/31	N/A	Property Owner	1	1,000,000	21 Years	3,800,000	0.500%	Yes
South Manchester	03/30/07	12/31	Manchester	Property Owners	5	2,500,000	25 Years	4,902,571	0.750%	No
The Market at McKnight I	05/11/07	12/31	Rock Hill	Property Owners	4	2,200,000	20 Years	3,305,933	1.000%	Yes
Manchester Highlands	01/22/08	12/31	Manchester	Property Owner	1	12,800,000	40 Years	18,750,000	1.000%	Yes
Lucas & Hunt/Chandler	06/25/08	12/31	Country Club Hills	Property Owner	1	500,000	Unknown	800,000	1.000%	Yes
Loop Trolley	07/16/08	12/31	University City	Property Owners	93	32,000,000	40 Years	16,000,000	1.000%	Yes
Des Peres Corners	07/21/08	12/31	Des Peres	Property Owner	1	7,600,000	25 Years	22,029,257	1.000%	No
Centene Plaza	12/17/08	12/31	Clayton	Property Owners	2	22,000,000	40 Years	49,000,000	1.000%	No
Ballpark Village	02/19/09	06/30	St. Louis	Property Owner	1	40,000,000	40 Years	19,950,000	1.000%	No
Hanley Road Corridor	03/24/09	12/31	Maplewood, Brentwood	Brentwood Pointe TDD, and Folk Avenue South TDD	69	54,299,574	31 Years	150,629,569	1.000%	Yes
Laurel	07/27/09	12/31	St. Louis	Property Owners	2	1,400,000	40 Years	2,300,000	1.000%	Yes
Clarkson Kehrs Mill	08/11/09	12/31	Ballwin	Property Owners	2	2,000,000	40 Years	6,534,460	1.000%	No
Washington Ave	08/31/09	12/31	St. Louis	Property Owners	3	1,640,973	20 Years	2,084,955	1.000%	Yes
1225 Washington	10/27/09	06/30	St. Louis	Property Owners	5	1,900,000	40 Years	3,460,000	1.000%	Yes
Olive/Graesser	12/08/09	12/31	Creve Coeur	Property Owners	10	1,300,126	40 Years	3,400,000	1.000%	No
Lindbergh East Concord	02/09/10	12/31	Green Park	Property Owner	1	495,200	25 Years	750,000	1.000%	No
Dierbergs Des Peres	09/16/11	12/31	Des Peres	Property Owner	1	5,800,000	32 Years	13,073,356	1.000%	No

Appendix B

Transportation Development Districts  
Information Regarding Establishment, Estimated Project Costs, and Anticipated Revenues

District Name	Date Established	Fiscal Year End	Location	Public Entities Filing Petition to Establish	Number of Property Owners	Estimated Project Costs	Estimated Life	Total Anticipated Revenues	Sales Tax Rate (A)	TDD Within a TIF district?
<b>Stone County</b>										
Indian Ridge Resort	12/07/06	12/31	Branson West/Village of Indian Point	Property Owners	4	28,152,034	30 Years	34,797,760	1.000%	No
<b>Taney County</b>										
Branson Regional Airport	12/17/03	12/31	Branson	Property Owner	1	150,000,000	30 Years	Unknown	N/A	No
Branson Landing	03/17/05	12/31	Branson	Branson	1	53,759,228	23 Years	47,106,055	1.000%	Yes
Forsythe Road	06/05/08	12/31	Branson	Property Owner	1	5,250,000	25 Years	7,000,000	1.000%	No
<b>Webster County</b>										
Spindler	02/07/07	Unknown	Seymour	Property Owner	(G) 1	Unknown	Unknown	Unknown	Unknown	Unknown
<b>St. Louis City</b>										
Merchant's Laclede	10/08/03	12/31	St. Louis	Property Owners	2	6,510,000	30 Years	10,080,000	1.000%	No
Southtown	04/12/04	12/31	St. Louis	Property Owner	1	1,231,292	23 Years	4,204,762	1.000%	Yes
Residence Inn Downtown St. Louis	02/14/05	06/30	St. Louis	Property Owner	1	500,000	20 Years	1,500,000	1.000%	No
Highlands	04/20/05	12/31	St. Louis	Property Owners	2	700,000	23 Years	733,119	1.000%	Yes
Broadway Hotel	09/06/06	12/31	St. Louis	Property Owner	1	6,500,000	25 Years	11,500,000	1.000%	No
620 Market	09/06/06	12/31	St. Louis	Property Owner	1	991,600	30 Years	2,670,000	1.000%	No
CB 5421/5975	03/05/07	12/31	St. Louis	Property Owners	6	2,900,000	40 Years	4,000,000	1.000%	Yes
Adler Lofts	03/12/07	12/31	St. Louis	Property Owner	1	1,000,000	19 Years	1,448,400	1.000%	Yes
Bottle District	05/17/07	12/31	St. Louis	Property Owner	1	6,000,000	40 Years	6,000,000	1.000%	Yes
Euclid Buckingham	06/14/07	12/31	St. Louis	St. Louis	1	4,500,000	Unknown	1,200,000	1.000%	Yes
St. Louis Convention Center	03/15/10	06/30	St. Louis	Property Owners	2	Unknown	Unknown	Unknown	1.000%	Yes
City Hospital Laundry	03/25/10	06/30	St. Louis	Property Owners	2	1,107,630	21 Years	1,107,630	1.000%	Yes
Crown Plaza	09/03/10	12/31	St. Louis	Property Owner	1	2,500,000	30 Years	3,716,329	1.000%	No
Railway Exchange Building	11/01/10	06/30	St. Louis	Property Owners	4	4,460,000	40 Years	4,460,000	1.000%	Yes
						<u>\$ 1,687,802,873</u>		<u>\$ 2,047,069,738</u>		

LEGEND:

- (A) In addition to sales tax, several districts authorized the following additional revenue sources: property taxes; special assessments; private hanger rental, fueling, airline agreement, rental car agreement, and other collateral service fees; and parking fees.
- (B) The transportation development district (TDD) did not respond to our questionnaire soliciting applicable information.
- (C) The district has registered voters who approved establishment of the district.
- (D) Counties are Macon, Marion, Monroe, Ralls, and Shelby. Cities are the City of Clarence, City of Hannibal, City of Hunnewell, City of Macon, City of Monroe City, and City of Shelby.
- (E) Project cost/life of the district/anticipated revenues included in information presented for Platte County Missouri South I.
- (F) This district was consolidated with the Hanley Road Corridor.
- (G) After this TDD was created, the developer found the proposed project not to be feasible.

SOURCE: Judgment and Order issued by Circuit Courts, TDD survey questionnaires, and communication with district officials/representatives. This table has been updated for information received subsequent to the survey questionnaires.

## Appendix C

### Transportation Development Districts Abolished Districts

<u>District Name</u>	<u>Location</u>	<u>Date Formed</u>	<u>Date Abolished</u>
<b>Boone County</b>			
Gans Road and U.S. 63	Columbia	December 2006	June 2011
<b>Jefferson County</b>			
Hyannis Port Road	N/A	July 2004	December 2006
<b>Lincoln County</b>			
Troy/Lincoln County	Troy	October 2004	October 2008
<b>St. Louis County</b>			
Kenilworth	Brentwood	August 2000	January 2010
Brentwood/Strassner Road	Brentwood	May 2004	August 2010
Hanley Road and North of Folk Avenue	Maplewood	May 2004	May 2011
Folk Avenue South	Maplewood	July 2004	February 2010
Eureka South I-44	Eureka	October 2006	June 2008

Source: Transportation development districts close out audit reports performed by the State Auditor's office.

Appendix D

Transportation Development Districts  
Results of Individual District Audits Performed in 2012

District Name	Finding Category											SAO Report Number
	Board of Directors	Board Meetings	Board Oversight	Budgets	DOR Collections	Engineering Services	Financial Condition	Financial Statements	Financial Reporting	Outstanding Debt	Professional Services	
Ballwin Town Center												2012-85
Branson Landing												2012-39
Cripple Creek				X		X		X				2012-98
Douglas Square			X									2012-75
Forsythe Road		X					X					2012-42
Glenwood-Watson												2012-76
Harrisonville Towne Center									X	X		2012-104
Highway 61, Route U												2012-108
Manchester Highlands												2012-86
North Main/Malone	X				X			X				2012-46
St. Louis Convention Center Hotel											X	2012-143
Toad Cove Complex/												
Toad Cove Resort	(A)	X	X	X	X				X			2012-116
Truman Road	X											2012-79

(A) The Toad Cove Complex Transportation Development District (TDD) and Toad Cove Resort TDD have the same Directors and activities. While these are two legally separate TDDs, these were audited and reported on together since the activities of the boards are essentially the same.



# Thomas A. Schweich

Missouri State Auditor

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## Village of Deerfield



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August 2013

Report No. 2013-066

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

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## Findings in the audit of the Village of Deerfield

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### Oversight and Management

Village trustees do not regularly attend meetings; a quorum was present for only 3 of 12 monthly meetings during 2012. According to meeting minutes, Board Trustees Smith and Prickett attended most meetings, Board Chairman Wayne Sissick attended 3 meetings, and Board Trustee Kris Sissick attended 2 meetings, while Board Trustee Otter did not attend any meetings. The village does not prepare and post notices of meetings and related agendas, as required by state law, and Board minutes do not document a record of votes taken and contain limited documentation of decisions made regarding street repair and maintenance or purchases. It appears village business is conducted outside of regular open meetings, and there is no evidence that a public hearing was held on the village's proposed property tax rate in 2012 or that the tax rate was formally approved by the Board. The village has not adopted a formal policy regarding public access to village records, annual budgets are not prepared for village funds, and semiannual financial statements have not been published or posted, all of which are required by state law. Board review and approval of village disbursements is not adequate, and village ordinances are not complete, well-organized, or up-to-date. In addition, the village did not properly monitor the lease agreement with the United States Postal Service, and the village was underpaid \$413 in 2012.

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### Sales Tax Exemption

In August 2012, the Board Chairman used the village sales tax exemption letter to purchase a skid-steer loader in the village's name but had the loader delivered to his personal address. The Board Chairman said he did this to get a better price for a friend, but doing so is a violation of the terms of the village's sales tax exemption letter. No village funds were used for this transaction.

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### Internal Controls, Records, and Procedures

One person serves as both village clerk and village collector, which does not allow the segregation of duties necessary for the proper safeguarding of village assets. The village does not maintain a current fund ledger showing the beginning balance, monthly receipts by source and disbursements by type, and ending balance, and has not established a separate fund or separate accounting for motor vehicle-related revenues received from the state, and does not ensure these funds are used in compliance with state law. The Village Clerk/Collector does not prepare a receipt log and/or issue receipt slips for monies received, does not restrictively endorse checks immediately upon receipt, does not deposit receipts timely, does not perform bank reconciliations, and does not maintain a current balance in the checkbook. The village does not properly report as wages, and withhold employee payroll taxes from or pay the employer share of taxes on compensation paid to the Village Clerk/Collector.

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### Property Tax

The Village Clerk/Collector does not record the method of payment (cash, check, etc.) on the list of taxes due, and does not timely deposit tax collections. Tax statements sent to village residents do not contain sufficient

information, the Village Clerk/Collector does not maintain an account book and does not prepare and submit to the Board a list of delinquent taxes each year, and the Village Clerk/Collector is not bonded, as required by state law, which exposes the village to risk of loss.

Disbursements	The village lacks a bid policy and typically does not bid purchases, and there is no evidence in minutes or other village records indicating any attempt to check prices before purchasing, giving the village little assurance it is getting the best value. Some disbursements lack adequate supporting documentation, including \$1,493 in concrete purchases, \$8,750 for a used dump truck, and \$738 for dump truck insurance premiums. The Board Chairman's daughter provided mowing services, but it is not clear whether the Board Chairman voted to approve this service, which would be a conflict of interest. The village paid \$35 each for Sam's Club memberships for four trustees, and paid \$35 to the fifth trustee, which do not appear to be necessary or prudent uses of public funds. The village also paid \$35 for a Sam's Club membership for the Board Chairman's daughter, but the village was reimbursed for this membership.
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In the areas audited, the overall performance of this entity was **Poor**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The Village of Deerfield did not receive any federal stimulus monies during the audited time period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our website: <http://auditor.mo.gov>**

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# Village of Deerfield

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the Honorable Chairperson  
and  
Members of the Board of Trustees  
Village of Deerfield, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Village of Deerfield. We have audited certain operations of the village in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the village's internal controls over significant management and financial functions.
2. Evaluate the village's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the village, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the village's management and was not subjected to the procedures applied in our audit of the village.

For the areas audited, we identified (1) deficiencies in internal control, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Village of Deerfield.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Toni M. Crabtree, CPA
In-Charge Auditor:	Josh Allen, CPA, CFE

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# Village of Deerfield

## Management Advisory Report

### State Auditor's Findings

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#### **1. Oversight and Management**

The Board of Trustees does not provide adequate oversight and management of village operations and financial activities.

##### **1.1 Meetings and minutes**

Village trustees do not attend meetings on a regular basis. In addition, meeting notices and agendas are not prepared, minutes are not adequate, village business appears to be conducted outside of Board meetings, and a public hearing was not held when setting the property tax levy.

###### **Absenteeism**

The village does not have a policy regarding absenteeism by trustees. During the year ended December 31, 2012, a quorum was present for only 3 of 12 monthly meetings. The minutes for one of these three meetings indicated that no business was conducted. Village policy is to hold board meetings on the first Saturday of each month.

According to meeting minutes, Board Trustee (and Village Clerk/Collector) Smith and Board Trustee Prickett typically attended most meetings; however, meetings had to be canceled due to lack of a quorum. Board Chairman Wayne Sisseck only attended the three meetings with a quorum, Board Trustee Kris Sisseck only attended two of the meetings with a quorum, and Board Trustee Otter did not attend any meetings.

A quorum is necessary before decisions can be made. The lack of attendance by trustees results in the inability to hold meetings and take votes, which disrupts the conduct of village business. To help improve meeting attendance and ensure village business can be conducted appropriately, the village needs to have a policy addressing absenteeism by trustees.

###### **Meeting notice and agenda**

The village does not prepare and post notices of meetings and related agendas as required by state law. Section 610.020, RSMo, requires a tentative agenda and a meeting notice be posted at least 24 hours prior to all meetings of a public governmental body.

###### **Minutes**

Board minutes do not document a record of votes taken. The minutes also contain limited documentation of decisions made regarding street repair and maintenance or purchases. This information is also not available in other village records.

Section 610.020, RSMo, requires minutes to include at a minimum the date, time, place, members present, members absent, and votes taken. Minutes serve as the only official permanent public record of decisions made by the Board. Therefore, it is imperative that the minutes be prepared to clearly and completely document all business conducted.



## Village of Deerfield Management Advisory Report - State Auditor's Findings

### Business conducted outside meetings

Village business appears to be conducted outside of regular open meetings.

For example, village records show payments totaling \$660 for mowing services and \$1,107 for insurance; however, the minutes do not document any discussion or approval for these items and some of these payments were made during months when no Board meeting occurred. In addition, according to a memo prepared by the Village Clerk/Collector, trustees were informally polled for their input regarding the purchase of a used dump truck costing \$8,750.

The governing bodies of all political subdivisions are required to conduct business in regular open meetings. Overseeing and managing village operations and financial activity as a formally functioning body strengthens public accountability and internal fiscal controls. At any time a Board quorum meets in person or by phone and transacts public business, Chapter 610, RSMo (Sunshine Law) applies.

### Tax rate hearing

There is no evidence a public hearing on the village's proposed property tax rate was held in 2012 or that the tax rate was formally approved by the Board. According to the Village Clerk/Collector, a public hearing for the proposed tax rate was scheduled in August 2012; however, he was the only trustee to attend the meeting and no one from the public was present.

Section 67.220, RSMo, requires each governing body to hold at least one public hearing, at which citizens may be heard, prior to approval of the proposed tax rate. The tax rate should be established by ordinance as provided in Section 80.090, RSMo.

## 1.2 Public access policy

The village has not adopted a formal policy regarding public access to village records as required by state law. A formal policy regarding public access to village records would establish guidelines for the village to make records available to the public. This policy should identify a person to contact, provide an address to mail such requests, and establish fees which may be assessed for providing copies of public records.

Section 610.023, RSMo, lists requirements for making records available to the public. Section 610.026, RSMo, allows the village to charge fees for providing access to and/or copies of public records and provides requirements related to fees.

## 1.3 Budgets

Annual budgets are not prepared for village funds as required by state law.

Section 67.010, RSMo, requires the preparation of an annual budget which shall represent a complete financial plan for the ensuing budget year, and also sets specific requirements for information to be included in the budget.



## Village of Deerfield Management Advisory Report - State Auditor's Findings

Section 67.080, RSMo, provides that no expenditure of public monies shall be made unless it is authorized in a budget.

A complete and well-planned budget, in addition to meeting statutory requirements, serves as a means to manage village resources, assists in setting tax levies, and informs the public about village operations and current finances.

### 1.4 Financial statements

Semiannual financial statements have not been published or posted as required by state law. As a result, information regarding the village's financial activity and condition is not available to citizens.

Section 80.210, RSMo, requires the Board prepare and publish semiannual financial statements in a local newspaper, or if there is no local newspaper, to post semiannual financial statements in at least six of the most public places in the village.

### 1.5 Disbursements

The village has not established a process for the Board to review and approve village disbursements. For the year ended December 31, 2012, disbursements totaled approximately \$23,700.

The minutes and supporting documentation do not indicate Board review and approval of disbursements. In addition, as noted in section 1.1, the Board only held two meetings in 2012 during which village business was conducted. According to the Village Clerk/Collector payment of expenses is made as needed.

Board review and approval of disbursements before payment is necessary to ensure all disbursements represent appropriate and valid costs. Each month a detailed list of disbursements to be paid should be prepared, reviewed, signed/initialed by the Board to denote review/approval, and retained. Supporting documentation should also be reviewed by the Board before payment is made. Failure to properly review invoices and supporting documentation, and to document authorizations, increases the possibility of inappropriate disbursements occurring without detection.

### 1.6 Ordinances

Village ordinances are not complete, well organized, or up-to-date. Many ordinances are old and no longer relevant but have not been rescinded by the Board. As a result, it is difficult for the village to determine which ordinances are currently in affect.

Additionally, the village has not adopted an ordinance for the Village Clerk/Collector's job responsibilities, work hours, compensation, etc. Section 80.240, RSMo, provides that the Board appoint certain officials, prescribe their duties, and fix their compensation. Compensation should be set by ordinance.



## Village of Deerfield Management Advisory Report - State Auditor's Findings

Since ordinances represent legislation which has been passed by the Board to govern the village and its residents, it is important ordinances be current, complete and organized.

### 1.7 Lease agreement

The village trustees did not properly monitor the lease agreement with the United States Postal Service (USPS), and for the year ended December 31, 2012, the village was underpaid \$413.

Effective January 2010, a 5-year lease agreement between the village and USPS provides for the USPS to pay annual rental fees totaling \$3,713, payable in monthly installments, for space in the village community building. However, during 2012 the village only received payments totaling \$3,300. The village trustees were not aware of this underpayment until we brought the situation to their attention.

## Recommendations

The Board of Trustees:

- 1.1 Establish a policy regarding absenteeism by trustees. The Board should ensure notices and tentative agendas for board meeting are posted and retained, minutes contain all required information, and village business is conducted in public meetings. The Board should hold a public hearing each year to determine and set the tax levy.
- 1.2 Develop written policies regarding procedures to obtain access to, or copies of, public village records.
- 1.3 Prepare annual budgets which include all information required by state law, and ensure the budget is formally approved and the approval is documented in the Board minutes.
- 1.4 Publish or post semiannual financial statements as required by state law.
- 1.5 Review and document approval of all disbursements and supporting documentation.
- 1.6 Ensure ordinances are maintained in a complete, well-organized, and up-to-date manner, new ordinances are passed when appropriate, and an index of all ordinances passed and rescinded is established. The Board should also establish, by ordinance, the Village Clerk/Collector's duties and compensation.
- 1.7 Ensure the village receives all appropriate revenues as provided in contracts, and pursue payment of \$413 from the USPS.



Village of Deerfield  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The Board Chairman provided the following response:*

*The Board will take these recommendations under advisement.*

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## 2. Sales Tax Exemption

The Board Chairman misused the village sales tax exemption letter. He used the village sales tax exemption to purchase equipment on behalf of a private individual. As a result, this individual effectively avoided paying sales tax on the purchase.

In August 2012, the Board Chairman purchased a skid-steer loader, totaling \$54,046, from an equipment dealer. Documentation we obtained from the dealer indicated the purchase was made in the village's name; however, the loader was delivered to the Board Chairman's personal address in October 2012. According to the Board Chairman, he made the purchase in the village's name in order to obtain a better price for a friend, but no village funds were used in the transaction. Our review of village records indicate no payment from village funds was made to the dealer for this loader. The village sales tax exemption should not be used to benefit private entities or individuals. Doing so is a violation of the terms of the sales tax exemption letter.

The sales tax exemption letter, furnished to the village by the Department of Revenue (DOR), provides that purchases by the village are not subject to sales or use tax if conducted within the village's ". . . exempt functions and activities . . .", and individuals making personal purchases may not use the exemption. According to DOR officials, the DOR can collect tax from a political subdivision if the sales tax exemption letter is used to make non-exempt purchases.

## Recommendation

The Board of Trustees should contact the DOR regarding how to resolve this situation and any sales tax due. In the future, the Board should ensure the village sales tax exemption is not used for the benefit of private entities or individuals.

## Auditee's Response

*The Board Chairman provided the following response:*

*This equipment was for a farm and cattle operation, and farm equipment is tax exempt.*

## Auditor's Comment

It is unclear why the Board Chairman felt it necessary to provide the tax exempt letter to the vendor if the equipment was already tax exempt. Even if the equipment is tax exempt, the village should not misrepresent to the vendor the purchase is for the village or be involved in the purchase of equipment for individuals. Documenting the purpose of the equipment and determining sales tax exempt status is the responsibility of the purchaser, vendor, and Department of Revenue, and the village should not enter into this decision by purchasing the equipment using its tax exempt status.



Village of Deerfield  
Management Advisory Report - State Auditor's Findings

### 3. Internal Controls, Records, and Procedures

There are significant weaknesses in village internal controls, records, and procedures.

#### 3.1 Segregation of duties

There is no independent oversight or adequate segregation of duties related to the Village Clerk/Collector's activities. A trustee serves as the Village Clerk/Collector, and is compensated for these duties. For the year ended December 31, 2012, he was paid \$1,800 for serving as the Village Clerk/Collector.

The Village Clerk/Collector's duties include receiving and depositing monies, recording receipts and disbursements, preparing and distributing checks, and preparing year-end financial reports. In addition, he prepares property tax bills and maintains tax records. The Village Clerk/Collector also signs checks and receives the bank statements. According to the Village Clerk/Collector, he takes the bank statements to the Board meetings. However, if the Board reviews the bank statements, its review is not documented. As a result, the Board has little assurance that receipts are properly handled and deposited, or disbursements are proper.

One person serving as both village clerk and village collector does not allow the segregation of duties necessary for a proper evaluation and review of financial transactions. The current procedures jeopardize the system of independent checks and balances needed for good internal control. Also, there is no evidence the Board provides adequate supervision or review of the work performed by the Village Clerk/Collector.

In addition, Section 105.458, RSMo, states "No member of any legislative or governing body of any political subdivision of the state shall: (1) Perform any service for such political subdivision or any agency of the political subdivision for any consideration other than the compensation provided for the performance of his official duties . . . ."

#### 3.2 Accounting records

The village does not maintain a current fund ledger showing the beginning balance, monthly receipts by source and disbursements by type, and ending balance. At year-end, the Village Clerk/Collector prepares a manual receipt and disbursement spreadsheet from the bank statements and check book register.

The village also has not established a separate fund or separate accounting for motor vehicle-related revenues received from the state, and does not monitor the use of these funds to ensure compliance with state law. During the year ended December 31, 2012, the village received \$2,903 in motor vehicle-related revenues.





## Village of Deerfield Management Advisory Report - State Auditor's Findings

Article IV, Section 30, Missouri Constitution requires that motor vehicle-related revenues apportioned by the state of Missouri be expended on street-related purposes, including construction, maintenance, repair, policing, signing, lighting, and cleaning of roads and streets.

Fund ledgers and summary reports of receipts by source and disbursement by type should be prepared for each fund on a monthly basis and used for comparison to budgeted amounts and overall review of village operations. Receipts and disbursements associated with restricted usage should be recorded in a fund established to account for this usage and ensure compliance with state laws. Complete and accurate financial records are necessary for the Board to make informed decisions and provide a basis for monitoring financial activity.

### 3.3 Accounting procedures

The village has significant weaknesses in accounting procedures.

- The Village Clerk/Collector does not prepare a receipt log and/or issue receipt slips for monies received. To help ensure receipts are accounted for properly, a receipt log/receipt slips should be prepared for all monies received, used to record receipts in the fund ledger, and reconciled to the composition of deposits.
- The Village Clerk/Collector does not restrictively endorse checks immediately upon receipt. To reduce the risk of loss, theft, or misuse of funds, checks should be restrictively endorsed immediately upon receipt.
- The Village Clerk/Collector does not deposit receipts timely. He sometimes holds monies up to 2 months before depositing. To reduce the risk of loss, theft, or misuse of funds, deposits should be made on a timely basis.
- The Village Clerk/Collector does not perform bank reconciliations. A monthly bank reconciliation helps ensure bank and book balances are in agreement and errors are detected and corrected on a timely basis.
- The Village Clerk/Collector does not maintain a current balance in the check book. Maintaining a check book balance would aid in preparing the monthly bank reconciliation and monitoring the bank balance.

### 3.4 Wage reporting and withholding

The village does not properly report wages, and withhold employee payroll taxes from or pay the employer share of taxes on compensation paid to the Village Clerk/Collector.



## Village of Deerfield Management Advisory Report - State Auditor's Findings

The Internal Revenue Code requires employers to report compensation on W-2 forms and withhold and remit federal income taxes. Similarly, Chapter 143, RSMo, includes requirements for reporting wages and withholding state income taxes. State and federal laws require employers to withhold payroll taxes and pay the employer's share of Social Security and Medicare on the compensation paid to employees. Section 105.300, RSMo, defines an appointive officer or employee of a political subdivision as an employee for Social Security purposes.

## Recommendations

The Board of Trustees:

- 3.1 Consider appointing separate individuals, other than a trustee, to the positions of Village Clerk and Village Collector and segregate the duties of the Village Clerk/Collector to the extent possible. If proper segregation of duties cannot be achieved, timely supervision or independent review of the work performed and investigation into unusual items and variances is necessary. The Board should also consider requiring dual signatures on checks or appointing someone other than the Village Clerk/Collector as the check signer.
- 3.2 Ensure a complete financial accounting system is established. Summary financial reports should be prepared documenting monthly receipt sources and disbursement types. This information should be used to compare to budget estimates and monitor village operations.
- 3.3 Ensure receipts slips and/or a receipt log are prepared for all monies received, checks are restrictively endorsed upon receipt, receipts are deposited timely, monthly bank reconciliations are prepared, and a running check book balance is maintained.
- 3.4 Ensure the compensation paid to the Village Clerk/Collector is subject to payroll taxes and properly reported on a W-2 form. The village should also contact the Internal Revenue Service and appropriate state agencies for guidance regarding prior years.

## Auditee's Response

*The Board Chairman provided the following responses:*

- 3.1 *The Village Clerk no longer serves as the Village Collector.*
- 3.2 *The Board will take this recommendation under advisement.*
- 3.3 *The Board has already implemented some of this recommendation.*
- 3.4 *The Village Clerk reports his wages on his yearly personal tax return.*



Village of Deerfield  
Management Advisory Report - State Auditor's Findings

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## 4. Property Tax

The Village Clerk/Collector needs to improve property tax controls, records, and procedures. The 2012 property tax collections totaled approximately \$1,700.

### 4.1 Method of payment

Although the Village Clerk/Collector makes a hash mark next to the tax due when the tax statement is mailed, and records the date when monies are received, he does not record the method of payment (cash, check, etc.) on the list of taxes due. As a result, the composition of receipts cannot be reconciled to the composition of deposits.

To ensure proper handling and safeguarding of tax receipts, the method of payment should be indicated on the tax list and the composition of receipts should be reconciled to the composition of deposits.

### 4.2 Timely deposit

The Village Clerk/Collector does not deposit tax collections in a timely manner. Some monies received were held approximately a month before deposit. The majority of the 2012 tax collections were deposited on December 31, 2012, and January 2, 2013. However, some tax collections were received in late November and throughout December 2012.

To adequately safeguard receipts and to reduce the risk of loss, theft, or misuse of funds, tax collections should be deposited in a timely manner.

### 4.3 Tax statements

Current tax statements sent to village residents are not adequate. The tax statements do not identify the property being taxed, related assessed valuation, or tax levy. The statements only include the total amount due.

Complete tax statements showing the property being taxed, related assessed valuation, and tax levy are necessary so that taxpayers can ensure accuracy of the billed amounts and any questions or discrepancies can be resolved.

### 4.4 Account book and delinquent tax list

The Village Clerk/Collector does not maintain an account book to record property tax charges, additions/abatements, collections, and remaining delinquent taxes, and does not prepare and submit to the Board a list of delinquent taxes each year.

Tax records maintained by the Village Clerk/Collector include the property tax list from the county and a list of property owners and taxes due. Although the county list includes a description of the property, the assessed valuation, and the tax due, the village list just includes the resident's name and tax due. The total taxes charged, added/abated, or collected and delinquent taxes are not summarized.

Section 80.480, RSMo, provides that a list of delinquent taxes due and uncollected on the first day of January each year be prepared and submitted



## Village of Deerfield Management Advisory Report - State Auditor's Findings

to the Board. This section also provides the Board remit the delinquent list to the county collector for collection.

A properly maintained account book, including (by type) the property taxes charged to the Village Clerk/Collector, collections each month, applicable adjustments, and balances uncollected can be useful in preparing the delinquent list required by state law.

### 4.5 Bond

The Village Clerk/Collector is not bonded, as required by state law. Section 80.250, RSMo, requires village officials be bonded for not less than \$1,000. Failure to properly bond village officials exposes the village to risk of loss.

## Recommendations

The Board of Trustees:

- 4.1 Require the Village Clerk/Collector to record the method of payment received on his tax list and reconcile the composition of receipts to bank deposits.
- 4.2 Require the Village Clerk/Collector to deposit tax collections in a timely manner.
- 4.3 Require the Village Clerk/Collector to include a description of the property being taxed, related assessed valuation, and tax levy on the tax statements.
- 4.4 Require the Village Clerk/Collector to maintain an account book, and prepare and submit to the Board a delinquent tax list as of January 1 each year. The Board should remit this delinquent list to the county for collection.
- 4.5 Require appropriate bond coverage for all village officials.

## Auditee's Response

*The Board Chairman provided the following responses:*

- 4.1 -
- 4.4 *In the future, the Vernon County Collector will collect village property taxes.*
- 4.5 *The Board will take this recommendation under advisement.*

## 5. Disbursements

There are significant weaknesses in the controls and procedures over disbursements.

### 5.1 Bidding

According to the Village Clerk/Collector, the village does not have a bid policy and typically does not bid purchases, although trustees may informally check prices before a purchase is made. However, there is no evidence in minutes or elsewhere in village records indicating any efforts to



## Village of Deerfield Management Advisory Report - State Auditor's Findings

check prices or any support for vendors selected in those cases. As a result, the village has little assurance that it is receiving fair value for goods and services and no documentation to support decisions made.

Formal bidding procedures for major purchases provide a framework for economical management of village resources. In addition, bidding helps ensure the village receives a fair value by contracting with the lowest or best bidders and all interested parties are given an equal opportunity to participate in village business. Complete documentation should be maintained of all bids/proposals received and reasons why the bid/proposal was selected.

### 5.2 Supporting documentation

Adequate supporting documentation was not available for some disbursements. For example, there was no supporting documentation for concrete purchases totaling \$1,493 or the purchase of a used dump truck for \$8,750. In addition, there was no support for dump truck insurance premiums totaling \$738.

All disbursements should include proper supporting documentation to ensure the obligation was actually incurred and the disbursement represents an appropriate use of public funds.

### 5.3 Conflict of interest

Because the minutes do not indicate the discussion and approval of mowing services provided by the Board Chairman's daughter, it is not clear if the Board Chairman voted to approve her services. This arrangement represents an appearance of a conflict of interest. During the year ended December 31, 2012, the Board Chairman's daughter was paid \$300 for mowing various village property.

Village officials serve in a fiduciary capacity. Personal interest in business matters of the village create the appearance of conflict of interest. To avoid the appearance of a conflict of interest, trustees should not participate in decisions regarding related parties. The Board should consider establishing a policy which addresses this type of situation and provide a code of conduct for village officials.

### 5.4 Questionable expenditure

The purchase of Sam's Club memberships for village officials does not appear to be a necessary or prudent use of public funds. In August 2012, memberships costing \$35 each, were purchased for four trustees; and, instead of a membership, \$35 was paid to the fifth trustee. In addition, a membership was purchased for the Board Chairman's daughter. The village was reimbursed for this membership. According to the Village Clerk/Collector, these memberships were provided to the trustees as a "perk" since they are not otherwise paid for serving on the Board.

Village residents place a fiduciary trust in their public officials to expend public funds in a necessary and prudent manner. Village funds should be



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Village of Deerfield  
Management Advisory Report - State Auditor's Findings

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expended only on items which are necessary and beneficial to village residents.

## Recommendations

The Board of Trustees:

- 5.1 Establish formal written bidding policies and procedures, including documentation requirements regarding the bids or quotes received, and justification for the bid selected.
- 5.2 Require adequate, detailed supporting documentation be obtained and retained for all disbursements.
- 5.3 Ensure village officials who have a conflict or an appearance of a conflict, fully disclose their interest and not vote on matters which involve them personally. That action should be documented in the Board minutes. The Board should also consider adopting a code of conduct for city officials.
- 5.4 Ensure all disbursements of village monies are necessary and a prudent use of public funds.

## Auditee's Response

*The Board Chairman provided the following response:*

*The Board will take these recommendations under advisement.*

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# Village of Deerfield

## Organization and Statistical Information

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The Village of Deerfield is located in Vernon County. The village was incorporated in 1963. The village employs no full-time employees. A trustee serves as the Village Clerk/Collector and is paid as an independent contractor.

Village operations include street maintenance.

### Chairman and Board of Trustees

The village government consists of a five-member board of trustees. The members are elected for 2-year terms. The chairman and clerk/collector are appointed by the board from the trustees. The members of the Board of Trustees at December 31, 2012, are identified below. The Board of Trustees members receive no compensation.

Wayne Sisseck, Chairman  
Bill Smith, Clerk/Collector (1)  
David Prickett, Trustee  
Kris Sisseck, Trustee  
Corey Otter, Trustee

(1) Mr. Smith received compensation, totaling \$1,800, for serving as Clerk/Collector during the year ended December 31, 2012.

### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Village of Deerfield did not receive any federal stimulus monies during the year ended December 31, 2012.

### Financial Activity

A summary of the village's financial activity for the year ended December 31, 2012, follows:

Village of Deerfield  
Year Ended December 31, 2012

	General Fund
RECEIPTS	
Property taxes	\$ 1,172
Franchise fees	4,306
Motor fuel and vehicle fees	2,903
Lease proceeds	3,575
Interest	221
Miscellaneous	402
Total Receipts	<u>12,579</u>
DISBURSEMENTS	
Wages	1,800
Street maintenance and repair	4,734
Electric	3,685
Dump truck	8,750
Culverts	1,633
Insurance	1,107
Mowing services	660
Trash service	335
Election costs	131
Miscellaneous	881
Total Disbursements	<u>23,716</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(11,137)
CASH, JANUARY 1, 2012	<u>40,104</u>
CASH, DECEMBER 31, 2012	<u>\$ 28,967</u>





# Thomas A. Schweich

Missouri State Auditor

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## Shelby County



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August 2013

Report No. 2013-067

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of Shelby County

County Collector	After our prior audit, the County Collector opened a new bank account for which bank reconciliations and liability listings are prepared, but the old bank account, which is now dormant, still contains an unidentified balance of \$3,559. Maintaining this account increases the risk of loss or misuse of funds, and various state laws provide guidance on how to appropriately dispose of unidentified funds. The County Collector has contracts to collect taxes for municipalities, but the contracts do not clearly specify the amount of compensation to which the County Collector is entitled or the amount of penalties to be assessed on delinquent taxes.
Sheriff	The Sheriff's office does not deposit civil fees received timely and intact, which increases the risk of loss, theft, or misuse of funds. The Sheriff's evidence room was disorganized, and items in the room were difficult to locate. When two items on the evidence log could not be located, court files revealed the items had been returned to the owners, but the disposition was not recorded on the log.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	Shelby County did not receive any federal stimulus monies during the audited time period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Shelby County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Shelby County

We have audited certain operations of Shelby County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride Lock & Associates, Certified Public Accountants, was engaged to audit the financial statements of Shelby County for the year ended December 31, 2012. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Shelby County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	James M. Applegate, MBA
Audit Staff:	Terese Summers, MSAS, CPA
	Waleed Atout

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# Shelby County Management Advisory Report State Auditor's Findings

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## **1. County Collector**

The County Collector maintains a dormant bank account with an unidentified balance. The County Collector's contracts for the collection of municipal property taxes do not clearly define the amount of compensation to be provided to the County Collector.

### **1.1 Unidentified bank balance**

The County Collector maintains a bank account with an unidentified balance of \$3,559. The County Collector opened this account when he started his first term of office in March 2007. As noted in our prior audit, the County Collector did not prepare bank reconciliations or liability listings for this account. The County Collector opened a new account as of March 1, 2011, and has prepared monthly bank reconciliations and liability listings for this account.

After opening the new account on March 1, 2011, the County Collector, assisted by the County Treasurer, reviewed the activity of the old account and identified and disbursed \$1,703 in March 2012, leaving an unidentified balance of \$3,559.

The County Collector has implemented most of the recommendations from our prior audit, including adequate depositing and reconciliation procedures. However, maintaining a dormant bank account with unidentified funds increases the risk of loss or misuse of funds. Various state laws address the disposition of unidentified funds.

### **1.2 City commissions**

The County Collector receives compensation for collecting municipal property taxes as allowed by Section 50.332, RSMo; however, the contracts with the municipalities do not clearly define the amount of compensation for collecting delinquent taxes.

The County Collector collects both current and delinquent property taxes for the Village of Bethel and for the cities of Clarence and Hunnewell. The County Collector has written agreements with these entities which state the following:

" . . .the collector shall withhold from each remittance and retain as compensation for the services provided by him at the rate of three percent of the total amount of the taxes collected by the collector for the city (village), together with the penalty charge as prescribed by the ordinances of the city (village)."

We contacted the three municipalities, and the two cities adopted ordinances which provide for the collection of penalties on delinquent city taxes as allowed by state law for the collection of county taxes. The village could not provide an ordinance related to penalties on delinquent taxes.



## Shelby County Management Advisory Report - State Auditor's Findings

The County Collector receives as compensation 3 percent of all current and delinquent municipal taxes collected. In addition, the County Collector receives as compensation 7 percent of all delinquent municipal taxes and interest collected, which is withheld from the amounts distributed to the municipalities and paid annually to the County Collector upon approval of the County Commission. The County Collector bases this percentage on Section 52.290, RSMo, which provides for a 7 percent delinquent penalty to be added to the tax bill. In addition to withholding 7 percent from municipal taxes and interest, the County Collector assesses the 7 percent delinquent penalty to taxpayers and distributes this amount to various funds as provided by Section 52.290, RSMo. It is unclear whether state law and city ordinances which allow for the collection and distribution of the 7 percent penalty also allow the collector to retain the same percentage from taxes collected as compensation. During the year ended February 28, 2013, the County Collector received \$1,054 as compensation related to the 7 percent withholding.

To ensure the County Collector receives the proper amount of compensation for collecting municipal taxes and to prevent misunderstandings, the language in the contracts with the municipalities should be amended to clearly define the amount of penalties assessed and the compensation paid to the County Collector for collecting delinquent taxes.

## Recommendations

The County Collector:

- 1.1 Close the dormant bank account and disburse the unidentified balance in accordance with state law.
- 1.2 Ensure the contracts for the collection of municipal taxes clearly define the amount of compensation paid to the County Collector and penalties assessed on delinquent taxes.

## Auditee's Responses

*The County Collector provided the following written responses:*

- 1.1 *The "unidentified bank balance" stems from the County Collector's first year in office. The reasoning for opening the new account was to isolate the first four years of county business and to stop carrying the unidentified 2007 funds forward. The account was allowed to "settle" with no business being conducted from that account. After one year there remained four (4) checks for refunded amounts totaling \$33.00 that were un-cashed and are noted in the accounting records. An amount from the Missouri Conservation Department (\$1703.00) was identified and distributed to the entitled taxing entities.*



## Shelby County Management Advisory Report - State Auditor's Findings

*The old account has been closed as of June 26, 2013. The collector's office is in the process of distributing those funds (\$3,561.09) in an equitable manner, based on the 2007 tax year percentage of distributions to the entitled taxing entities. Those monies will be distributed by the end of July 2013.*

- 1.2 *This spring and summer, I visited with each of the cities this office has contracts with for the collection of tax. The amounts received for commissions have been outlined and discussed. The cities are aware of and in agreement with, all compensation received by the County Collector, the General Revenue Fund, and the Assessment Fund. The original contracts between the cities, the collector, and the commission were in place three years prior to my taking office in 2007. I am unaware of how the commission amounts were originally determined; however, the city contracts have been honored.*

*New contracts have now been drawn with all commission amounts discussed and clarified.. Section 2 (b) of the contracts now state: "The Collector shall withhold an additional (7%) percent from all delinquent taxes, fees, penalties, and interest charges due when paid after said due date".*

*Contracts with cities are signed by the County Commission, by the County Collector, and by the Mayors of the respective cities. Clerks for county and cities are also witnesses to the signed documents.*

*For the County Collector to receive any compensation for contracted services, as mentioned in the audit report, the County Collector petitions, in writing, for the release of those funds from the County Commission, which are held by the County Treasurer until petitioned, then approved for release by the County Commission on an annual basis.*

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## 2. Sheriff

The Sheriff does not deposit some receipts intact on a timely basis. Some items in the Sheriff's evidence room are not properly identified, and the disposition of some items was not properly recorded.

### 2.1 Bank deposits

Civil fees received by the Sheriff's office are not deposited intact on a timely basis. Civil fees are received frequently throughout the month. Fees which are not associated with serving papers are recorded upon receipt and generally held and deposited at the end of the month. Fees received for serving papers for civil cases are held until the papers are actually served, recorded on the receipts ledger when served, and deposited at the end of the month when served.





## Shelby County Management Advisory Report - State Auditor's Findings

Timely and intact depositing procedures are necessary to adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds.

### 2.2 Evidence room

The Sheriff does not adequately record the disposition of evidence and other seized property. In addition, our review noted the Sheriff's evidence room was disorganized and items in the room were difficult to locate. The Sheriff indicated the majority of items had been seized during the prior Sheriff's administration from 2005 to 2008, and should be disposed.

Sheriff's office personnel could not initially locate the evidence log upon our request, but it was later found. We attempted to locate two items listed on the log, but neither item could be located. Sheriff's personnel found documentation in applicable court case files indicating these items were returned to the owners, but the disposition had not been recorded on the log.

Considering the often sensitive nature of seized property and evidence, adequate internal controls are essential and would significantly reduce the risk of theft or misuse of the stored items. Complete and accurate inventory control records should be maintained and periodic physical inventories should be performed and the results compared to the inventory records to ensure seized property and evidence are accounted for properly. The disposition of items should be properly recorded in the evidence log. In addition, proper disposal of items no longer needed would eliminate the risks of unauthorized access, use, or theft, and the related potential liability of the county.

### Recommendations

The Sheriff:

- 2.1 Deposit all monies timely and intact.
- 2.2 Maintain complete and accurate inventory records of all items in the evidence room, and perform periodic physical inventories and compare the results to the inventory records. The Sheriff should perform a complete review of all items and take action to dispose of items no longer needed. In addition, the disposition of all items should be recorded on a timely basis.

### Auditee's Responses

*The Sheriff provided the following written responses:*

- 2.1 *I agree and will deposit all monies intact weekly.*
- 2.2 *I agree that the inventory records need to be better maintained, and I will start working on disposing of all items that need to be returned and items that need to be destroyed.*

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# Shelby County

## Organization and Statistical Information

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Shelby County is a county-organized, third-class county. The county seat is Shelbyville.

Shelby County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 46 full-time employees and 10 part-time employees on December 31, 2012.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2013	2012
Glenn Eagan, Presiding Commissioner	\$	29,788
Kerry McCarty, Associate Commissioner		27,458
Maurice Shuck, Associate Commissioner		27,458
Audrey Grawe Buzzard, Recorder of Deeds		41,603
Tracy Smith, County Clerk		41,603
Jordan Force, Prosecuting Attorney		49,757
Dennis Perrigo, Sheriff		46,427
Jesse C. Burton, County Treasurer		41,603
Ralph Eagan, County Coroner		11,566
Susan C. Wilt, Public Administrator		23,296
John Chinn, County Collector (1), year ended February 28 (29),	45,248	
Marge Gander, County Assessor , year ended August 31,		41,367
Martin T. Wasson,, County Surveyor (2)		

(1) Includes \$3,527 of commissions earned for collecting city property taxes.

(2) Compensation on a fee basis.

### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

Shelby County did not receive any federal stimulus monies during the year ended December 31, 2012.



# Thomas A. Schweich

Missouri State Auditor

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## Crawford County



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August 2013

Report No. 2013-068

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

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## Findings in the audit of Crawford County

County Sales Tax	As noted in our three prior audits, property tax reductions were not sufficient to offset 50 percent of sales tax monies received, and incorrect assessed valuations amounts were used in the property tax reduction calculation. Although the County Commission indicated after our last audit that it would take steps to correct this, the excess amount collected has increased to \$184,000 at December 31, 2012. Additional or increased property tax rollbacks will be required to offset this liability.
Property Tax System Controls and Procedures	Controls and procedures over the property tax system need improvement. The County Collector and her staff have access to the property tax system to enter additions and abatements as well as to void receipt transactions after they are completed, and no documentation is maintained for voided transactions, increasing the risk of unsupported or unauthorized changes being made. The County Commission does not review additions and abatements in a timely manner. As noted in our prior report, the County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes, and neither the County Clerk nor the County Commission verifies the accuracy of the County Collector's annual settlements, so errors and irregularities could go undetected.
Senate Bill 40 Board	Some disbursements made by the Senate Bill 40 Board (SB40) may not be allowed by state law. Questionable disbursements include holiday gifts to employees, employee meals during field trips, and food during board meetings. The SB40 Board does not adequately review the work of the operations manager. The operations manager processes payroll for all employees, including herself, but the SB40 Board does not review a payroll register or approve payroll disbursements each pay period. The SB40 Board does not review the monthly bank reconciliations prepared by a Certified Public Accounting firm and does not follow up to ensure the amounts provided on the financial report are accurate. A former executive director pleaded guilty to forgery and was sentenced to supervised probation and ordered to pay \$2,500 to the SB40 Board and \$15,440 to the SB40 Board's bonding company. Proper controls and review procedures are necessary to minimize the likelihood of a similar situation and reduce the risk of loss, theft, or misuse of SB40 Board assets. The SB40 Board sometimes discusses topics in closed meetings which are not allowed by the Sunshine Law. The SB40 Board rents space in its building to multiple private businesses, but it has no documentation showing how rental rates were determined and whether they are comparable to the market value.
Sheriff's Procedures	As noted in our prior audit report, the Sheriff's accounting procedures need improvement. Deposits are not reconciled to receipts and are not made timely, which increases the risk of loss, theft or misuse of monies. The

Sheriff's office does not prepare a monthly list of liabilities and reconcile it to the cash balance for the Sheriff's commissary account. The November 30, 2012, reconciled bank balance exceeded the inmate account listing balance by \$1,306, and the Sheriff's office could not determine to whom the excess funds were owed. The Sheriff's office does not maintain a summary control log documenting all seized property, case reports do not clearly document which items were seized as evidence, and the office has not conducted a physical inventory of all seized property.

Prosecuting Attorney's Procedures	As noted in our prior audit reports, the Prosecuting Attorney's office does not timely transmit bad check restitution payments to merchants and does not prepare a monthly list of liabilities and reconcile it to the cash balance for the Prosecuting Attorney's account. At January 31, 2013, the reconciled bank balance exceeded liabilities by \$1,545, and the Prosecuting Attorney's office has been unable to determine to whom the excess funds were owed.
County Procedures	As noted in our prior audit report, the county allows employees to accrue and carry forward more annual leave than allowed by county policy and allows employees to have negative compensatory time balances, including one employee with a balance of negative 60 hours, which is not allowed by county policy. The Sheriff's office does not calculate compensatory time accrued in accordance with county policy. The county did not maintain minutes for closed meetings and county offices do not require employees to change passwords periodically.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our website: <http://auditor.mo.gov>**

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# Crawford County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Crawford County

We have audited certain operations of Crawford County in fulfillment of our duties under Section 29.230, RSMo. In addition, Davis, Lynn & Moots, Certified Public Accountants, has been engaged to audit the financial statements of Crawford County for the 2 years ended December 31, 2012. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Crawford County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Corey McComas, M.Acct., CPA
Audit Staff:	Julie M. Moore, MBA
	Meghan Dowell



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# Crawford County

## Management Advisory Report

### State Auditor's Findings

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#### 1. County Sales Tax

As noted in our three prior reports, property tax reductions were not sufficient to offset 50 percent of sales tax monies received, and incorrect assessed valuation amounts were used in the property tax reduction calculation. While the County Commission indicated in the response to the last audit adjustments would be made to correct excess property taxes collected, this amount has increased significantly and is approximately \$184,000 at December 31, 2012. As a result, the county is not in compliance with state law and additional or increased property tax levy rollbacks will be required in future years to offset this liability.

The following table presents the cumulative liability resulting from the insufficient sales tax reductions.

For Sales Tax Reduction	Year Ended December 31,			
	2012	2011	2010	2009
Required property tax revenue reduction	\$ 508,948	488,166	466,205	462,100
Actual property tax revenue reduction	455,263	449,886	433,390	442,553
Amount not sufficiently reduced	53,685	38,280	32,815	19,547
Prior years insufficient reduction	130,592	92,312	59,497	39,950
Total insufficient property tax revenue reduction	\$ 184,277	130,592	92,312	59,497

Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected. Crawford County voters enacted a one-half cent sales tax with a provision to reduce property taxes by 50 percent of sales taxes collected. The county is required to estimate the annual property tax levy to meet a 50 percent reduction requirement and in the following year calculate any excess property taxes collected based upon actual sales tax collections. The county is required to certify to the State Auditor's office the annual property tax levy including the amount the levy is required to be reduced for sales tax collections.

#### Recommendation

The County Commission and County Clerk adequately reduce property tax levies for 50 percent of sales tax revenue and develop a plan to correct for the accumulation of prior years' insufficient property tax levy reductions.

#### Auditee's Response

*The County Commission and the County Clerk provided the following response:*

*We plan to roll back an additional \$30,713 each year over 6 years. We will ensure correct assessed valuations are used in future sales tax rollback calculations.*



## **2. Property Tax System Controls and Procedures**

Controls and procedures over the property tax system need improvement. As a result of the significant control weaknesses, there is less assurance property tax monies are accounted for properly.

The county implemented a new property tax system during the tax year ended February 28, 2013, and county officials indicated various problems occurred related to the implementation of the new tax system. Concerns were noted related to system access, additions and abatements, the County Clerk's account book, and annual settlement review. The County Collector's office processed property taxes totaling approximately \$13.7 million for the year ended February 28, 2013.

### **2.1 Tax System Access**

Access to the property tax system was not adequately restricted. The County Collector and her staff have access to enter additions and abatements into the system, as well as to void receipt transactions after they are completed. The property tax system does not provide a report of transactions deleted and no documentation was maintained for voided transactions. As a result, there is an increased risk of unsupported or unauthorized changes made to the property tax system after property taxes are approved for the year. Because the County Collector and her staff are responsible for collecting tax monies, good internal controls require they not have system access rights to be able to alter or delete tax rates, assessed values, and property tax billings.

To prevent unauthorized changes to the property tax records, access should be limited based on user needs. If transactions need to be voided, documentation should be retained to support the voided transactions. Unrestricted access can result in the deletion or alteration of data files and programs.

### **2.2 Addition and Abatement Review**

The County Commission does not review additions and abatements in a timely manner. The County Assessor typically enters the information for additions and abatements into the property tax system and provides documentation to the County Collector's office. A court order is prepared and printed at the time the changes are entered. However, the County Collector's office can enter or modify the addition or abatement in the property tax system if an error was made in the Assessor's office. Although county officials indicated changes made to the property tax system are reviewed by the County Commission monthly, court orders for additions and abatements made in November 2012 had not been reviewed and approved by the County Commission and County Clerk as of February 2013. Additionally, a comparison of the initial addition and abatement information prepared by the County Assessor and the actual changes made in the property tax system by the County Assessor and the County Collector and her staff is not performed.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the



## Crawford County Management Advisory Report - State Auditor's Findings

County Commission. If it is not feasible for the County Clerk to make corrections to the tax books, an independent reconciliation of approved additions and abatements to actual corrections made to the property tax system would help ensure changes are proper.

### 2.3 Account book and annual settlement

As noted in our prior report, the County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes. In addition, the County Clerk and the County Commission do not perform procedures to verify the accuracy of the County Collector's annual settlements. As a result, errors and irregularities on the annual settlement could go undetected.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records which summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector each year are accounted for properly and could also be used by the County Clerk and County Commission to verify the County Collector's annual settlements.

## Recommendations

- 2.1 The County Commission and the County Clerk monitor property tax system activities and ensure property tax system access is restricted to only allow officials to access functions necessary for their duties. In addition, the County Collector should maintain documentation of all voided transactions.
- 2.2 The County Commission and the County Clerk review tax system changes, such as additions and abatements, in a timely manner to ensure changes made to the property tax system were legitimate.
- 2.3 The County Clerk maintain a complete and accurate account book with the County Collector. In addition, the County Commission and the County Clerk should use the account book to review the accuracy and completeness of the County Collector's annual settlements.

## Auditee's Response

*The County Commission, County Clerk, County Assessor, and County Collector provided the following responses:*

- 2.1 *Most additions and abatements are entered by the County Assessor's office. We are trying to resolve the problems between the County Assessor's computer system and the County Collector's computer system. Once this is done, the County Collector's office*



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Crawford County  
Management Advisory Report - State Auditor's Findings

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*will no longer need access to enter additions and abatements and this access will be removed.*

*The County Collector is keeping a copy of all voided receipts and documenting the reason for the void.*

2.2 *The County Commission will review additions and abatements the first and third Tuesday of each month. The County Clerk will compare the County Assessor's monthly report to the County Collector's monthly report.*

2.3 *The County Clerk will develop an account book with the County Collector beginning August 1 and will compare it to the annual settlement.*

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### **3. Senate Bill 40 Board**

Some disbursements made by the Senate Bill 40 Board (SB40) do not appear consistent with statutory provisions authorizing the property tax levy. In addition, procedures for reviewing disbursements are not sufficient, problems were noted with some closed meetings, and there is no documentation to support rental rates assessed to private businesses leasing building space from the Board.

During 2009, the Board transitioned from operating a workshop to operating a day activity center for the developmentally disabled. Disbursements for the year ended December 31, 2012, totaled approximately \$225,000.

#### **3.1 Questionable disbursements**

Some disbursements made by the SB40 do not appear consistent with statutory provisions authorizing the property tax levy.

Prior to 2010, the Board operated a workshop and provided vocational opportunities to developmentally disabled individuals who were paid for their work. Currently, the Board operates a day activity center where developmentally disabled individuals participate in various social activities. A cooking class is held once a week and participants go on field trips periodically. Participants are paid a daily rate for each day they attend the day activity center. Disbursements made by the Board also included a prom for developmentally disabled participants, meals at various restaurants, cable television, and gifts for participants. In addition, the Board paid for employee meals during the various field trips, provided employees with holiday gifts, and paid for food during Board meetings.

According to Section 205.968, RSMo, SB40 funds are to be used to "establish and/or operate a sheltered workshop as defined in section 178.900, residence facilities, or related services, for the care or employment, or both, of persons with a disability." In *Vocational Services, Inc. v. The Developmental Disabilities Resource Board*, 5 S.W.3d 625 (Mo. App.



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## Crawford County Management Advisory Report - State Auditor's Findings

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1999), the court concluded the Board could fund programs which provide a controlled work environment or a program designed toward enabling a handicapped person to progress toward normal living or to develop his or her capacity, performance or relationships with other persons, or which provide services related to a place of residence or social centers for eligible persons.

Both the County Commission and certain SB40 Board members expressed concerns to us regarding the shift in services provided and overall function of the Board and whether it is consistent with statutory provisions and ballot language which originally authorized the SB40 tax levy. In addition to statutory provisions, case law must also be considered when evaluating the propriety of Board provided services and disbursements. We cannot conclude as to the propriety or impropriety of the Board's function, but reviewed and evaluated some disbursements. Some disbursements appear questionable or unnecessary including providing holiday gifts to employees, paying for employee meals during field trips, and paying for food during Board meetings.

The Board should reevaluate its purpose and the activities it provides and ensure disbursements are in accordance with statutory provisions and case law.

### 3.2 Documentation review

The Board employs an operations manager to handle financial activities, but does not review her work adequately. Each pay period, the operations manager processes payroll for all employees, including herself, however, a payroll register is not printed. As a result, the Board does not review a payroll register and does not approve payroll disbursements each pay period. In addition, the Board does not review the monthly bank reconciliations prepared by the Certified Public Accounting (CPA) firm hired by the Board. The Board reviews a financial report provided by the operations manager, but does not follow up to ensure the amounts reported to the Board are accurate as compared to the accounting records. Also, the Board does not review vehicle mileage logs or supporting documentation for use of gas cards.

A former executive director terminated employment with the Board in October 2011. The former director later plead guilty to two counts of forgery and received 5 years of supervised probation in January 2013. She was ordered to pay \$2,500 to the Board and \$15,440 to the Board's bonding company. Proper controls and review procedures are necessary to minimize the likelihood of a similar situation occurring and reduce the risk of loss, theft, or misuse of Board assets. Despite the serious problems experienced with the former executive director, the Board has not implemented sufficient controls and procedures.



## Crawford County Management Advisory Report - State Auditor's Findings

Board review of payroll records is necessary to ensure employees are paid at the approved rates. In addition, periodic reviews of monthly bank reconciliations and comparison of monthly financial reports to supporting records is necessary to ensure accuracy and validity of the information. Further, review of mileage logs and related fuel use records is necessary to monitor vehicle and fuel use.

### 3.3 Closed meetings

Procedures related to closed meetings were not always in compliance with the Sunshine Law. The Board held 11 closed meetings during the year ended December 31, 2012, and some topics discussed in closed meetings were not allowable. For example, the Board closed meetings to hire contractors, review bids, and discuss paid holidays.

The Sunshine Law, Chapter 610, RSMo, states the specific reasons governmental bodies are allowed to close a public meeting. Issues not specifically allowed by the Sunshine Law should not be discussed in closed sessions.

### 3.4 Building leases

The SB40 Board is renting space in its building to multiple private businesses; but has no documentation showing how the rental rates were determined and to ensure the rates are comparable to the market value rate. Monthly rent charged for various spaces is currently between \$125 and \$300, or approximately \$1 per month per square foot of retail space.

To demonstrate compliance with Article III, Section 38(a), Missouri Constitution, which prohibits a governmental body from granting public money or property or lending public credit, the Board should ensure the rental rates charged to private businesses approximate the market value rate of commercial property in the area and periodically reevaluate the rates.

## Recommendations

The Senate Bill 40 Board:

- 3.1     Reevaluate its purpose and the activities it provides and ensure all funds are expended in accordance with statutory provisions and case law.
- 3.2     Require the operations manager to prepare a payroll register each pay period. The Board should review the register for approved employee salaries. In addition, the Board should review the monthly bank reconciliations and compare the amounts to the monthly financial reports to ensure accuracy. Further, the Board should review mileage logs on a periodic basis and document all reviews performed by the Board.
- 3.3     Ensure only allowable topics are discussed in closed meetings.



Crawford County  
Management Advisory Report - State Auditor's Findings

- 3.4 Perform a study to determine the market rate for commercial property to ensure the Board is not subsidizing private businesses and periodically reevaluate the rates charged.

## Auditee's Response

*The Senate Bill 40 Board provided the following responses:*

- 3.1 *We understand that taxpayer money should not be used in a frivolous manner. We are in the process of converting from a day activity center to a workshop that is certified by the Department of Labor. Participants will be paid as determined by the time studies and the Department of Labor. We have established a separate fund to use for donations and proceeds from fundraisers. This account will be used for field trips, dances, etc.*
- 3.2 *This has been implemented. A payroll summary is prepared each pay period and reviewed by two board members and documented with signatures. When the bank reconciliations are received from the CPA firm, at least one board member reviews and signs off on it. The Board also signs off on monthly vehicle logs.*
- 3.3 *In the future, closed sessions will be held only as necessary and in compliance with the Sunshine Law.*
- 3.4 *We have hired a property manager to rent four additional spaces and to attempt to determine the market value of these spaces.*

## 4. Sheriff's Procedures

As noted in our prior report, the Sheriff's office accounting procedures do not provide assurance that monies collected are deposited intact in a timely manner and open items listings are not prepared to account for the balance in the Sheriff's commissary account. In addition, controls over seized property are not adequate. The Sheriff's office collected approximately \$73,000 for civil service fees for the year ended December 31, 2012. The Sheriff's office also collects monies for conceal carry permits, incident reports, bonds, inmate monies, commissions, inmate housing, inmate transportation, trustee sales, and trailer inspections. However, the amount of collections could not be readily determined.

### 4.1 Depositing civil service fees

Procedures for depositing monies collected for civil service fees are not sufficient. Monies deposited are not reconciled to receipts recorded in the computer system. We noted a \$30 receipt dated December 19, 2012, was not deposited until December 31, 2012, even though deposits were made on December 20 and December 21, 2012. In addition, deposits of civil service fees are not made timely. For example, fees totaling \$1,917 were received and recorded into the computer system between November 16, 2012, and November 21, 2012, but were not deposited until November 28, 2012.



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Crawford County  
Management Advisory Report - State Auditor's Findings

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To reduce the risk of loss, theft, or misuse of monies received going undetected, procedures should be established to ensure receipts recorded in the computer system are reconciled to deposits and all monies received are deposited intact and timely.

## 4.2 Liabilities

A monthly list of liabilities is not prepared and reconciled to the cash balance for the Sheriff's commissary account. The reconciled bank balance should agree to the total of the individual inmate balances; however, such a reconciliation is not prepared. As a result, the Sheriff's office was unaware of discrepancies.

The November 30, 2012, reconciled bank balance of \$2,810 exceeded a listing of inmate account balances by \$1,306. The Sheriff's office was unable to determine to whom the excess funds were owed.

To ensure records are in balance, identify errors timely, and ensure sufficient cash is available for payment of amounts due, liabilities should be identified monthly and reconciled to cash balances. Prompt follow up on discrepancies is necessary to resolve errors and ensure monies are properly disbursed. Various statutory provisions address the disposal of unidentified monies.

## 4.3 Seized property

Controls and records for seized property are not sufficient. The Sheriff's office records seized property in the computer system for each case; however, a summary control log documenting all seized property is not maintained. In addition, evidence discussed in case reports is not clearly documented to show which items were seized as evidence. Further, the Sheriff's office has not conducted a physical inventory of all seized property.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of theft or misuse of the items. Complete and accurate inventory control records should be maintained and periodic physical inventories should be performed and the results compared to inventory records to ensure seized property is accounted for properly.

## Similar conditions previously reported

Similar conditions to sections 4.1 and 4.2 were noted in our prior audit report.

## Recommendations

The Sheriff:

- 4.1 Reconcile receipts to deposits to ensure receipts are deposited intact and in a timely manner.





Crawford County  
Management Advisory Report - State Auditor's Findings

- 4.2 Ensure a list of liabilities is prepared monthly and compared to the available cash balance. Differences should be promptly investigated. After sufficient efforts are made to resolve discrepancies, any remaining unidentified monies should be disposed of in accordance with state law.
- 4.3 Ensure a seized property inventory control log is maintained and a periodic physical inventory is conducted and reconciled to the log. In addition, the Sheriff should ensure case reports clearly indicate which items have been retained as evidence.

## Auditee's Response

*The Sheriff provided the following responses:*

- 4.1 *We now print a daily report of civil process fees to ensure all monies are deposited intact daily.*
- 4.2 *We are attempting to implement this recommendation.*
- 4.3 *We have worked with our software provider to develop a method of logging seized property and printing an inventory control log. Now that we have a log, we will perform periodic physical inventories. We will try to ensure case reports more clearly indicate what property was seized into evidence.*

## 5. Prosecuting Attorney's Procedures

Prior audit reports have addressed the inadequacy of the Prosecuting Attorney's office procedures and weaknesses still exist. The Prosecuting Attorney's office does not transmit bad check collections to merchants in a timely manner. In addition, a listing of open items is not prepared for the office bank account. The Prosecuting Attorney's office collected approximately \$12,000 in bad check fees for the year ended December 31, 2012. The amount of bad check restitution collected for merchants could not be readily determined.

### 5.1 Bad check restitution

Bad check restitution payments are not transmitted to merchants in a timely manner. Restitution is generally paid by money orders which are not deposited, and instead are held by the Prosecuting Attorney's office until the payments are forwarded to the merchants. Personnel in the Prosecuting Attorney's office indicated they distribute bad check restitution payments twice a month. However, our review of the office's transmittal log identified 5 months during 2012 where bad check restitution payments were only distributed once during the month. Also, we reviewed six bad check files and noted a payment received on November 16, 2012, was not transmitted to the merchant until December 10, 2012.



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Crawford County  
Management Advisory Report - State Auditor's Findings

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To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, bad check restitution payments should be distributed on a timely basis.

## 5.2 Liabilities

A monthly list of liabilities is not prepared and reconciled to the cash balance for the Prosecuting Attorney's account. As a result, the Prosecuting Attorney's office was unaware of discrepancies and cannot ensure sufficient funds are available to meet liabilities.

The reconciled bank balance of \$2,645 at January 31, 2013, exceeded identified liabilities by \$1,545. The Prosecuting Attorney's office has been unable to determine to whom the excess funds are owed.

To ensure records are in balance, identify errors timely, and ensure sufficient cash is available for payment of amounts due, liabilities should be identified monthly and reconciled to cash balances. Prompt follow up on discrepancies is necessary to resolve errors and ensure monies are properly disbursed. Various statutory provisions address the disposal of unidentified monies.

## Similar conditions previously reported

Similar conditions were noted in our prior audit reports.

## Recommendations

The Prosecuting Attorney:

- 5.1 Ensure all monies collected are distributed in a timely manner.
- 5.2 Ensure a list of liabilities is prepared monthly and compared to the available cash balance. Differences should be promptly investigated. After sufficient efforts are made to resolve discrepancies, any remaining unidentified monies should be disposed of in accordance with state law.

## Auditee's Response

*The Prosecuting Attorney provided the following response:*

*My office is short on staff. I cannot implement these recommendations with the people I have.*

## Auditor's Comment

While it is the Prosecuting Attorney's decision whether to implement recommendations or not, the failure to implement recommended procedures increases the risk that the theft, loss, or misuse of monies will go undetected. The limited number of staff does not negate the need for proper controls and procedures.



Crawford County  
Management Advisory Report - State Auditor's Findings

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## 6. County Procedures

Procedures related to leave and compensatory time, closed session minutes, and computer passwords are in need of improvement.

### 6.1 Leave and compensatory time

County employees are allowed to accrue annual leave in excess of county policy and are also allowed to accumulate negative compensatory time leave balances. Further, the Sheriff's office does not calculate compensatory time accrued in accordance with the county policy.

As noted in our prior report, the county did not properly limit the amount of annual leave carried forward by employees from one year to the next. County policy allows 80 hours of annual leave to be carried forward as of each employee's anniversary date. We reviewed leave records for 11 employees and noted the leave balance carried forward for 4 of the 11 employees was in excess of the county policy.

In addition, employees are allowed to have negative compensatory time balances. During our review of payroll records, we noted four employees had negative compensatory time balances during 2012. One of these employees had a negative compensatory leave balance of 60 hours. In addition, one employee had sufficient annual leave that could have been used instead of allowing a negative compensatory time balance. Negative balances are not allowed per the county policy.

Further, county policy regarding Sheriff's department compensatory time provides for time and one half for hours worked beyond 171 hours in a 28 day period, as allowed by the Fair Labor Standards Act of 1938. However, the Sheriff's office also calculates compensatory time as straight time for hours above 160 in a 28 day period until the employee reaches 171 hours and this straight time is not addressed in the county policy. After 171 hours, the employee accrues compensatory time at time and one half in accordance with the policy.

To ensure employees are treated equitably and are properly compensated, strict compliance with the personnel policy is necessary to ensure the carryover of annual leave and the accrual of compensatory time is proper and allowable.

### 6.2 Closed meetings

Minutes were not maintained for closed meetings held during the year ended December 31, 2012. The county held 17 closed meetings during 2012, and did not maintain minutes for any of these meetings.

The Sunshine Law, Chapter 610, RSMo, requires governmental bodies to prepare and maintain minutes of closed meetings.

### 6.3 Computer passwords

Passwords are not required to be periodically changed in county offices. Changing passwords periodically limits access to data files and programs to only those individuals who need access for completion of job



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Crawford County  
Management Advisory Report - State Auditor's Findings

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responsibilities, and reduces the possibility of unauthorized access to county computers and data.

Controls over computer systems are not sufficient to prevent unauthorized access. As a result, county records are unprotected and susceptible to damage or theft.

## Recommendations

- 6.1 The County Clerk and County Commission ensure annual leave carried forward from year to year and compensatory time accrued is calculated in accordance with the county personnel policy. In addition, negative compensatory time balances should not be allowed.
- 6.2 The County Commission ensure minutes are prepared and comply with state law regarding closed meetings.
- 6.3 The County Commission work with county officials to require passwords which are confidential and periodically changed to prevent unauthorized access to the county's computers and data.

## Auditee's Response

*The County Commission and County Clerk provided the following responses:*

- 6.1 *The payroll clerk does bi-monthly reviews of compensatory time and reports monthly to the County Commission. Negative balances will be detected in these reviews and will not be allowed. The County Commission will work with all departments to ensure scheduled time and leave accrual is consistent with county policy. Carryover balances of annual leave will be limited to 80 hours in accordance with county policy.*
- 6.2 *Once this was pointed out to us, the County Clerk immediately implemented this recommendation.*
- 6.3 *This is being phased in as we complete the virtualization of our network.*

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# Crawford County

## Organization and Statistical Information

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Crawford County is a county-organized, third-class county. The county seat is Steelville.

Crawford County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 96 full-time employees and 13 part-time employees on December 31, 2012.

In addition, county operations include the Senate Bill 40 Board and the Senior Services Board.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2013	2012
Leo Sanders, Presiding Commissioner	\$	30,380
Richard Martin, Associate Commissioner		28,380
John Hewkin, Associate Commissioner		28,380
Kimberly A. Cook, Recorder of Deeds		43,000
Mardy Leathers, County Clerk		43,000
William Camm Seay, Prosecuting Attorney		113,112
Randy Martin, Sheriff		48,000
Jim Huddleston, County Treasurer (1)		38,617
Jennifer Farr, County Treasurer (1)		3,025
Jessica Easler, County Treasurer (1)		1,792
Paul Hutson, County Coroner		15,000
Franky Todd, Public Administrator		43,000
Pat Schwent, County Collector, year ended February 28,	43,000	
Kerry Summers Sr., County Assessor , year ended August 31,		43,000

(1) Jessica Easler resigned in January 2012. Jennifer Farr was appointed by the County Commission and served for 3 weeks. Jim Huddleston was appointed by the Governor in February and served the rest of 2012.

### Financing Arrangements

In 2011, the county refinanced the Leasehold Revenue Bonds, dated 2001 and 2002, related to the County Jail constructed in 2002. The county



## Crawford County Organization and Statistical Information

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refinanced the bonds for the same term as the prior bonds and in the amount which was currently owed. The bonds were refinanced in an effort to reduce the amount of interest paid on the bond issue. At December 31, 2012, the principal amount owed on the bonds was \$2,785,000 with expected interest payments of \$529,261 over the life of the bonds. These bonds will be retired in 2021.



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Bollinger County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Bollinger County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the year ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Nichols, Stopp & VanHoy, LLC, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich", is positioned above the printed name.

Thomas A. Schweich  
State Auditor

August 2013  
Report No. 2013-069

**Bollinger County, Missouri**

**Independent Auditor's Report and Financial Statements**

**For the year ended December 31, 2012**





**Bollinger County, Missouri**  
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## INDEPENDENT AUDITOR'S REPORT



**Nichols  
Stopp &  
VanHoy LLC**

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Accountants**

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To the County Commission and  
Officeholders of Bollinger County, Missouri

We have audited the accompanying financial statements of Bollinger County, Missouri, as of and for the year ended December 31, 2012, which collectively comprise the County's basic financial statements and the related notes to the financial statements as identified in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1, the financial statements are prepared by Bollinger County, Missouri, using accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**Adverse Opinion on U.S. Generally Accepted Accounting Principles**

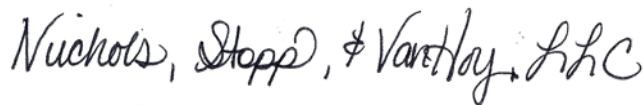
In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Bollinger County, Missouri, as of December 31, 2012, or the changes in its financial position for the year then ended.

**Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Bollinger County, Missouri, as of December 31, 2012, and their respective cash receipts and disbursements, and budgetary results of these funds for the year then ended, on the basis of accounting described in Note 1.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2013, on our consideration of Bollinger County, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bollinger County, Missouri’s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Nichols, Stopp, & VanHoy, LLC". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri  
June 21, 2013

**Bollinger County, Missouri**  
**Statement of Receipts, Disbursements, and Changes in Cash**  
**All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

<u>Fund</u>	Cash and Equivalents January 1, 2012	Receipts 2012	Disbursements 2012	Cash and Equivalents December 31, 2012
General Revenue Fund	\$ 137,748	\$ 1,611,408	\$ 1,639,148	\$ 110,008
Road and Bridge Fund	257,387	1,215,257	1,264,126	208,518
Assessment Fund	5,489	185,797	181,725	9,561
Bad Check Fund	11,191	11,833	11,390	11,634
Law Enforcement Training Fund	433	1,192	1,494	131
Prosecuting Attorney Training Fund	107	177	100	184
Recorder User Fee Fund	8,060	4,684	4,811	7,933
Sheriff Civil Fund	164	9,307	9,421	50
Sheriff Restitution Fund	6,705	3,794	8,118	2,381
Deputy Sheriff Fund	-	5,368	5,368	-
Sheriff Concealed Carry Weapon (CCW) Fund	12,666	8,790	18,389	3,067
Election Services Fund	1,472	1,798	658	2,612
Prosecuting Attorney (PA) Delinquent Tax Fund	1,155	-	-	1,155
Recorder Technology Fund	1,116	2,982	-	4,098
Domestic Relations Fund	-	1,460	1,460	-
Collector's Tax Maintenance Fund	19,582	15,055	14,864	19,773
Archive Fund	5,920	665	167	6,418
Inmate Security Fund	3,905	949	-	4,854
Senior Citizens Service Board Fund	-	77,978	77,978	-
Senate Bill 40 Board Fund	120,559	118,896	84,332	155,123
Total	<u>\$ 593,659</u>	<u>\$ 3,277,390</u>	<u>\$ 3,323,549</u>	<u>\$ 547,500</u>

See Notes to Financial Statements

**Bollinger County, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	General Revenue Fund	
	2012	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ 252,000	\$ 260,700
Sales Taxes	910,000	935,754
Intergovernmental	138,000	128,059
Charges for Services	166,000	174,439
Interest	20	12
Other	54,180	60,130
Transfers In	52,314	52,314
Total Receipts	<u>\$ 1,572,514</u>	<u>\$ 1,611,408</u>
<u>Disbursements</u>		
County Commission	\$ 80,140	\$ 78,970
County Clerk	70,470	70,059
Elections	91,905	83,490
Buildings and Grounds	109,320	126,249
Employee Fringe Benefits	96,267	98,722
Treasurer	43,200	43,109
Collector	89,200	87,727
Recorder of Deeds	73,670	73,541
Circuit Clerk	23,200	14,488
Court Administration	14,800	7,195
Public Administrator	28,710	28,620
Sheriff	457,948	418,945
Jail	167,767	158,939
Prosecuting Attorney	112,530	111,923
Juvenile Officer	36,000	41,376
Coroner	27,700	23,585
Other	106,120	112,210
Transfers Out	60,000	60,000
Emergency Fund	20,000	-
Total Disbursements	<u>\$ 1,708,947</u>	<u>\$ 1,639,148</u>
Receipts Over (Under) Disbursements	\$ (136,433)	\$ (27,740)
Cash, January 1	<u>137,748</u>	<u>137,748</u>
Cash, December 31	<u>\$ 1,315</u>	<u>\$ 110,008</u>

See Notes to Financial Statements

**Bollinger County, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	Road and Bridge Fund	
	2012	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ 271,500	\$ 293,402
Sales Taxes	-	-
Intergovernmental	517,000	530,238
Charges for Services	-	-
Interest	16	4
Other	257,775	391,613
Transfers In	-	-
Total Receipts	<u>\$ 1,046,291</u>	<u>\$ 1,215,257</u>
<u>Disbursements</u>		
Salaries	\$ 411,320	\$ 410,500
Employee Fringe Benefits	85,974	87,332
Supplies	221,000	217,337
Insurance	22,000	13,731
Road & Bridge Materials	45,000	65,812
Equipment Repairs	80,000	96,347
Rentals	-	-
Equipment Purchases	145,000	150,334
R & B Construction	140,000	141,058
Other Expenditures	27,715	29,361
Debt Service	50,000	-
Transfers Out	52,314	52,314
Total Disbursements	<u>\$ 1,280,323</u>	<u>\$ 1,264,126</u>
Receipts Over (Under) Disbursements	\$ (234,032)	\$ (48,869)
Cash, January 1	<u>257,387</u>	<u>257,387</u>
Cash, December 31	<u><u>\$ 23,355</u></u>	<u><u>\$ 208,518</u></u>

See Notes to Financial Statements

**Bollinger County, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	Assessment Fund		Bad Check Fund	
	2012		2012	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	127,135	120,212	-	-
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other	3,000	5,585	8,200	11,833
Transfers In	60,000	60,000	-	-
Total Receipts	<u>\$ 190,135</u>	<u>\$ 185,797</u>	<u>\$ 8,200</u>	<u>\$ 11,833</u>
<u>Disbursements</u>				
Salaries	\$ 122,032	\$ 122,460	\$ -	\$ -
Employee Fringe Benefits	14,200	15,430	-	-
Materials and Supplies	11,700	7,811	-	-
Services and Other	16,150	13,939	11,000	11,390
Capital Outlay	26,050	22,085	-	-
Construction	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 190,132</u>	<u>\$ 181,725</u>	<u>\$ 11,000</u>	<u>\$ 11,390</u>
Receipts Over (Under) Disbursements	\$ 3	\$ 4,072	\$ (2,800)	\$ 443
Cash, January 1	<u>5,489</u>	<u>5,489</u>	<u>11,191</u>	<u>11,191</u>
Cash, December 31	<u><u>\$ 5,492</u></u>	<u><u>\$ 9,561</u></u>	<u><u>\$ 8,391</u></u>	<u><u>\$ 11,634</u></u>

See Notes to Financial Statements

**Bollinger County, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	Law Enforcement Training Fund		Prosecuting Attorney Training Fund	
	2012		2012	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	1,381	1,192	170	177
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 1,381</u>	<u>\$ 1,192</u>	<u>\$ 170</u>	<u>\$ 177</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	1,400	1,494	276	100
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 1,400</u>	<u>\$ 1,494</u>	<u>\$ 276</u>	<u>\$ 100</u>
Receipts Over (Under) Disbursements	\$ (19)	\$ (302)	\$ (106)	\$ 77
Cash, January 1	<u>433</u>	<u>433</u>	<u>107</u>	<u>107</u>
Cash, December 31	<u><u>\$ 414</u></u>	<u><u>\$ 131</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 184</u></u>

See Notes to Financial Statements



**Bollinger County, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	Recorder User Fee Fund		Sheriff Civil Fund	
	2012		2012	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	4,500	4,684	-	-
Charges for Services	-	-	12,000	9,307
Interest	-	-	-	-
Other	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 4,500</u>	<u>\$ 4,684</u>	<u>\$ 12,000</u>	<u>\$ 9,307</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	12,560	4,811	12,000	9,421
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 12,560</u>	<u>\$ 4,811</u>	<u>\$ 12,000</u>	<u>\$ 9,421</u>
Receipts Over (Under) Disbursements	\$ (8,060)	\$ (127)	\$ -	\$ (114)
Cash, January 1	<u>8,060</u>	<u>8,060</u>	<u>164</u>	<u>164</u>
Cash, December 31	<u>\$ -</u>	<u>\$ 7,933</u>	<u>\$ 164</u>	<u>\$ 50</u>

See Notes to Financial Statements

**Bollinger County, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	Sheriff Restitution Fund		Deputy Sheriff Fund	
	2012		2012	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	4,000	3,794	-	-
Interest	-	-	-	-
Other	-	-	5,000	5,368
Transfers In	-	-	-	-
Total Receipts	<u>\$ 4,000</u>	<u>\$ 3,794</u>	<u>\$ 5,000</u>	<u>\$ 5,368</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	8,000	8,118	5,000	5,368
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 8,000</u>	<u>\$ 8,118</u>	<u>\$ 5,000</u>	<u>\$ 5,368</u>
Receipts Over (Under) Disbursements	\$ (4,000)	\$ (4,324)	\$ -	\$ -
Cash, January 1	<u>6,705</u>	<u>6,705</u>	<u>-</u>	<u>-</u>
Cash, December 31	<u><u>\$ 2,705</u></u>	<u><u>\$ 2,381</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Notes to Financial Statements

**Bollinger County, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	Sheriff CCW Fund		Election Services Fund	
	2012		2012	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	2,472	1,798
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other	4,700	8,790	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 4,700</u>	<u>\$ 8,790</u>	<u>\$ 2,472</u>	<u>\$ 1,798</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	3,000	18,389	3,942	658
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 3,000</u>	<u>\$ 18,389</u>	<u>\$ 3,942</u>	<u>\$ 658</u>
Receipts Over (Under) Disbursements	\$ 1,700	\$ (9,599)	\$ (1,470)	\$ 1,140
Cash, January 1	<u>12,666</u>	<u>12,666</u>	<u>1,472</u>	<u>1,472</u>
Cash, December 31	<u><u>\$ 14,366</u></u>	<u><u>\$ 3,067</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ 2,612</u></u>

See Notes to Financial Statements

**Bollinger County, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	PA Delinquent Tax Fund		Recorder Technology Fund	
	2012		2012	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	100	-	2,500	2,982
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 2,982</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	1,255	-	3,616	-
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 1,255</u>	<u>\$ -</u>	<u>\$ 3,616</u>	<u>\$ -</u>
Receipts Over (Under) Disbursements	\$ (1,155)	\$ -	\$ (1,116)	\$ 2,982
Cash, January 1	<u>1,155</u>	<u>1,155</u>	<u>1,116</u>	<u>1,116</u>
Cash, December 31	<u><u>\$ -</u></u>	<u><u>\$ 1,155</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,098</u></u>

See Notes to Financial Statements

**Bollinger County, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	Domestic Relations Fund		Collector's Tax Maintenance Fund	
	2012		2012	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	1,750	1,460	14,000	15,055
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 1,750</u>	<u>\$ 1,460</u>	<u>\$ 14,000</u>	<u>\$ 15,055</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	1,750	1,460	33,582	14,864
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 1,750</u>	<u>\$ 1,460</u>	<u>\$ 33,582</u>	<u>\$ 14,864</u>
Receipts Over (Under) Disbursements	\$ -	\$ -	\$ (19,582)	\$ 191
Cash, January 1	<u>-</u>	<u>-</u>	<u>19,582</u>	<u>19,582</u>
Cash, December 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 19,773</u></u>

See Notes to Financial Statements

**Bollinger County, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	Archive Fund		Inmate Security Fund	
	2012		2012	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	1,000	949
Charges for Services	700	665	-	-
Interest	-	-	-	-
Other	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 700</u>	<u>\$ 665</u>	<u>\$ 1,000</u>	<u>\$ 949</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	2,000	167	-	-
Capital Outlay	-	-	4,905	-
Construction	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 2,000</u>	<u>\$ 167</u>	<u>\$ 4,905</u>	<u>\$ -</u>
Receipts Over (Under) Disbursements	\$ (1,300)	\$ 498	\$ (3,905)	\$ 949
Cash, January 1	<u>5,920</u>	<u>5,920</u>	<u>3,905</u>	<u>3,905</u>
Cash, December 31	<u><u>\$ 4,620</u></u>	<u><u>\$ 6,418</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,854</u></u>

See Notes to Financial Statements

**Bollinger County, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	Senior Citizens Service Board Fund		Senate Bill 40 Board Fund	
	2012		2012	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ 109,000	\$ 116,915
Sales Taxes	80,000	77,978	-	-
Intergovernmental	-	-	5,301	1,602
Charges for Services	-	-	-	-
Interest	-	-	380	379
Other	-	-	900	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 80,000</u>	<u>\$ 77,978</u>	<u>\$ 115,581</u>	<u>\$ 118,896</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	80,000	77,978	165,581	84,332
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 80,000</u>	<u>\$ 77,978</u>	<u>\$ 165,581</u>	<u>\$ 84,332</u>
Receipts Over (Under) Disbursements	\$ -	\$ -	\$ (50,000)	\$ 34,564
Cash, January 1	<u>-</u>	<u>-</u>	<u>120,559</u>	<u>120,559</u>
Cash, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,559</u>	<u>\$ 155,123</u>

See Notes to Financial Statements

**Bollinger County, Missouri**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2012**

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**Note 1 - Summary of Significant Accounting Policies**

The County of Bollinger, Missouri (County) is governed by a three-member board of commissioners established in 1851. In addition to the three board members, there are ten elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Sheriff, Prosecuting Attorney, Assessor, Recorder of Deeds, Coroner, and Public Administrator.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Bollinger County, Missouri, Bollinger County Senior Citizens Service Board, and the Bollinger County Senate Bill 40 Board.

Bollinger County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Bollinger County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Bollinger County's legal entity. The Bollinger County Senior Citizens Service Board and Senate Bill 40 Board are controlled by separate boards and also included under the control of Bollinger County.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Bollinger County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the county's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.



**Bollinger County, Missouri**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2012**

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**Note 1 - Summary of Significant Accounting Policies (continued)**

Basis of Accounting (continued)

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If Bollinger County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Bollinger County adopts a budget for each governmental fund. Budgets are prepared and adopted on the cash basis of accounting.

On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

During our audit we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. In 2012, the Bad Check Fund, Law Enforcement Training Fund, Sheriff Restitution Fund, Deputy Sheriff Fund, and Sheriff's Concealed Carry Weapon Fund all had expenses exceeding their budget.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

**Bollinger County, Missouri**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2012**

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**Note 1 - Summary of Significant Accounting Policies (continued)**

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within Bollinger County's boundaries for the calendar year 2012 for the purposes of taxation was:

	<u>2012</u>
Real Estate	\$ 79,637,820
Personal Property	29,405,713
Railroad and Utilities	<u>9,369,940</u>
	<u><u>\$ 118,413,473</u></u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2012 for the purpose of County taxation, as follows:

	<u>2012</u>
General Revenue Fund	0.2200
Road and Bridge Fund	0.2537
Senate Bill 40 Board Fund	0.1000

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Bollinger County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

**Bollinger County, Missouri**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2012**

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**Note 1 - Summary of Significant Accounting Policies (continued)**

Interfund Transactions (continued)

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

**Note 2 - Deposits and Investments**

Bollinger County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents".

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2012, the carrying amount of Bollinger County's deposits was \$547,500, and the bank balance was \$627,813. As of December 31, 2012, 100% of Bollinger County's deposits were covered by the Federal Deposit Insurance Company (FDIC) or were collateralized.

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2012, as follows:

Deposits	\$ 547,500
Investments	-
Restricted Cash	-
Total Deposits & Investments as of December 31, 2012	<u><u>\$ 547,500</u></u>

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Bollinger County's investment policy does not include custodial credit risk requirements. Bollinger County's deposits were not exposed to custodial credit risk for the year ended December 31, 2012.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Bollinger County or its agent but not in the government's name. Bollinger County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of Bollinger County or of a type that are not exposed to custodial credit risk.

**Bollinger County, Missouri**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2012**

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**Note 2 - Deposits and Investments (continued)**

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Bollinger County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by Bollinger County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). Bollinger County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. Bollinger County's deposits were not exposed to concentration of investment credit risk for the year ended December 31, 2012.

**Note 3 - Long Term Debt**

Long term debt consists of two loans from U.S. Bank for the purchase of an excavator and a grader. The excavator was purchased January 14, 2010, for \$51,000 and is paid in three annual installment payments of \$17,783 beginning February 2010, with an interest rate of 4.22%. The grader was purchased October 12, 2010, for \$62,100 and is paid in five annual installment payments of \$13,473 beginning November 2010, with an interest rate of 3.99%.

Debt	Balance at 1/1/2012	Amount Borrowed	Amount Repaid	Balance at 12/31/2012	Interest Paid During Year
Excavator	\$ 17,050	\$ -	\$ 17,050	\$ -	\$ 733
Grader	37,344	-	11,956	25,388	1,518
Total	<u>\$ 54,394</u>	<u>\$ -</u>	<u>\$ 29,006</u>	<u>\$ 25,388</u>	<u>\$ 2,251</u>

2012 Amortizations  
US Bank - Grader

Year	Principal	Interest	Total
2013	\$ 12,442	1,031	\$ 13,473
2014	12,946	527	13,473
Total	<u>\$ 25,388</u>	<u>\$ 1,558</u>	<u>\$ 26,946</u>

**Bollinger County, Missouri**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2012**

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**Note 4 - Interfund Transfers**

Transfers between funds for the year ended December 31, 2012 are as follows:

<u>Fund</u>	2012	
	<u>Transfers In</u>	<u>Transfers Out</u>
General Revenue	\$ 52,314	\$ 60,000
Road & Bridge	-	52,314
Assessment	60,000	-
Total	<u>\$ 112,314</u>	<u>\$ 112,314</u>

**Note 5 - County Employees' Retirement Fund (CERF)**

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees. The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government.

It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Section 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Pension Benefits:

Beginning January 1, 1997, employees attaining the age of sixty-two may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar amount, targeted replacement ratio formula, and the prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active eligible member upon his or her death. Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed. Any member with less than eight years creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employee's Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO, 65101, or by calling 1-877-632-2373.

Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in CERF. For the years ended December 31, 2012, 2011, 2010, the County collected and remitted to CERF, employee contributions of \$60,968, \$53,054, and \$52,520, respectively.

**Bollinger County, Missouri**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2012**

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**Note 6 - Prosecuting Attorney Retirement Fund**

In accordance with state statute Chapter 56.807 RSMo, Bollinger County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. Bollinger County has contributed \$2,057, \$2,244, and \$2,244, respectively, for the years ended December 31, 2012, 2011 and 2010.

**Note 7 - Post-Employment Benefits**

Bollinger County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by Bollinger County.

**Note 8 - Claims, Commitments and Contingencies**

Litigation

Bollinger County is not involved in any pending litigations as of December 31, 2012.

Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused vacation and overtime, if applicable. Unused sick time is not reimbursed. These have not been subjected to auditing procedures.

**Note 9 - Risk Management**

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to meet its obligations; the risk pool is empowered with the ability to make specific assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Injured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

**Note 10 - Subsequent Events**

The County has evaluated events subsequent to December 31, 2012 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through June 21, 2013, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and  
Officeholders of Bollinger County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Bollinger County, Missouri, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Bollinger County, Missouri's basic financial statements and have issued our report thereon dated June 21, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Bollinger County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bollinger County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Bollinger County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies: 2012-01 through 2012-03.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Bollinger County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly,

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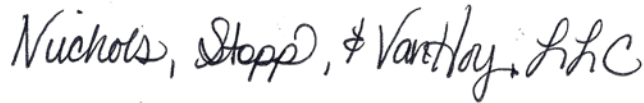
we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item: 2012-04.

**Bollinger County, Missouri's Response to Findings**

Bollinger County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Bollinger County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Nichols, Stopp, & VanHoy, LLC". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri  
June 21, 2013



**Bollinger County, Missouri**  
**Schedule of Findings and Responses**  
**For the year ended December 31, 2012**

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**Financial Statement Findings**

2012-01    **Condition:** During the current year, it was necessary for the auditors of the County to assist with the preparation of the external financial statements and the notes to financial statements.

**Effect:** Without the assistance of the auditors preparing the external financial statements, management may be unable to review and take responsibility of the financial statements and notes.

**Cause:** Due to increasing financial reporting requirements management of the County is unable to prepare the external financial statements and notes without the assistance of the auditors.

**Recommendation:** We recommend the County either provide training to current management, hire additional staff who possess the accounting skills needed to prepare and review the external financial statements, or contract with an outside accountant to prepare and review the external financial statements.

**Management's Response:** Management will take this under advisement.

2012-02    **Condition:** Documentation of the County's internal controls has not been prepared.

**Effect:** Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

**Cause:** Management has not prepared documentation of internal control.

**Recommendation:** We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

**Management's Response:** The County is in the process of developing internal control documentation.

2012-03    **Condition:** During our audit, we noted there is no formal fraud risk assessment in place.

**Effect:** Lack of an appropriate audit risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

**Cause:** Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

**Recommendation:** We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

**Management's Response:** The Commissioners will look into the development of a fraud risk assessment plan.

**Bollinger County, Missouri**  
**Schedule of Findings and Responses**  
**For the year ended December 31, 2012**

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**Financial Statement Findings (continued)**

2012-04    **Condition:** During our audit, we noted several funds with actual expenditures that exceeded the budgeted expenditures.

**Effect:** Missouri statutes requires Counties to prepare an annual budget and expenditures are not to exceed the budget. Due to exceeding budget in certain funds the County is in violation of Missouri Revised Statutes.

**Cause:** Oversight.

**Recommendation:** We recommend that the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

**Management's Response:** Budgets will be monitored more closely and amended as needed.

**Bollinger County, Missouri**  
**Follow-Up on Prior Audit Findings for an Audit of Financial**  
**Statements Performed in Accordance with *Government Auditing Standards***

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In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Bollinger County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2011.

**Prior Year Financial Statement Findings**

11/10-01 **Condition:** During the current year, it was necessary for the auditors of the County to assist with the preparation of the external financial statements and the notes to financial statements.

**Effect:** Without the assistance of the auditors preparing the external financial statements, management may be unable to review and take responsibility of the financial statements and notes.

**Cause:** Due to increasing financial reporting requirements management of the County is unable to prepare the external financial statements and notes without the assistance of the auditors.

**Recommendation:** We recommend the County either provide training to current management, hire additional staff who possess the accounting skills needed to prepare and review the external financial statements, or contract with an outside accountant to prepare and review the external financial statements.

**Management's Response:** Management will take this under advisement.

**Status:** Management has not implemented a corrective action plan; therefore, this finding is repeated in the current year at 2012-01.

11/10-02 **Condition:** Documentation of the County's internal controls has not been prepared.

**Effect:** Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

**Cause:** Management has not prepared documentation of internal control.

**Recommendation:** We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

**Management's Response:** The County is in the process of developing internal control documentation.

**Status:** Management has not implemented a corrective action plan; therefore, this finding is repeated in the current year at 2012-02.

11/10-03 **Condition:** During our audit, we noted there is no formal fraud risk assessment in place.

**Effect:** Lack of an appropriate audit risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

**Cause:** Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

**Bollinger County, Missouri**  
**Follow-Up on Prior Audit Findings for an Audit of Financial**  
**Statements Performed in Accordance with *Government Auditing Standards***

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**Prior Year Financial Statement Findings (continued)**

11/10-03 (cont.) **Recommendation:** We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

**Management's Response:** The Commissioners will look into the development of a fraud risk assessment plan.

**Status:** Management has not implemented a corrective action plan; therefore, this finding is repeated in the current year at 2012-03.

11/10-04 **Condition:** During our audit, we noted several funds with actual expenditures that exceeded the budgeted expenditures.

**Effect:** Missouri statutes requires Counties to prepare an annual budget and expenditures are not to exceed the budget. Due to exceeding budget in certain funds the County is in violation of Missouri Revised Statutes.

**Cause:** Oversight.

**Recommendation:** We recommend that the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

**Management's Response:** Budgets will be monitored more closely and amended as needed.

**Status:** Management has not implemented a corrective action plan; therefore, this finding is repeated in the current year at 2012-04.

**Prior Year Federal Award Findings and Questioned Cost**

11/10-05 **Condition:** The Schedule of Expenditures of Federal Awards (SEFA) contained errors.

**Criteria:** OMB Circular A-133 requires auditees to prepare an accurate SEFA containing awards expended, CFDA title and number, award number, name of the Federal agency, and name of the pass-through entity.

**Cause:** Management was unaware of the reporting requirements related to the Schedule of Expenditures of Federal Awards.

**Effect:** Federal expenditures reported on the SEFA were incorrect.

**Recommendation:** We recommend that management develop internal controls over reporting and consult with outside accountants when needed to ensure an accurate SEFA is prepared.

**Management's Response:** Federal funds have been reported correctly in the past. This was an oversight that will be corrected and controls over reporting federal awards will be developed.

**Status:** The County was not required by OMB Circular A-133 to prepare a SEFA for the current year; therefore, this finding is no longer valid.



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Livingston County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Livingston County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the year ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Nichols, Stopp & VanHoy, LLC, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich", is positioned above the printed name.

Thomas A. Schweich  
State Auditor

August 2013  
Report No. 2013-070

**The County of Livingston  
Chillicothe, Missouri  
Financial Statements, Independent Auditor's Reports and Supplementary Information  
For the year ended December 31, 2012**



**The County of Livingston  
Chillicothe, Missouri  
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## INDEPENDENT AUDITOR'S REPORT



**Nichols  
Stopp &  
VanHoy LLC**

**Certified Public  
Accountants**

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To the County Commission and  
Officeholders of Livingston County, Missouri

We have audited the accompanying financial statements of Livingston County, Missouri, as of and for the year ended December 31, 2012, which collectively comprise the County's basic financial statements and the related notes to the financial statements as identified in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1, the financial statements are prepared by Livingston County, Missouri, using accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.



**Adverse Opinion on U.S. Generally Accepted Accounting Principles**

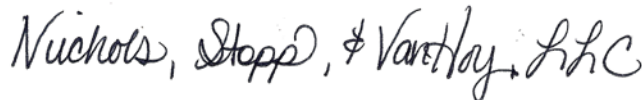
In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Livingston County, Missouri, as of December 31, 2012, or the changes in its financial position for the year then ended.

**Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Livingston County, Missouri, as of December 31, 2012, and their respective cash receipts and disbursements, and budgetary results of these funds for the year then ended, on the basis of accounting described in Note 1.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 5, 2013, on our consideration of Livingston County, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Livingston County, Missouri’s internal control over financial reporting and compliance.



Creve Coeur, Missouri  
July 5, 2013

**The County of Livingston**  
**Chillicothe, Missouri**  
**Statement of Receipts, Disbursements, and Changes in Cash**  
**All Governmental Funds: Regulatory Basis**  
**For the year ended December 30, 2012**

<u>Fund</u>	Cash and Equivalents January 1, 2012	Receipts 2012	Disbursements 2012	Cash and Equivalents December 31, 2012
General Revenue Fund	\$ 360,870	\$ 1,950,373	\$ 2,011,414	\$ 299,829
Road and Bridge Fund	62,627	681,065	574,020	169,672
Law Enforcement Sales Tax Fund	116,500	536,961	649,405	4,056
Use Tax Fund	172,287	202,276	179,442	195,121
Assessment Fund	7,177	218,130	217,504	7,803
Law Enforcement Training Fund	(568)	3,259	3,394	(703)
Prosecuting Attorney Check Fund	4,800	9,537	8,198	6,139
Special Election Fund	39,037	24,021	63,144	(86)
Prosecuting Attorney Training Fund	(181)	485	243	61
Child Abuse Fund	1,808	1,655	-	3,463
Recorder Special Fund	21,491	10,076	28,810	2,757
Local Emergency Planning Commission (LEPC) Fund	4,454	3,225	5,243	2,436
Planning and Zoning Fund	2	12,772	12,772	2
Enhanced 911 Fund	24,028	161,714	155,403	30,339
Election Services Fund	9,266	45,961	31,412	23,815
Victim Advocates Grant Fund	-	37,144	37,190	(46)
Grant Fund	2,309	94	2,403	-
Concealed Carry Weapon Permit Fund	2,348	2,102	550	3,900
Civil Fees Fund	1,424	24,758	29,560	(3,378)
Collector's Tax Maintenance Fund	31,172	19,805	16,827	34,150
Inmate Security Fund	1,899	3,098	1,250	3,747
Deputy Sheriff Salary Supplemental Fund	-	30,563	31,612	(1,049)
Senate Bill 40 Board Fund	347,821	397,135	440,435	304,521
Total	<u>\$ 1,210,571</u>	<u>\$ 4,376,209</u>	<u>\$ 4,500,231</u>	<u>\$ 1,086,549</u>

See Notes to the Financial Statements

**The County of Livingston**  
**Chillicothe, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	General Revenue Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ 16,000	\$ 23,288
Sales Taxes	957,683	969,067
Intergovernmental	523,621	455,567
Charges for Services	433,000	463,287
Interest	2,000	2,452
Other	26,000	36,712
Transfers In	-	-
Total Receipts	<u>\$ 1,958,304</u>	<u>\$ 1,950,373</u>
<u>Disbursements</u>		
County Commission	\$ 151,578	\$ 146,595
County Clerk	111,382	105,753
Elections	167,912	151,123
Building and Grounds	166,562	166,561
Employee Fringe Benefits	13,000	10,309
County Treasurer	132,315	127,143
Recorder of Deeds	110,525	103,200
Circuit Clerk	21,000	20,419
Court Administration	17,500	14,452
Public Administrator	86,077	79,313
Sheriff	397,504	354,185
Jail	346,933	312,998
Prosecuting Attorney	125,446	123,462
Juvenile Officer	117,400	83,695
Planning and Zoning	-	63
Health and Welfare	46,810	46,810
Other	147,900	137,561
Transfers Out	35,964	27,772
Emergency Fund	93,897	-
Total Disbursements	<u>\$ 2,289,705</u>	<u>\$ 2,011,414</u>
Receipts Over (Under) Disbursements	\$ (331,401)	\$ (61,041)
Cash, January 1	<u>360,870</u>	<u>360,870</u>
Cash, December 31	<u><u>\$ 29,469</u></u>	<u><u>\$ 299,829</u></u>

See Notes to the Financial Statements

**The County of Livingston**  
**Chillicothe, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	Road and Bridge Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ 78,000	\$ 81,833
Sales Taxes	-	-
Intergovernmental	1,435,457	596,819
Charges for Services	-	-
Interest	1,000	1,179
Other	1,500	1,234
Transfers In	-	-
Total Receipts	<u>\$ 1,515,957</u>	<u>\$ 681,065</u>
<u>Disbursements</u>		
Salaries	\$ 79,203	\$ 79,125
Employee Fringe Benefits	33,867	32,725
Supplies	29,750	25,143
Insurance	12,000	10,788
Road and Bridge Materials	94,500	61,975
Equipment Repairs	10,000	7,517
Rentals	2,500	1,256
Equipment Purchases	9,000	8,573
Road and Bridge Construction	1,300,000	345,538
Other Expenditures	7,700	1,380
Transfers Out	-	-
Total Disbursements	<u>\$ 1,578,520</u>	<u>\$ 574,020</u>
Receipts Over (Under) Disbursements	\$ (62,563)	\$ 107,045
Cash, January 1	<u>62,627</u>	<u>62,627</u>
Cash, December 31	<u><u>\$ 64</u></u>	<u><u>\$ 169,672</u></u>

See Notes to the Financial Statements

**The County of Livingston**  
**Chillicothe, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	Law Enforcement Sales Tax Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ -	\$ -
Sales Taxes	478,841	484,502
Intergovernmental	69,531	-
Charges for Services	-	-
Interest	400	287
Other	6,000	52,172
Transfers In	-	-
Total Receipts	<u>\$ 554,772</u>	<u>\$ 536,961</u>
 <u>Disbursements</u>		
Sheriff	\$ 488,631	\$ 500,146
Prosecuting Attorney	36,238	25,266
Coroner	35,736	31,712
Employee Fringe Benefits	30,978	31,659
Other	58,000	60,622
Transfers Out	-	-
Emergency Fund	-	-
Total Disbursements	<u>\$ 649,583</u>	<u>\$ 649,405</u>
 Receipts Over (Under) Disbursements	\$ (94,811)	\$ (112,444)
 Cash, January 1	<u>116,500</u>	<u>116,500</u>
 Cash, December 31	<u><u>\$ 21,689</u></u>	<u><u>\$ 4,056</u></u>

See Notes to the Financial Statements

**The County of Livingston**  
**Chillicothe, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	Use Tax Fund		Assessment Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	80,000	137,112	-	-
Intergovernmental	62,270	64,433	215,417	200,224
Charges for Services	-	-	-	-
Interest	500	731	200	286
Other	-	-	2,000	2,620
Transfers In	-	-	10,616	15,000
Total Receipts	<u>\$ 142,770</u>	<u>\$ 202,276</u>	<u>\$ 228,233</u>	<u>\$ 218,130</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ 127,001	\$ 126,952
Employee Fringe Benefits	-	-	36,584	34,099
Materials and Supplies	-	-	22,625	14,117
Services and Other	91,600	57,870	14,900	13,445
Capital Outlay	112,270	121,572	34,300	28,891
Transfers Out	-	-	-	-
Emergency Fund	70,000	-	-	-
Total Disbursements	<u>\$ 273,870</u>	<u>\$ 179,442</u>	<u>\$ 235,410</u>	<u>\$ 217,504</u>
Receipts Over (Under) Disbursements	\$ (131,100)	\$ 22,834	\$ (7,177)	\$ 626
Cash, January 1	<u>172,287</u>	<u>172,287</u>	<u>7,177</u>	<u>7,177</u>
Cash, December 31	<u><u>\$ 41,187</u></u>	<u><u>\$ 195,121</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,803</u></u>

See Notes to the Financial Statements

**The County of Livingston**  
**Chillicothe, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	<u>Law Enforcement Training Fund</u>		<u>Prosecuting Attorney Check Fund</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	4,500	3,259	11,150	9,522
Interest	3	-	5	15
Other	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 4,503</u>	<u>\$ 3,259</u>	<u>\$ 11,155</u>	<u>\$ 9,537</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ 4,757	\$ 4,756
Employee Fringe Benefits	-	-	2,098	2,051
Materials and Supplies	-	-	-	-
Services and Other	3,932	3,394	1,650	1,391
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Emergency Fund	-	-	-	-
Total Disbursements	<u>\$ 3,932</u>	<u>\$ 3,394</u>	<u>\$ 8,505</u>	<u>\$ 8,198</u>
Receipts Over (Under) Disbursements	\$ 571	\$ (135)	\$ 2,650	\$ 1,339
Cash, January 1	<u>(568)</u>	<u>(568)</u>	<u>4,800</u>	<u>4,800</u>
Cash, December 31	<u><u>\$ 3</u></u>	<u><u>\$ (703)</u></u>	<u><u>\$ 7,450</u></u>	<u><u>\$ 6,139</u></u>

See Notes to the Financial Statements

**The County of Livingston**  
**Chillicothe, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	Special Election Fund		Prosecuting Attorney Training Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	24,021	600	485
Interest	-	-	-	-
Other	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 24,021</u>	<u>\$ 600</u>	<u>\$ 485</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	15,529	-	-
Services and Other	-	47,615	419	243
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Emergency Fund	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 63,144</u>	<u>\$ 419</u>	<u>\$ 243</u>
Receipts Over (Under) Disbursements	\$ -	\$ (39,123)	\$ 181	\$ 242
Cash, January 1	<u>39,037</u>	<u>39,037</u>	<u>(181)</u>	<u>(181)</u>
Cash, December 31	<u><u>\$ 39,037</u></u>	<u><u>\$ (86)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 61</u></u>

See Notes to the Financial Statements



**The County of Livingston**  
**Chillicothe, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	Child Abuse Fund		Recorder Special Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	1,500	1,646	9,900	10,040
Interest	4	9	100	36
Other	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 1,504</u>	<u>\$ 1,655</u>	<u>\$ 10,000</u>	<u>\$ 10,076</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	3,308	-	6,000	4,957
Capital Outlay	-	-	25,000	23,853
Transfers Out	-	-	-	-
Emergency Fund	-	-	-	-
Total Disbursements	<u>\$ 3,308</u>	<u>\$ -</u>	<u>\$ 31,000</u>	<u>\$ 28,810</u>
Receipts Over (Under) Disbursements	\$ (1,804)	\$ 1,655	\$ (21,000)	\$ (18,734)
Cash, January 1	<u>1,808</u>	<u>1,808</u>	<u>21,491</u>	<u>21,491</u>
Cash, December 31	<u><u>\$ 4</u></u>	<u><u>\$ 3,463</u></u>	<u><u>\$ 491</u></u>	<u><u>\$ 2,757</u></u>

See Notes to the Financial Statements

**The County of Livingston**  
**Chillicothe, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	LEPC Fund		Planning and Zoning Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	3,101	-	-
Interest	20	6	5	-
Other	3,000	118	10,000	-
Transfers In	118	-	25,348	12,772
Total Receipts	<u>\$ 3,138</u>	<u>\$ 3,225</u>	<u>\$ 35,353</u>	<u>\$ 12,772</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ 10,500	\$ 10,500
Employee Fringe Benefits	-	-	2,148	1,464
Materials and Supplies	500	1,226	500	205
Services and Other	7,092	4,017	22,200	603
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Emergency Fund	-	-	-	-
Total Disbursements	<u>\$ 7,592</u>	<u>\$ 5,243</u>	<u>\$ 35,348</u>	<u>\$ 12,772</u>
Receipts Over (Under) Disbursements	\$ (4,454)	\$ (2,018)	\$ 5	\$ -
Cash, January 1	<u>4,454</u>	<u>4,454</u>	<u>2</u>	<u>2</u>
Cash, December 31	<u><u>\$ -</u></u>	<u><u>\$ 2,436</u></u>	<u><u>\$ 7</u></u>	<u><u>\$ 2</u></u>

See Notes to the Financial Statements

**The County of Livingston**  
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**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	Enhanced 911 Fund		Election Services Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	52,950	39,751
Charges for Services	-	-	7,500	6,153
Interest	250	112	50	57
Other	164,800	161,602	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 165,050</u>	<u>\$ 161,714</u>	<u>\$ 60,500</u>	<u>\$ 45,961</u>
<u>Disbursements</u>				
Salaries	\$ 80,398	\$ 76,070	\$ -	\$ -
Employee Fringe Benefits	29,932	24,834	-	-
Materials and Supplies	1,000	150	-	-
Services and Other	29,505	27,794	55,600	31,299
Capital Outlay	27,075	26,555	15,000	113
Transfers Out	-	-	-	-
Emergency Fund	-	-	-	-
Total Disbursements	<u>\$ 167,910</u>	<u>\$ 155,403</u>	<u>\$ 70,600</u>	<u>\$ 31,412</u>
Receipts Over (Under) Disbursements	\$ (2,860)	\$ 6,311	\$ (10,100)	\$ 14,549
Cash, January 1	<u>24,028</u>	<u>24,028</u>	<u>9,266</u>	<u>9,266</u>
Cash, December 31	<u><u>\$ 21,168</u></u>	<u><u>\$ 30,339</u></u>	<u><u>\$ (834)</u></u>	<u><u>\$ 23,815</u></u>

See Notes to the Financial Statements

**The County of Livingston**  
**Chillicothe, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	Victim Advocates Grant Fund		Grant Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	37,191	37,144	-	-
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	94
Transfers In	-	-	-	-
Total Receipts	<u>\$ 37,191</u>	<u>\$ 37,144</u>	<u>\$ -</u>	<u>\$ 94</u>
<u>Disbursements</u>				
Salaries	\$ 24,990	\$ 24,990	\$ -	\$ -
Employee Fringe Benefits	9,609	9,901	-	-
Materials and Supplies	1,098	179	-	-
Services and Other	1,494	2,120	-	2,403
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Emergency Fund	-	-	-	-
Total Disbursements	<u>\$ 37,191</u>	<u>\$ 37,190</u>	<u>\$ -</u>	<u>\$ 2,403</u>
Receipts Over (Under) Disbursements	\$ -	\$ (46)	\$ -	\$ (2,309)
Cash, January 1	<u>-</u>	<u>-</u>	<u>2,309</u>	<u>2,309</u>
Cash, December 31	<u><u>\$ -</u></u>	<u><u>\$ (46)</u></u>	<u><u>\$ 2,309</u></u>	<u><u>\$ -</u></u>

See Notes to the Financial Statements

**The County of Livingston**  
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**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2012**

	<u>Concealed Carry Weapon Permit Fund</u>		<u>Civil Fees Fund</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	550	2,090	28,159	24,758
Interest	5	12	71	-
Other	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 555</u>	<u>\$ 2,102</u>	<u>\$ 28,230</u>	<u>\$ 24,758</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	550	-	5,500	10,085
Services and Other	-	550	24,060	19,475
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Emergency Fund	-	-	-	-
Total Disbursements	<u>\$ 550</u>	<u>\$ 550</u>	<u>\$ 29,560</u>	<u>\$ 29,560</u>
Receipts Over (Under) Disbursements	\$ 5	\$ 1,552	\$ (1,330)	\$ (4,802)
Cash, January 1	<u>2,348</u>	<u>2,348</u>	<u>1,424</u>	<u>1,424</u>
Cash, December 31	<u><u>\$ 2,353</u></u>	<u><u>\$ 3,900</u></u>	<u><u>\$ 94</u></u>	<u><u>\$ (3,378)</u></u>

See Notes to the Financial Statements

**The County of Livingston**  
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**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
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	Collector's Tax Maintenance Fund		Inmate Security Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	22,000	19,625	-	3,098
Interest	-	180	-	-
Other	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 22,000</u>	<u>\$ 19,805</u>	<u>\$ -</u>	<u>\$ 3,098</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	25,000	16,827	1,250	1,250
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Emergency Fund	-	-	-	-
Total Disbursements	<u>\$ 25,000</u>	<u>\$ 16,827</u>	<u>\$ 1,250</u>	<u>\$ 1,250</u>
Receipts Over (Under) Disbursements	\$ (3,000)	\$ 2,978	\$ (1,250)	\$ 1,848
Cash, January 1	<u>31,172</u>	<u>31,172</u>	<u>1,899</u>	<u>1,899</u>
Cash, December 31	<u><u>\$ 28,172</u></u>	<u><u>\$ 34,150</u></u>	<u><u>\$ 649</u></u>	<u><u>\$ 3,747</u></u>

See Notes to the Financial Statements

**The County of Livingston**  
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**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
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	Deputy Sheriff Salary Supplement Fund		Senate Bill 40 Board Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ 155,000	\$ 158,589
Sales Taxes	-	-	-	-
Intergovernmental	23,169	19,583	-	-
Charges for Services	15,000	10,980	-	-
Interest	-	-	100	1,996
Other	-	-	188,300	236,550
Transfers In	-	-	-	-
Total Receipts	<u>\$ 38,169</u>	<u>\$ 30,563</u>	<u>\$ 343,400</u>	<u>\$ 397,135</u>
<u>Disbursements</u>				
Salaries	\$ 19,154	\$ 17,489	\$ 116,500	\$ 136,935
Employee Fringe Benefits	4,015	3,143	30,500	26,851
Materials and Supplies	-	-	-	-
Services and Other	15,000	10,980	195,460	152,144
Capital Outlay	-	-	-	124,505
Transfers Out	-	-	-	-
Emergency Fund	-	-	-	-
Total Disbursements	<u>\$ 38,169</u>	<u>\$ 31,612</u>	<u>\$ 342,460</u>	<u>\$ 440,435</u>
Receipts Over (Under) Disbursements	\$ -	\$ (1,049)	\$ 940	\$ (43,300)
Cash, January 1	<u>-</u>	<u>-</u>	<u>347,821</u>	<u>347,821</u>
Cash, December 31	<u><u>\$ -</u></u>	<u><u>\$ (1,049)</u></u>	<u><u>\$ 348,761</u></u>	<u><u>\$ 304,521</u></u>

See Notes to the Financial Statements

**The County of Livingston  
Chillicothe, Missouri  
Notes to the Financial Statements  
For the year ended December 31, 2012**

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**Note 1 - Summary of Significant Accounting Policies**

Organized in 1837, the county of Livingston was named after the Honorable Edward Livingston, the 11th Secretary of State of the United States under President Andrew Jackson. Livingston County's government is a county-organized, third-class county and is part of the Forty-Third Judicial Circuit. The county seat is Chillicothe. Livingston County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector/Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

**Reporting Entity**

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Livingston County, Missouri and the Livingston County Senate Bill 40 Board.

Livingston County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Livingston County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise Livingston County's legal entity. The Livingston County Senate Bill 40 Board is controlled by a separate board and is also included under the control of Livingston County.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

**Basis of Presentation**

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Livingston County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the county's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

**Basis of Accounting**

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.



**The County of Livingston  
Chillicothe, Missouri  
Notes to the Financial Statements  
For the year ended December 31, 2012**

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**Note 1 - Summary of Significant Accounting Policies (continued)**

Basis of Accounting (continued)

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If Livingston County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Livingston County adopts a budget for each governmental fund. Budgets are prepared and adopted on the cash basis of accounting.

On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures. During our audit we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo with the following funds: Grant Fund, Senate Bill 40 Board Fund, and the Election Services Fund. The Grant Fund and Senate Bill 40 Board Fund had expenditures exceeding their respective budgets, and the Election Services Fund was budgeted as a deficit. The County did not adopt a budget for the Special Election Fund.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

**The County of Livingston  
Chillicothe, Missouri  
Notes to the Financial Statements  
For the year ended December 31, 2012**

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**Note 1 - Summary of Significant Accounting Policies (continued)**

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within Livingston County's boundaries for the calendar year 2012 for the purposes of taxation was:

	<u>2012</u>
Real Estate	\$ 115,660,120
Personal Property	41,487,737
Railroad and Utilities	<u>11,427,035</u>
	<u><u>\$ 168,574,892</u></u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2012 for the purpose of County taxation was as follows:

	<u>2012</u>
General Revenue Fund	\$ 0.0300
Senate Bill 40 Board Fund	0.1000

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Livingston County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

**The County of Livingston  
Chillicothe, Missouri  
Notes to the Financial Statements  
For the year ended December 31, 2012**

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**Note 1 - Summary of Significant Accounting Policies (continued)**

Interfund Transactions (continued)

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

**Note 2 - Deposits and Investments**

Livingston County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents".

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2012, the carrying amount of Livingston County's deposits was \$1,086,549 and the bank balance was \$1,148,248. At December 31, 2012, 100% of Livingston County's deposits and investments were covered by the Federal Deposit Insurance Company (FDIC) or were collateralized.

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2012, as follows:

Deposits	\$ 762,262
Investments	324,287
Restricted Cash	<u>-</u>
Total Deposits & Investments as of December 31, 2012	<u><u>\$ 1,086,549</u></u>

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Livingston County's investment policy does not include custodial credit risk requirements. Livingston County's deposits were not exposed to custodial credit risk for the year ended December 31, 2012.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Livingston County or its agent but not in the government's name. Livingston County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of Livingston County or of a type that are not exposed to custodial credit risk.

**The County of Livingston  
Chillicothe, Missouri  
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For the year ended December 31, 2012**

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**Note 2 - Deposits and Investments (continued)**

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Livingston County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by Livingston County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). Livingston County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. Livingston County's deposits were not exposed to concentration of investment credit risk for the year ended December 31, 2012.

**Note 3 - Long Term Debt**

On June 22, 2006, the County issued Certificate of Participation (COP's) in the amount of \$656,000. The maturity of the COP's was June 1, 2021, and the interest rate varied from 4.00% to 4.70%. On April 22, 2012, the County paid off the previous Certificates of Participation and issued new Certificates of Participation. The maturity of the COP's is June 1, 2021, and the interest rate is 2.35%.

<u>Debt</u>	<u>Balance at 1/1/2012</u>	<u>Amount Borrowed</u>	<u>Amount Repaid</u>	<u>Balance at 12/31/2012</u>	<u>Interest Paid During Year</u>
2006 COP's	\$ 485,000	\$ -	\$ (485,000)	\$ -	\$ 8,520
2012 COP's	-	460,000	-	460,000	6,726
Total	<u>\$ 485,000</u>	<u>\$ 460,000</u>	<u>\$ (485,000)</u>	<u>\$ 460,000</u>	<u>\$ 15,246</u>

2012 Amortizations			
Series 2012 Certificates of Participation Schedule			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 50,000	\$ 10,223	\$ 60,223
2014	55,000	8,988	63,988
2015	55,000	7,696	62,696
2016	55,000	6,404	61,404
2017	55,000	5,112	60,112
2018-2021	190,000	7,520	197,520
Total	<u>\$ 460,000</u>	<u>\$ 45,943</u>	<u>\$ 505,943</u>

**The County of Livingston  
Chillicothe, Missouri  
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**Note 4 - Interfund Transfers**

Transfers between funds for the year ended December 31, 2012 are as follows:

<u>Fund</u>	<u>2012</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
General Revenue	\$ -	\$ 27,772
Assessment	15,000	-
Planning and Zoning	12,772	-
Total	<u>\$ 27,772</u>	<u>\$ 27,772</u>

**Note 5 - Local Government Employees Retirement System (LAGERS)**

Plan Description

Livingston County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and is governed by statute, section RSMo. 70.600- 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO, 65102 or by calling 1-800-447-4334.

Funding Status

Livingston County's full time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rates for 2012 are 12.8% (general) and 11.3% (police) of the annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

**The County of Livingston  
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**Note 5 - Local Government Employees Retirement System (LAGERS) (continued)**

Annual Pension Cost (APC) and Net Pension Obligation (NPO)

For 2012, the political subdivision's annual pension cost of \$159,989 for the County was not equal to the actual contributions of \$262,194, resulting in a credit towards future net pension obligations of \$205,705. The 2012 annual required contribution (ARC) was determined as part of the February 28, 2010 and/or February 28, 2011 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012 included ( a ) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, ( b ) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, ( c ) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, ( d ) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and ( e ) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table projected to 2000 set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period as of February 28, 2010 was 17 years for the General division and 16 years for the Police division. The amortization period as of February 28, 2011 was 16 years for the General division and 15 years for the Police division.

**Three Year Trend Information - 2012**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 173,555	100%	\$ -
6/30/2011	161,676	164%	(103,500)
6/30/2012	159,989	164%	(205,705)

**Required Supplementary Information - Schedule of Funding Progress 2012**

Actuarial Valuation Date	( a ) Actuarial Value of Assets	( b ) Entry Age Actuarial Accrued Liability	( b-a ) Unfunded Accrued Liability (UAL)	( a/b ) Funded Ratio	( c ) Annual Covered Payroll	[( b -a ) / c] UAL as a Percentage of Covered Payroll
2/28/2010	\$ 898,333	\$ 1,826,531	\$ 928,198	49%	\$ 1,279,820	73%
2/28/2011	1,004,210	1,796,135	791,925	56%	1,159,895	68%
2/28/2012	1,396,911	2,035,999	639,088	69%	1,330,190	48%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

**The County of Livingston  
Chillicothe, Missouri  
Notes to the Financial Statements  
For the year ended December 31, 2012**

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**Note 7 - County Employees Retirement Fund (CERF)**

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Section 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

**Pension Benefits**

Beginning January 1, 1997, employees attaining the age of sixty-two may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar amount, targeted replacement ratio formula, and the prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active eligible member upon his or her death. Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed. Any member with less than eight years creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions. The County Employee's Retirement Fund issues audited financial statements.

Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-877-632-2373.

**Funding Policy**

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 0% of their annual salary, while employees hired after February 2002 are required to contribute 4% of their annual salary in order to participate in CERF. During the years ended December 31, 2012, 2011, and 2010, the County collected and remitted to CERF, employee contributions of approximately \$37,178, \$26,202, and \$26,746, respectively, for the years then ended.

**Note 8 - Prosecuting Attorney Retirement Fund**

In accordance with state statute Chapter 56.807 RSMo, Livingston County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. Livingston County has contributed \$2,244, \$1,840, and \$0, respectively, for the years ended December 31, 2012, 2011 and 2010.

**The County of Livingston  
Chillicothe, Missouri  
Notes to the Financial Statements  
For the year ended December 31, 2012**

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**Note 9 - Post-Employment Benefits**

Livingston County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by Livingston County.

**Note 10 - Claims, Commitments, and Contingencies**

Litigation

Livingston County is not involved in pending litigation as of December 31, 2012.

Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused vacation and overtime, if applicable. Unused sick time is not reimbursed. These have not been subjected to auditing procedures.

**Note 11 - Risk Management**

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make specific assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Injured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

**Note 12 - Subsequent Events**

The County has evaluated events subsequent to December 31, 2012 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through July 5, 2013, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.





INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and  
Officeholders of Livingston County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Livingston County, Missouri, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Livingston County, Missouri's basic financial statements and have issued our report thereon dated July 5, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Livingston County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Livingston County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Livingston County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency: 2012 - 1.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Livingston County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an

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Suite 101  
  
Creve Coeur,  
Missouri 63141

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314-569-3800  
FAX:  
314-569-0020

[www.nsvcpa.com](http://www.nsvcpa.com)

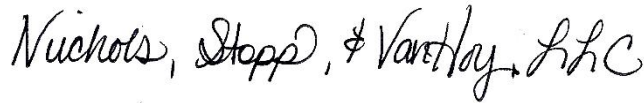
instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item: 2012 - 2.

**Livingston County, Missouri's Response to Findings**

Livingston County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Livingston County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Nichols, Stopp, & VanHoy, LLC". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri  
July 5, 2013

**The County of Livingston  
Chillicothe, Missouri  
Schedule of Findings and Responses  
For the year ended December 31, 2012**

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**Financial Statement Findings**

2012 - 1 **Condition:** During our audit, we noted there is no formal fraud risk assessment in place.

**Effect:** Lack of an appropriate audit risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

**Cause:** Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

**Recommendation:** We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

**Management's Response:** Livingston County has many procedures in place to ensure that the opportunity for fraud is very minimal if not non-existent. The Collector-Treasurer and the County Clerk work very close with one another to ensure accountability. The Collector-Treasurer and the County Clerk each balance the monetary assets monthly and independently of one another. This balancing process also includes the taxes (delinquent and distributed). Other areas of Risk Assessment are indirectly addressed throughout the year while meeting with various county elected officials. The Livingston County elected officials met during January 2013 while setting the 2013 fiscal budget and identified areas of concern regarding risk management. In addition, the entire courthouse and jail staff (including county and state employees) met to discuss various areas of concern regarding security, tornado and fire preparation. The county plans to schedule ongoing trainings and drills for security purposes, tornado and fire preparations. Currently, the county is making improvements to the security system and procedures within the courthouse, while enlisting the services of a student at Northwest Missouri State University who is majoring in Security with the assistance of the Chillicothe Fire Chief and 43rd Circuit Marshall. This student is working on a plan of action for persons within the courthouse during a tornado, fire, or security threat. Livingston County officials plan to have the proper procedures in place and drills conducted during 2013.

2012 - 2 **Condition:** During our audit, we noted the County did not adopt a formal budget for the Special Election Fund, and the Grant Fund and the Senate Bill 40 Board Fund has expenses which exceeded the budget.

**Effect:** Missouri statutes require Counties to prepare an annual budget and expenditures are not to exceed the budget. Due to exceeding the budget in a fund, the County is in violation of Missouri Revised Statutes.

**Cause:** Oversight

**Recommendation:** We recommend that the County adopt a budget for all funds, and periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

**The County of Livingston  
Chillicothe, Missouri  
Schedule of Findings and Responses  
For the year ended December 31, 2012**

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**Financial Statement Findings (continued)**

- 2012 - 2    **Management's Response:** All Funds have an adopted budget with the exception of the Special Election Fund.  
(cont.)    Livingston County has never adopted a formal budget for this fund. The Special Election Fund is designed to be a pass-through fund with revenues and expenditures balancing to zero at the end of the fiscal year. The elections expenditures processed through the Special Election Fund are fully reimbursed by the political sub-division for which the county is conducting the election. In addition, the -\$94.00 shown in the expenditure line item of the Grant Fund is a credit to the expenditure line item. During 2011 an expenditure of \$94.00 was paid from the Grant Fund and should have been paid from the Use Tax Fund. In December 2012, a journal entry was processed to credit \$94.00 in the Grant Fund and to debit \$94.00 in the Use Tax Fund.

**The County of Livingston  
Chillicothe, Missouri  
Follow-Up to Prior Audit Findings for an Audit of Financial  
Statements Performed in Accordance with Government Auditing Standards**

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In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Livingston County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2011.

**Prior Year Financial Statement Findings**

- 11/10 - 1 **Condition:** During the current year, it was necessary for the auditors of the County to assist with the preparation of the external financial statements and the notes to the financial statements.

**Effect:** Without the assistance of the auditors preparing the external financial statements, management may be unable to review and take responsibility of the financial statements and notes.

**Cause:** Due to increasing financial reporting requirements, management of the County is unable to prepare the external financial statements and notes without the assistance of the auditors.

**Recommendation:** We recommend the County either provide training to current management, hire additional staff who possess the accounting skills needed to prepare and review the external financial statements, or contract with an outside accountant to prepare and review the external financial statements.

**Management's Response:** Third class counties do not have a need or the budget to support the permanent employment of an individual with the accounting skills to prepare or take responsibility for the financial statement as suggested by the auditor. Nor do we have the need to contract with an outside accountant to prepare the external financial statements. It has been the understanding of the County Commission and other elected officials that this is the duty of the contracted auditor; however, management is open to contracting with an independent accountant to review the financial statement audit.

**Status:** Management has corrected this issue.

- 11/10 - 2 **Condition:** Documentation of the County's internal control has not been prepared.

**Effect:** Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

**Cause:** Management has not prepared documentation of internal control.

**Recommendation:** We recommend the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

**Management's Response:** Livingston County is in the process of creating documented internal controls. Even though Internal Controls have not been in writing, they have been in place, communicated and practiced by all elected officials and staff for many years. In fact, many efforts are made to ensure that all parties involved recognize the importance of accountability and consistency. The Livingston County Internal Controls have worked effectively and efficiently for many decades.

**Status:** Management has corrected this issue.

**The County of Livingston  
Chillicothe, Missouri  
Follow-Up to Prior Audit Findings for an Audit of Financial  
Statements Performed in Accordance with Government Auditing Standards**

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**Prior Year Financial Statement Findings (continued)**

11/10 - 3 **Condition:** During our audit, we noted there is no formal fraud risk assessment in place.

**Effect:** Lack of an appropriate audit risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

**Cause:** Management has not prepared documentation of risk assessments, including identifying risk and mitigating controls.

**Recommendation:** We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

**Management's Response:** Livingston County has many procedures in place to ensure that the opportunity for fraud is very minimal if not non-existent. The Collector-Treasurer and the County Clerk work very close with one another to ensure accountability. The Collector-Treasurer and the County Clerk each balance the monetary assets monthly and independently of one another. This balancing process also includes the taxes (delinquent and distributed). Other areas of Risk Assessment are indirectly addressed throughout the year while meeting with various county elected officials. The County Commission will plan to meet annually during budget time to discuss any areas of concern with the county elected officials.

**Status:** Management has not implemented a corrective action plan; therefore, this finding is repeated in the current year at 2012-1.

11/10 - 4 **Condition:** During our audit, we noted one fund in which the County did not adopt a formal budget.

**Effect:** Missouri statutes require Counties to prepare an annual budget and expenditures are not to exceed the budget. Due to exceeding the budget in a fund the County is in violation of Missouri Revised Statutes.

**Cause:** Oversight

**Recommendation:** We recommend that the County adopt a budget for all funds, and periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

**Management's Response:** All funds have actual budgets with the exception of the Special Election Fund. This is a fund specifically used for elections which political sub-divisions other than the county have and the funds "Pass through" the fund. All revenues in this account are received from the political sub-division having an election and all expenditures pay for the expenses specific to that election.

**Status:** Management has not implemented a corrective action plan; therefore, this finding is repeated in the current year at 2012-2.

**The County of Livingston  
Chillicothe, Missouri  
Follow-Up to Prior Audit Findings for an Audit of Financial  
Statements Performed in Accordance with Government Auditing Standards**

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**Prior Year Federal Award Findings and Questioned Costs**

11/10 - 5 **Condition:** The Schedule of Expenditures of Federal Awards (SEFA) contained errors.

**Criteria:** OMB Circular A-133 requires auditees to prepare an accurate SEFA containing awards expended, CFDA title and number, award number, name of the Federal agency, and name of the pass-through entity.

**Cause:** Management was unaware of the reporting requirements related to the Schedule of Expenditures of Federal Awards.

**Effect:** Federal expenditures reported on the SEFA were incorrect.

**Recommendation:** We recommend that management develop internal controls over reporting and consult with outside accountants when needed to ensure an accurate SEFA is prepared.

**Management's Response:** The Schedule of Expenditures of Federal Awards (SEFA) was amended upon discovery of the exclusion of applicable funding and an amended SEFA was sent to the State Auditor's office. The County Clerk made the discovery of the funding exclusion during the time of the external financial statement audit and brought the information to the attention of the auditor. The State Auditor and contracted auditor are well aware of the difficulty the Clerk faces in completing this schedule due to the reliance of the information being provided to the Clerk. Grants throughout the county are completed by a variety of elected officials and if the information is not provided to the Clerk, the SEFA cannot be completed properly.

**Status:** The County was not required by OMB Circular A-133 to prepare a SEFA for the current year; therefore, this finding is no longer valid.



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Stoddard County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Stoddard County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is written in a cursive style with a large, stylized "S" at the end.

Thomas A. Schweich  
State Auditor

August 2013  
Report No. 2013-071



THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORTS  
AND SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2012 & 2011

**THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
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## **FINANCIAL SECTION**



# Daniel Jones & Associates

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

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## INDEPENDENT AUDITOR'S REPORT

To the County Commission  
The County of Stoddard, Missouri

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the County of Stoddard, Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2012 and 2011, and the related statements of cash receipts and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note I of the financial statements, the financial statements are prepared on the basis of financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2012 and 2011, or changes in financial position or cash flows thereof for the year then ended.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2012 and 2011, and their respective cash receipts and disbursements, and budgetary results for the year then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Stoddard’s basic financial statements. The schedule of expenditures of federal awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2013 on our consideration of the County of Stoddard's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Stoddard's internal control over financial reporting and compliance.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

June 25, 2013

## **FINANCIAL STATEMENTS**

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

FUND	CASH AND INVESTMENTS JANUARY 1, 2012	RECEIPTS 2012	DISBURSEMENTS 2012	CASH AND INVESTMENTS DECEMBER 31, 2012
General Revenue	\$ 2,138,789.97	\$ 4,425,723.63	\$ 3,680,697.55	\$ 2,883,816.05
Special Road & Bridge	1,002,466.67	1,483,944.00	1,461,492.85	1,024,917.82
Capital Improvements	1,632,820.56	132,832.71	54,399.24	1,711,254.03
Assessment	344,543.84	370,056.95	366,809.89	347,790.90
Drainage Districts	234,609.42	49,312.83	44,430.00	239,492.25
County Farm	23,159.87	-	-	23,159.87
Law Enforcement Training	1,090.71	2,351.56	865.30	2,576.97
Archives	6,337.59	30,205.40	18,960.01	17,582.98
Prosecuting Attorney Training	13,606.92	665.28	4,239.95	10,032.25
Prosecuting Attorney Administration	62,301.26	28,927.65	42,405.13	48,823.78
Sheriff's Commissary	49,469.78	31,274.83	51,043.55	29,701.06
Sheriff Civil Process	53,684.66	24,676.63	26,256.32	52,104.97
Essex Special Paving Project	18,809.15	-	-	18,809.15
Collector Maintenance	171,976.64	45,749.53	79,565.70	138,160.47
Recorder Maintenance	13,098.64	18,691.99	3,845.00	27,945.63
Domestic Violence	3,939.35	3,583.06	3,600.00	3,922.41
Prosecuting Attorney Retirement	923.00	2,500.00	2,244.00	1,179.00
Law Enforcement Restitution	31,328.51	30,238.60	14,360.59	47,206.52
Prosecuting Attorney Delinquent Tax	15,034.83	321.59	3,854.00	11,502.42
County Employee Retirement	-	198,369.77	198,369.77	-
Sheriff Donations Canine Technology	1,224.50	1,358.42	-	2,582.92
Election Services	4,886.75	3,101.30	6,182.17	1,805.88
Sheriff Revolving	28,423.46	17,905.06	14,474.30	31,854.22
Intangible Tax	-	37,770.94	37,770.94	-
Court Cost	-	286,737.63	286,737.63	-
POST Fund	1,074.52	1,276.92	1,272.36	1,079.08
Sheriff Deputy Supplement Surcharge	732.90	8,766.03	9,498.93	-
Inmate Security	296.00	1,382.89	-	1,678.89
Mental Health Board	192.25	500.00	100.00	592.25
911 Services	296,580.35	312,671.18	322,517.83	286,733.70
<b>Total</b>	<b>\$ 6,151,402.10</b>	<b>\$ 7,550,896.38</b>	<b>\$ 6,735,993.01</b>	<b>\$ 6,966,305.47</b>

The accompanying notes to the financial statements are an integral part of this statement.



THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011

FUND	CASH AND INVESTMENTS JANUARY 1, 2011	RECEIPTS 2011	DISBURSEMENTS 2011	CASH AND INVESTMENTS DECEMBER 31, 2011
General Revenue	\$ 3,034,841.96	\$ 4,338,682.08	\$ 5,234,734.07	\$ 2,138,789.97
Special Road & Bridge	1,028,878.43	1,064,578.79	1,090,990.55	1,002,466.67
Capital Improvements	293,047.52	1,639,773.04	300,000.00	1,632,820.56
Assessment	263,589.78	422,525.56	341,571.50	344,543.84
Drainage Districts	219,446.70	62,166.12	47,003.40	234,609.42
County Farm	26,099.87	-	2,940.00	23,159.87
Law Enforcement Training	(643.89)	2,085.71	351.11	1,090.71
Archives	2,164.90	19,796.50	15,623.81	6,337.59
Prosecuting Attorney Training	13,468.00	938.47	799.55	13,606.92
Prosecuting Attorney Administration	56,817.82	33,683.77	28,200.33	62,301.26
Sheriff's Commissary	51,105.36	56,052.35	57,687.93	49,469.78
Sheriff Civil Process	42,857.53	26,649.38	15,822.25	53,684.66
Essex Special Paving Project	90,000.00	269,170.40	340,361.25	18,809.15
Collector Maintenance	165,635.78	48,433.11	42,092.25	171,976.64
Recorder Maintenance	10,479.01	17,292.79	14,673.16	13,098.64
Domestic Violence	3,675.75	3,663.60	3,400.00	3,939.35
Prosecuting Attorney Retirement	667.00	2,500.00	2,244.00	923.00
Law Enforcement Restitution	32,172.33	25,479.14	26,322.96	31,328.51
Prosecuting Attorney Delinquent Tax	12,182.34	5,852.49	3,000.00	15,034.83
County Employee Retirement	-	192,111.44	192,111.44	-
Sheriff Donations Canine Technology	4,875.05	122.35	3,772.90	1,224.50
Election Services	4,174.15	2,743.48	2,030.88	4,886.75
Sheriff Revolving	20,249.25	16,281.84	8,107.63	28,423.46
Intangible Tax	-	37,908.30	37,908.30	-
Court Cost	-	174,707.21	174,707.21	-
POST Fund	420.98	1,116.92	463.38	1,074.52
Sheriff Deputy Supplement Surcharge	800.25	9,794.19	9,861.54	732.90
Inmate Security	-	296.00	-	296.00
Mental Health Board	392.25	-	200.00	192.25
911 Services	262,756.86	316,016.46	282,192.97	296,580.35
<b>Total</b>	<u>\$ 5,640,154.98</u>	<u>\$ 8,790,421.49</u>	<u>\$ 8,279,174.37</u>	<u>\$ 6,151,402.10</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	GENERAL REVENUE FUND			
	2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	2,670,000.00	2,796,321.34	2,582,600.00	2,669,344.47
Intergovernmental	602,060.00	708,185.20	409,150.00	779,042.46
Charges for services	766,400.00	775,360.23	809,400.00	694,947.77
Interest Income	75,000.00	22,812.80	90,000.00	95,880.53
Other	64,950.00	68,844.06	40,600.00	45,266.85
Transfers in	54,200.00	54,200.00	55,000.00	54,200.00
TOTAL RECEIPTS	4,232,610.00	4,425,723.63	3,986,750.00	4,338,682.08
DISBURSEMENTS				
County Commission	96,600.00	96,252.27	94,850.00	93,003.92
County Clerk	151,502.96	135,951.11	148,503.00	123,787.37
Elections	115,500.00	111,381.40	100,000.00	65,209.23
Buildings and grounds	304,262.84	253,039.31	302,978.40	257,622.05
Employee fringe benefits	633,000.00	629,721.29	600,000.00	583,523.42
County Treasurer	211,588.20	196,163.98	208,188.20	181,770.14
Collector	-	-	-	-
Recorder of Deeds	161,642.60	140,753.41	130,142.60	127,868.40
Circuit Clerk	83,400.00	66,325.99	74,900.00	60,725.48
Associate Circuit Court	-	-	-	-
Court Administration	17,000.00	8,242.98	17,000.00	12,251.17
Public Administrator	94,738.00	94,821.24	90,942.40	86,253.69
Sheriff	749,060.49	738,237.05	716,395.00	707,857.80
Jail	297,508.40	260,913.72	283,441.12	263,458.21
Prosecuting Attorney	187,574.78	176,015.82	192,049.26	175,951.84
Juvenile Officer	180,926.80	171,077.25	172,479.12	159,794.22
Coroner	47,070.00	48,036.92	35,700.00	34,801.07
Building Improvements and Misc.	-	-	-	-
Emergency Management	38,355.00	33,215.69	53,475.00	61,878.40
Juvenile Detention Services	279,512.00	212,053.62	280,319.60	216,980.80
Other	298,931.00	268,374.50	561,311.00	492,996.86
Health and Welfare	7,500.00	7,500.00	7,500.00	7,000.00
Transfers out	40,000.00	32,620.00	1,550,000.00	1,522,000.00
Emergency fund	125,000.00	-	125,000.00	-
TOTAL DISBURSEMENTS	4,120,673.07	3,680,697.55	5,745,174.70	5,234,734.07
RECEIPTS OVER (UNDER) DISBURSEMENTS	111,936.93	745,026.08	(1,758,424.70)	(896,051.99)
CASH AND INVESTMENT BALANCES, JANUARY 1	2,138,789.97	2,138,789.97	3,034,841.96	3,034,841.96
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 2,250,726.90	\$ 2,883,816.05	\$ 1,276,417.26	\$ 2,138,789.97

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	SPECIAL ROAD & BRIDGE FUND			
	2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	1,800,000.00	1,475,341.44	1,700,000.00	1,041,375.44
Charges for services	-	-	-	-
Interest Income	18,000.00	8,602.56	30,000.00	23,203.35
Other	-	-	-	-
Transfers in	-	-	-	-
TOTAL RECEIPTS	1,818,000.00	1,483,944.00	1,730,000.00	1,064,578.79
DISBURSEMENTS				
Salaries	-	-	-	-
Employee fringe benefits	-	-	-	-
Materials and Supplies	2,500.00	1,045.58	2,200.00	272.43
Services and Other	-	-	-	-
Capital Outlay	-	-	-	-
Construction	1,800,000.00	1,406,247.27	1,700,000.00	1,036,518.12
Transfers out	54,200.00	54,200.00	54,200.00	54,200.00
TOTAL DISBURSEMENTS	1,856,700.00	1,461,492.85	1,756,400.00	1,090,990.55
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(38,700.00)	22,451.15	(26,400.00)	(26,411.76)
CASH AND INVESTMENT				
BALANCES, JANUARY 1	1,002,466.67	1,002,466.67	1,028,878.43	1,028,878.43
CASH AND INVESTMENT				
BALANCES, DECEMBER 31	\$ 963,766.67	\$ 1,024,917.82	\$ 1,002,478.43	\$ 1,002,466.67

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	CAPITAL IMPROVEMENTS FUND			
	2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	115,000.00	-	115,000.00
Charges for services	-	-	-	-
Interest Income	10,000.00	17,832.71	10,000.00	24,773.04
Other	-	-	-	-
Transfers in	115,000.00	-	1,615,000.00	1,500,000.00
TOTAL RECEIPTS	125,000.00	132,832.71	1,625,000.00	1,639,773.04
DISBURSEMENTS				
Capital Improvements Miscellaneous	54,399.24	54,399.24	1,500,000.00	300,000.00
TOTAL DISBURSEMENTS	54,399.24	54,399.24	1,500,000.00	300,000.00
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	70,600.76	78,433.47	125,000.00	1,339,773.04
CASH AND INVESTMENT				
BALANCES, JANUARY 1	1,632,820.56	1,632,820.56	293,047.52	293,047.52
CASH AND INVESTMENT				
BALANCES, DECEMBER 31	\$ 1,703,421.32	\$ 1,711,254.03	\$ 418,047.52	\$ 1,632,820.56

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	ASSESSMENT FUND				DRAINAGE DISTRICTS FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	-	-	-	-	37,700.00	44,039.10	42,200.00	35,721.03
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	325,000.00	309,030.17	281,000.00	360,218.57	3,000.00	3,000.00	3,000.00	20,068.53
Charges for services	9,000.00	8,596.30	8,000.00	10,324.50	-	-	-	-
Interest Income	10,000.00	3,742.34	15,000.00	9,887.24	5,880.00	2,273.73	5,880.00	6,376.56
Transfers in	8,000.00	48,688.14	45,000.00	42,095.25	-	-	-	-
TOTAL RECEIPTS	352,000.00	370,056.95	349,000.00	422,525.56	46,580.00	49,312.83	51,080.00	62,166.12
DISBURSEMENTS								
Assessor	395,936.52	366,809.89	404,674.52	341,571.50	-	-	-	-
Drainage Districts	-	-	-	-	84,000.00	44,430.00	89,000.00	47,003.40
TOTAL DISBURSEMENTS	395,936.52	366,809.89	404,674.52	341,571.50	84,000.00	44,430.00	89,000.00	47,003.40
RECEIPTS OVER (UNDER) DISBURSEMENTS	(43,936.52)	3,247.06	(55,674.52)	80,954.06	(37,420.00)	4,882.83	(37,920.00)	15,162.72
CASH AND INVESTMENT BALANCES, JANUARY 1	344,543.84	344,543.84	263,589.78	263,589.78	234,609.42	234,609.42	219,446.70	219,446.70
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 300,607.32	\$ 347,790.90	\$ 207,915.26	\$ 344,543.84	\$ 197,189.42	\$ 239,492.25	\$ 181,526.70	\$ 234,609.42

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THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	COUNTY FARM FUND				LAW ENFORCEMENT TRAINING FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	2,500.00	2,345.00	3,050.00	1,990.00
Interest Income	200.00	-	200.00	-	100.00	6.56	100.00	95.71
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	200.00	-	200.00	-	2,600.00	2,351.56	3,150.00	2,085.71
DISBURSEMENTS								
Miscellaneous Expenses	6,000.00	-	10,000.00	2,940.00	1,000.00	865.30	2,500.00	351.11
TOTAL DISBURSEMENTS	6,000.00	-	10,000.00	2,940.00	1,000.00	865.30	2,500.00	351.11
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,800.00)	-	(9,800.00)	(2,940.00)	1,600.00	1,486.26	650.00	1,734.60
CASH AND INVESTMENT BALANCES, JANUARY 1	23,159.87	23,159.87	26,099.87	26,099.87	1,090.71	1,090.71	(643.89)	(643.89)
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 17,359.87</u>	<u>\$ 23,159.87</u>	<u>\$ 16,299.87</u>	<u>\$ 23,159.87</u>	<u>\$ 2,690.71</u>	<u>\$ 2,576.97</u>	<u>\$ 6.11</u>	<u>\$ 1,090.71</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	ARCHIVES FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	600.00	588.90	700.00	527.77
Interest Income	-	-	-	-	300.00	76.38	250.00	410.70
Other	-	85.40	-	296.50	-	-	-	-
Transfers in	29,700.00	30,120.00	17,500.00	19,500.00	-	-	-	-
TOTAL RECEIPTS	29,700.00	30,205.40	17,500.00	19,796.50	900.00	665.28	950.00	938.47
DISBURSEMENTS								
Archives	29,693.24	18,960.01	19,634.24	15,623.81	-	-	-	-
Miscellaneous Expenses & Mileage	-	-	-	-	5,000.00	4,239.95	5,000.00	799.55
TOTAL DISBURSEMENTS	29,693.24	18,960.01	19,634.24	15,623.81	5,000.00	4,239.95	5,000.00	799.55
RECEIPTS OVER (UNDER) DISBURSEMENTS	6.76	11,245.39	(2,134.24)	4,172.69	(4,100.00)	(3,574.67)	(4,050.00)	138.92
CASH AND INVESTMENT BALANCES, JANUARY 1	6,337.59	6,337.59	2,164.90	2,164.90	13,606.92	13,606.92	13,468.00	13,468.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 6,344.35</u>	<u>\$ 17,582.98</u>	<u>\$ 30.66</u>	<u>\$ 6,337.59</u>	<u>\$ 9,506.92</u>	<u>\$ 10,032.25</u>	<u>\$ 9,418.00</u>	<u>\$ 13,606.92</u>

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THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	PROSECUTING ATTORNEY ADMINISTRATION FUND				SHERIFF'S COMMISSARY FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	35,000.00	28,575.53	43,000.00	31,593.81	55,000.00	31,023.83	50,000.00	54,693.32
Interest Income	1,800.00	352.12	2,500.00	2,089.96	1,000.00	251.00	2,000.00	1,359.03
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	36,800.00	28,927.65	45,500.00	33,683.77	56,000.00	31,274.83	52,000.00	56,052.35
DISBURSEMENTS								
Miscellaneous Expenses	15,000.00	12,047.46	7,000.00	9,212.11	41,000.00	37,606.31	57,687.93	42,260.60
Overtime Payroll	-	-	-	264.00	-	-	-	-
Secretary & Fringe	6,500.00	-	21,500.00	2,907.00	-	-	-	-
Fringe	-	2,157.31	-	3,465.42	-	-	-	-
Assist. Prosec. Atty Sal. & Fringe	26,500.00	28,200.36	-	12,351.80	-	-	-	-
Jail/Prisoner Supplies	-	-	-	-	15,000.00	13,437.24	-	15,427.33
TOTAL DISBURSEMENTS	48,000.00	42,405.13	28,500.00	28,200.33	56,000.00	51,043.55	57,687.93	57,687.93
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(11,200.00)	(13,477.48)	17,000.00	5,483.44	-	(19,768.72)	(5,687.93)	(1,635.58)
CASH AND INVESTMENT								
BALANCES, JANUARY 1	62,301.26	62,301.26	56,817.82	56,817.82	49,469.78	49,469.78	51,105.36	51,105.36
CASH AND INVESTMENT								
BALANCES, DECEMBER 31	\$ 51,101.26	\$ 48,823.78	\$ 73,817.82	\$ 62,301.26	\$ 49,469.78	\$ 29,701.06	\$ 45,417.43	\$ 49,469.78

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THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	SHERIFF CIVIL PROCESS FUND				ESSEX SPECIAL PAVING PROJECT FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	25,000.00	24,391.75	28,000.00	25,435.51	-	-	-	-
Interest Income	800.00	284.88	1,200.00	1,213.87	-	-	-	-
Other	-	-	-	-	-	-	250,000.00	269,170.40
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	25,800.00	24,676.63	29,200.00	26,649.38	-	-	250,000.00	269,170.40
DISBURSEMENTS								
Sheriff Civil Process	46,700.00	26,256.32	43,358.12	15,822.25	-	-	-	-
Engineering Fees	-	-	-	-	-	-	340,361.25	340,361.25
TOTAL DISBURSEMENTS	46,700.00	26,256.32	43,358.12	15,822.25	-	-	340,361.25	340,361.25
RECEIPTS OVER (UNDER) DISBURSEMENTS	(20,900.00)	(1,579.69)	(14,158.12)	10,827.13	-	-	(90,361.25)	(71,190.85)
CASH AND INVESTMENT BALANCES, JANUARY 1	53,684.66	53,684.66	42,857.53	42,857.53	18,809.15	18,809.15	90,000.00	90,000.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 32,784.66</u>	<u>\$ 52,104.97</u>	<u>\$ 28,699.41</u>	<u>\$ 53,684.66</u>	<u>\$ 18,809.15</u>	<u>\$ 18,809.15</u>	<u>\$ (361.25)</u>	<u>\$ 18,809.15</u>

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THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	COLLECTOR MAINTENANCE FUND				RECORDER MAINTENANCE FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	45,000.00	43,388.76	46,000.00	43,701.99	20,000.00	18,605.50	20,000.00	16,918.00
Interest Income	3,500.00	2,360.77	5,000.00	4,731.12	500.00	86.49	1,000.00	374.79
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	48,500.00	45,749.53	51,000.00	48,433.11	20,500.00	18,691.99	21,000.00	17,292.79
DISBURSEMENTS								
Collector Maintenance	79,565.70	30,877.56	52,800.00	-	-	-	-	-
Miscellaneous Expenses	-	-	-	-	12,932.14	3,845.00	14,673.16	14,673.16
Transfers Out	-	48,688.14	-	42,092.25	-	-	-	-
TOTAL DISBURSEMENTS	79,565.70	79,565.70	52,800.00	42,092.25	12,932.14	3,845.00	14,673.16	14,673.16
RECEIPTS OVER (UNDER) DISBURSEMENTS	(31,065.70)	(33,816.17)	(1,800.00)	6,340.86	7,567.86	14,846.99	6,326.84	2,619.63
CASH AND INVESTMENT BALANCES, JANUARY 1	171,976.64	171,976.64	165,635.78	165,635.78	13,098.64	13,098.64	10,479.01	10,479.01
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 140,910.94</u>	<u>\$ 138,160.47</u>	<u>\$ 163,835.78</u>	<u>\$ 171,976.64</u>	<u>\$ 20,666.50</u>	<u>\$ 27,945.63</u>	<u>\$ 16,805.85</u>	<u>\$ 13,098.64</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	DOMESTIC VIOLENCE FUND				PROSECUTING ATTORNEY RETIREMENT FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,400.00	3,552.00	3,400.00	3,505.00	-	-	-	-
Interest Income	100.00	31.06	150.00	158.60	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	2,500.00	2,500.00	2,500.00	2,500.00
TOTAL RECEIPTS	3,500.00	3,583.06	3,550.00	3,663.60	2,500.00	2,500.00	2,500.00	2,500.00
DISBURSEMENTS								
Expenses	3,600.00	3,600.00	3,400.00	3,400.00	-	-	-	-
Retirement sent to State	-	-	-	-	2,500.00	2,244.00	2,500.00	2,244.00
TOTAL DISBURSEMENTS	3,600.00	3,600.00	3,400.00	3,400.00	2,500.00	2,244.00	2,500.00	2,244.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(100.00)	(16.94)	150.00	263.60	-	256.00	-	256.00
CASH AND INVESTMENT BALANCES, JANUARY 1	3,939.35	3,939.35	3,675.75	3,675.75	923.00	923.00	667.00	667.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 3,839.35</u>	<u>\$ 3,922.41</u>	<u>\$ 3,825.75</u>	<u>\$ 3,939.35</u>	<u>\$ 923.00</u>	<u>\$ 1,179.00</u>	<u>\$ 667.00</u>	<u>\$ 923.00</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	LAW ENFORCEMENT RESTITUTION FUND				PROSECUTING ATTORNEY DELINQUENT TAX FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	28,000.00	30,049.50	28,000.00	24,521.65	4,500.00	232.50	3,000.00	5,440.20
Interest Income	600.00	189.10	1,000.00	957.49	150.00	89.09	150.00	412.29
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	28,600.00	30,238.60	29,000.00	25,479.14	4,650.00	321.59	3,150.00	5,852.49
DISBURSEMENTS								
Sheriff CRLERF	32,000.00	14,360.59	33,016.50	26,322.96	-	-	-	-
Miscellaneous Expenses	-	-	-	-	3,854.00	3,854.00	3,000.00	3,000.00
TOTAL DISBURSEMENTS	32,000.00	14,360.59	33,016.50	26,322.96	3,854.00	3,854.00	3,000.00	3,000.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,400.00)	15,878.01	(4,016.50)	(843.82)	796.00	(3,532.41)	150.00	2,852.49
CASH AND INVESTMENT BALANCES, JANUARY 1	31,328.51	31,328.51	32,172.33	32,172.33	15,034.83	15,034.83	12,182.34	12,182.34
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 27,928.51</u>	<u>\$ 47,206.52</u>	<u>\$ 28,155.83</u>	<u>\$ 31,328.51</u>	<u>\$ 15,830.83</u>	<u>\$ 11,502.42</u>	<u>\$ 12,332.34</u>	<u>\$ 15,034.83</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	COUNTY EMPLOYEE RETIREMENT FUND				SHERIFF DONATIONS CANINE TECHNOLOGY FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	45,000.00	42,840.21	40,000.00	57,871.94	-	-	-	-
Interest Income	500.00	74.69	1,000.00	138.79	75.00	8.42	150.00	122.35
Other	150,000.00	155,454.87	169,000.00	134,100.71	1,000.00	1,350.00	1,100.00	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	195,500.00	198,369.77	210,000.00	192,111.44	1,075.00	1,358.42	1,250.00	122.35
DISBURSEMENTS								
C.E.R.F	195,500.00	198,369.77	210,000.00	192,111.44	-	-	-	-
Tech Purchases	-	-	-	-	2,000.00	-	4,785.00	3,772.90
TOTAL DISBURSEMENTS	195,500.00	198,369.77	210,000.00	192,111.44	2,000.00	-	4,785.00	3,772.90
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	(925.00)	1,358.42	(3,535.00)	(3,650.55)
CASH AND INVESTMENT BALANCES, JANUARY 1	-	-	-	-	1,224.50	1,224.50	4,875.05	4,875.05
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ 299.50	\$ 2,582.92	\$ 1,340.05	\$ 1,224.50

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	ELECTION SERVICES FUND				SHERIFF REVOLVING FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	7,300.00	3,077.38	5,000.00	2,587.70	-	-	-	-
Charges for services	-	-	-	-	14,000.00	17,761.00	12,000.00	15,710.00
Interest Income	50.00	23.92	-	155.78	300.00	144.06	500.00	571.84
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	7,350.00	3,101.30	5,000.00	2,743.48	14,300.00	17,905.06	12,500.00	16,281.84
DISBURSEMENTS								
Miscellaneous Expenses	2,500.00	2,128.99	2,500.00	804.70	18,900.00	14,474.30	20,249.25	8,107.63
HAVA Expenses	1,500.00	1,229.06	1,500.00	1,041.20	-	-	-	-
Training Expenses	3,200.00	2,824.12	2,100.00	184.98	-	-	-	-
TOTAL DISBURSEMENTS	7,200.00	6,182.17	6,100.00	2,030.88	18,900.00	14,474.30	20,249.25	8,107.63
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	150.00	(3,080.87)	(1,100.00)	712.60	(4,600.00)	3,430.76	(7,749.25)	8,174.21
CASH AND INVESTMENT								
BALANCES, JANUARY 1	4,886.75	4,886.75	4,174.15	4,174.15	28,423.46	28,423.46	20,249.25	20,249.25
CASH AND INVESTMENT								
BALANCES, DECEMBER 31	\$ 5,036.75	\$ 1,805.88	\$ 3,074.15	\$ 4,886.75	\$ 23,823.46	\$ 31,854.22	\$ 12,500.00	\$ 28,423.46

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	INTANGIBLE TAX FUND				COURT COST FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	Actual	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	45,000.00	37,770.94	65,000.00	37,908.30	286,737.63	286,737.63	180,000.00	174,707.21
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	45,000.00	37,770.94	65,000.00	37,908.30	286,737.63	286,737.63	180,000.00	174,707.21
DISBURSEMENTS								
Court Costs	-	-	-	-	286,737.63	286,737.63	180,000.00	174,707.21
Intangible Tax	45,000.00	37,770.94	65,000.00	37,908.30	-	-	-	-
TOTAL DISBURSEMENTS	45,000.00	37,770.94	65,000.00	37,908.30	286,737.63	286,737.63	180,000.00	174,707.21
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	-	-	-	-
CASH AND INVESTMENT BALANCES, JANUARY 1	-	-	-	-	-	-	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	POST FUND				SHERIFF DEPUTY SUPPLEMENT SURCHARGE FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	Actual	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,200.00	1,272.36	1,979.02	1,090.24	-	-	-	-
Interest Income	50.00	4.56	100.00	26.68	-	-	-	-
Other	-	-	-	-	11,000.00	8,766.03	10,199.75	9,794.19
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,250.00	1,276.92	2,079.02	1,116.92	11,000.00	8,766.03	10,199.75	9,794.19
DISBURSEMENTS								
POST Expenses	2,000.00	1,272.36	2,500.00	463.38	-	-	-	-
Fees remitted to state	-	-	-	-	11,000.00	9,498.93	11,000.00	9,861.54
TOTAL DISBURSEMENTS	2,000.00	1,272.36	2,500.00	463.38	11,000.00	9,498.93	11,000.00	9,861.54
RECEIPTS OVER (UNDER) DISBURSEMENTS	(750.00)	4.56	(420.98)	653.54	-	(732.90)	(800.25)	(67.35)
CASH AND INVESTMENT BALANCES, JANUARY 1	1,074.52	1,074.52	420.98	420.98	732.90	732.90	800.25	800.25
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 324.52	\$ 1,079.08	\$ -	\$ 1,074.52	\$ 732.90	\$ -	\$ -	\$ 732.90

The accompanying notes to the financial statements are an integral part of this statement.



THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	INMATE SECURITY FUND				MENTAL HEALTH BOARD FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	Actual	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	500.00	500.00	-	-
Interest Income	-	2.39	-	-	-	-	-	-
Other	1,000.00	1,380.50	-	296.00	-	-	-	-
TOTAL RECEIPTS	1,000.00	1,382.89	-	296.00	500.00	500.00	-	-
DISBURSEMENTS								
Miscellaneous	-	-	-	-	500.00	100.00	-	200.00
TOTAL DISBURSEMENTS	-	-	-	-	500.00	100.00	-	200.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,000.00	1,382.89	-	296.00	-	400.00	-	(200.00)
CASH AND INVESTMENT BALANCES, JANUARY 1	296.00	296.00	-	-	-	192.25	-	392.25
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 1,296.00	\$ 1,678.89	\$ -	\$ 296.00	\$ -	\$ 592.25	\$ -	\$ 192.25

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	911 SERVICES FUND			
	2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Tariff	\$ 277,000.00	\$ 267,460.43	\$ 282,890.00	\$ 283,781.25
Interest Income	1,700.00	2,514.67	1,755.00	2,105.64
Other (Miscellaneous)	1,950.00	42,696.08	30,294.00	30,129.57
TOTAL RECEIPTS	280,650.00	312,671.18	314,939.00	316,016.46
DISBURSEMENTS				
Engineering Fees	-	-	-	-
Personnel Expense	64,000.00	60,879.13	61,900.00	57,578.39
Contingency	5,000.00	-	5,000.00	-
Office Expense	73,900.00	62,520.59	63,750.00	60,506.19
Capital Projects	20,500.00	86,551.80	60,600.00	56,948.52
Travel	4,500.00	2,987.79	3,500.00	3,100.26
Professional Expense	1,500.00	637.50	1,000.00	950.00
Contract Labor	109,500.00	108,941.02	105,000.00	103,109.61
TOTAL DISBURSEMENTS	278,900.00	322,517.83	300,750.00	282,192.97
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,750.00	(9,846.65)	14,189.00	33,823.49
CASH AND INVESTMENT BALANCES, JANUARY 1	296,580.35	296,580.35	262,756.86	262,756.86
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 298,330.35	\$ 286,733.70	\$ 276,945.86	\$ 296,580.35

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
AGENCY FUNDS - REGULATORY BASIS  
AS OF DECEMBER 31, 2012

	GENERAL SCHOOL	TAX SALE SURPLUS	COMBINED ACCUMULATED INTEREST	COMMERCIAL PROP SURCHARGE	RECORDER	COLLECTOR
ASSETS						
Cash and Cash Equivalents	\$ 22,988.27	\$ 21,405.84	\$ 8,026.83	\$ 14,973.09	\$ 21,554.15	\$ 14,175,992.95
Investments	-	-	-	-	-	-
TOTAL ASSETS	<u>22,988.27</u>	<u>21,405.84</u>	<u>8,026.83</u>	<u>14,973.09</u>	<u>21,554.15</u>	<u>14,175,992.95</u>
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	<u>22,988.27</u>	<u>21,405.84</u>	<u>8,026.83</u>	<u>14,973.09</u>	<u>21,554.15</u>	<u>14,175,992.95</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 22,988.27</u>	<u>\$ 21,405.84</u>	<u>\$ 8,026.83</u>	<u>\$ 14,973.09</u>	<u>\$ 21,554.15</u>	<u>\$ 14,175,992.95</u>
	SHERIFF INMATE	SHERIFF	TOTAL FIDUCARY FUNDS			
ASSETS						
Cash and Cash Equivalents	\$ 3,597.25	\$ 2,153.93	\$ 14,270,692.31			
Investments	-	-	-			
TOTAL ASSETS	<u>3,597.25</u>	<u>2,153.93</u>	<u>14,270,692.31</u>			
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-			
UNRESERVED FUND BALANCES	<u>3,597.25</u>	<u>2,153.93</u>	<u>14,270,692.31</u>			
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,597.25</u>	<u>\$ 2,153.93</u>	<u>\$ 14,270,692.31</u>			

The accompanying notes to the financial statements are an integral part of this financial statement.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
AGENCY FUNDS - REGULATORY BASIS  
AS OF DECEMBER 31, 2011

	GENERAL SCHOOL	TAX SALE SURPLUS	COMBINED ACCUMULATED INTEREST	COMMERCIAL PROP SURCHARGE	RECORDER	COLLECTOR
ASSETS						
Cash and Cash Equivalents	\$ 17,110.71	\$ 27,566.73	\$ 7,017.18	\$ 18,420.10	\$ 16,838.43	\$ 13,872,287.13
Investments	-	-	-	-	-	-
TOTAL ASSETS	<u>17,110.71</u>	<u>27,566.73</u>	<u>7,017.18</u>	<u>18,420.10</u>	<u>16,838.43</u>	<u>13,872,287.13</u>
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	<u>17,110.71</u>	<u>27,566.73</u>	<u>7,017.18</u>	<u>18,420.10</u>	<u>16,838.43</u>	<u>13,872,287.13</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,110.71</u>	<u>\$ 27,566.73</u>	<u>\$ 7,017.18</u>	<u>\$ 18,420.10</u>	<u>\$ 16,838.43</u>	<u>\$ 13,872,287.13</u>
	SHERIFF INMATE	SHERIFF	TOTAL FIDUCARY FUNDS			
ASSETS						
Cash and Cash Equivalents	\$ 6,849.33	\$ 646.25	\$ 13,966,735.86			
Investments	-	-	-			
TOTAL ASSETS	<u>6,849.33</u>	<u>646.25</u>	<u>13,966,735.86</u>			
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-			
UNRESERVED FUND BALANCES	<u>6,849.33</u>	<u>646.25</u>	<u>13,966,735.86</u>			
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,849.33</u>	<u>\$ 646.25</u>	<u>\$ 13,966,735.86</u>			

The accompanying notes to the financial statements are an integral part of this financial statement.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Stoddard, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1835 by an Act of the Missouri Territory. In addition to the three Commissioners, there are nine elected Constitutional Officers: County Clerk, Treasurer and ex officio Collector, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the county of Stoddard County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

*Agency* – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2012 and 2011, for purposes of taxation was:

	<u>2012</u>	<u>2011</u>
Real Estate	\$ 240,876,673	\$ 237,776,316
Personal Property	126,234,340	115,004,760
Railroad and Utilities	<u>47,501,299</u>	<u>48,537,244</u>
	<u>\$ 414,612,312</u>	<u>\$ 401,318,320</u>

During 2012 and 2011, the County Commission approved a \$.0803 and \$.0800, respectively, tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2012 and 2011, for purposes of County taxation, as follows:

	<u>2012</u>	<u>2011</u>
Mental Health Board	\$ 0.0803	\$ 0.0800

F. Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund are readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.



THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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II. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash and Equivalents" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash and investments are separately held by several of the County's funds. Investments of the County consist of certificates of deposit with local banking institutions.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2012 and 2011, the carrying amount of the County's deposits was \$6,966,305.47 and \$6,151,402.10, and the bank balance was \$15,952,247.49 and \$16,621,014.01, respectively. The total bank balances as of December 31, 2012, and 2011 were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2012, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances -	
Deposits	\$ 6,866,305.47
Investments	100,000.00
Total Deposits & Investments as of December 31, 2012	<u>\$ 6,966,305.47</u>

The carrying values of deposits and investments at December 31, 2011, are as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances -	
Deposits	\$ 6,051,402.10
Investments	100,000.00
Total Deposits & Investments as of December 31, 2011	<u>\$ 6,151,402.10</u>

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2012, and 2011.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2012 and 2011.

III. LONG-TERM DEBT

The County has no outstanding long-term debt.

IV. LEASES

The County has no outstanding leases.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

V. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2012 and 2011 are as follows:

	2012		2011	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ 54,200.00	\$ 32,620.00	\$ 54,200.00	\$ 1,522,000.00
Special Road and Bridge Fund	-	54,200.00	-	54,200.00
Assessment Fund	48,688.14	-	42,092.25	-
Capital Improvements Fund	-	-	1,500,000.00	-
Archives Fund	30,120.00	-	19,500.00	-
Collector Maintenance Fund	-	48,688.14	-	42,092.25
Prosecuting Attorney Retirement Fund	2,500.00	-	2,500.00	-
TOTAL	\$ 135,508.14	\$ 135,508.14	\$ 1,618,292.25	\$ 1,618,292.25

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

A. Plan Description (concluded)

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2012, and 2011 were \$26,032.15 and \$17,398.36, respectively.

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

Stoddard County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and governed by statute, Section RSMO 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

A. Plan Description (concluded)

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status

Full-time employees of Stoddard County do not contribute to the pension plan. The June 30<sup>th</sup> statutorily required contribution rates are 6.1% (General) and 6.0% (Police) for 2011 and 7.1% (General) and 7.0% (Police) for 2012, of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO)

The subdivision's annual pension cost and net pension obligation for the current years 2012 and 2011 were as follows:

**2012**

Annual required contribution	\$ 132,422
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	<u>132,422</u>
Actual contributions	<u>132,422</u>
Increase (decrease) in NPO	-
NPO beginning of year	-
NPO end of year	<u>\$ -</u>

The annual required contribution (ARC) was determined as part of the February 28, 2010 and February 28, 2011 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2010 was 2 years for the General division and 9 years for the Police division. The amortization period as of February 28, 2011 was 2 years for the General division and 4 year for the Police division.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO) (continued)

THREE-YEAR TREND INFORMATION

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 86,213	100.0%	\$ -
2011	101,692	100.0	-
2012	132,422	100.0	-

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[ (b-a) / c ] UAL as a Percentage of Covered Payroll
2/28/2010	\$3,159,290	\$2,986,183	\$ (173,107)	106%	\$1,827,197	(9.47)%
2/28/2011	3,286,441	3,219,984	(66,457)	102	1,761,319	(3.77)
2/29/2012	3,722,070	3,514,523	(207,547)	106	2,007,424	(10.34)

*Note:* The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

**2011**

Annual required contribution	\$ 101,692
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	101,692
Actual contributions	101,692
Increase (decrease) in NPO	-
NPO beginning of year	-
NPO end of year	\$ -

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO) (concluded)

The annual required contribution (ARC) was determined as part of the February 28, 2009 and February 28, 2010 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2011 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2009 was 2 years for the General division and 4 years for the Police division. The amortization period as of February 28, 2010 was 2 years for the General division and 9 years for the Police division.

THREE-YEAR TREND INFORMATION

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 85,279	100.0%	\$ -
2010	86,213	100.0	-
2011	101,692	100.0	-

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[ (b-a) / c] UAL as a Percentage of Covered Payroll
2/28/2009	\$3,160,811	\$2,979,400	\$ (181,411)	106%	\$1,800,171	(10.08)%
2/28/2010	3,159,290	2,986,183	(173,107)	106	1,827,197	(9.47)
2/28/2011	3,286,441	3,219,984	(66,457)	102	1,761,319	(3.77)

*Note:* The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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VIII. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had one COBRA participant at December 31, 2012, and the County had two COBRA participants at December 31, 2011.

IX. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$2,244 and \$2,244, respectively, for the years ended December 31, 2012 and 2011.

X. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved in pending litigation as of the audit report date. The financial impact to the County is considered immaterial, if any.

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Employees receive one week of vacation after the first year of service, two weeks of vacation per year after two years of employment, three weeks of vacation per year after ten years of employment, and four weeks of vacation per year after twenty years of employment. Vacation days do not carry forward if they are unused. Upon termination, an employee is reimbursed for any unused vacation days. Employees accrue one sick day per month. The County allows employees to have a maximum of thirty-five days. However, upon termination, employees do not get reimbursed for sick leave. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.



THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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XI. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XII. SUBSEQUENT EVENTS

There are no subsequent events to report up to the date of the audit report.

**SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT**

## **STATE COMPLIANCE SECTION**

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
SCHEDULE OF STATE FINDINGS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

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SCHEDULE OF STATE FINDINGS

- A. For the year ended December 31, 2012, expenditures exceeded those budgeted for the following: County Employee Retirement Fund, and the 911 Services Fund.
- B. For the year ended December 31, 2011, the following fund was deficit budgeted: Essex Special Paving Project Fund.
- C. For the year ended December 31, 2011, the following funds did not have budgets: Mental Health Board Fund and Inmate Security Fund.

## **FEDERAL COMPLIANCE SECTION**



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission  
The County of Stoddard, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Stoddard ("County") as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 25, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [FS 12/11-01 and FS 12/11-02]

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **The County's Response to Findings**

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

June 25, 2013



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY OMB CIRCULAR A-133

Independent Auditor's Report

To The County Commission  
The County of Stoddard  
Bloomfield, Missouri

**Report on Compliance for Each Major Federal Program**

We have audited the County of Stoddard's ("County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2012 and 2011. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.



### ***Opinion on Each Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2012 and 2011.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item SA 12/11-01. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item SA 12/11-01, that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the County as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 25, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

June 25, 2013

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	12/31/2012 EXPENDITURES	12/31/2011 EXPENDITURES
U.S. DEPARTMENT OF INTERIOR				
Direct Program:				
PILT - Payment in Lieu of Taxes	15.226	N/A	\$ 1,747.00	\$ 1,711.00
National Wildlife Refuge Fund	15.659	N/A	13,778.00	12,857.00
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through State:				
State Department of Economic Development				
Community Development Block Grant/State Program	14.228	2008-DI-68	40,574.00	25,000.00
Missouri Department of Social Services				
Homeless Prevention and Rapid Re-Housing Program	14.257	ER1610061A	12,498.71	58,284.13
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through State:				
Highway and Transportation Commission:				
Highway Planning and Construction	20.205	BRO-103(46)	-	441.35
		BRO-123(50)	2,381.65	-
		BRO-103(55)	406,519.69	38,863.04
			408,901.34	39,304.39
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through State:				
Missouri State Emergency Management Agency				
Presidentially Declared Disaster Grant	97.036	DR 1980 PA FED	23,849.02	-
Emergency Management Performance Grant	97.042	EMPG 2010	-	6,719.96
		EMPG 2011	-	11,750.00
		EMPG 2012	7,493.47	-
			7,493.47	18,469.96
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 508,841.54	\$ 155,626.48

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

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NOTE 1 – BASIS OF PRESENTATION

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Stoddard County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistance* means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

*Federal award* means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUB-RECIPIENTS

The County provided federal awards to sub-recipients during the years ended December 31, 2012, and 2011. The sub-recipients are as follows:

<b>Name of Program</b>	<b>CFDA</b>	<b>Subrecipient</b>	<b>2012</b>	<b>2011</b>
National Wildlife Refuge Fund	15.659	Duck Creek Township	\$ 6,889.00	\$ 6,428.50
National Wildlife Refuge Fund	15.659	Puxico School District	6,889.00	6,428.50
Homeless Prevention and Rapid Re-Housing	14.257	Delta Area Economic Oppurtunity Corporation	12,498.71	58,284.13
<b>Total</b>			<u>\$ 26,276.71</u>	<u>\$ 71,141.13</u>

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

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I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Regulatory Basis
2. Internal control over financial reporting:
  - a. Material weakness(es) identified? 2012 ☐ Yes ☒ No  
2011 ☐ Yes ☒ No
  - b. Significant deficiencies identified? 2012 ☒ Yes ☐ None Reported  
2011 ☒ Yes ☐ None Reported
3. Noncompliance material to financial statements noted? 2012 ☐ Yes ☒ No  
2011 ☐ Yes ☒ No

B. Federal Awards

1. Internal control over major programs:
  - a. Material weakness(es) identified? 2012 ☐ Yes ☒ No  
2011 ☐ Yes ☒ No
  - b. Significant deficiencies identified? 2012 ☒ Yes ☐ None Reported  
2011 ☒ Yes ☐ None Reported
2. Type of auditor's report issued on compliance for major programs: 2012 - Unmodified  
2011 - Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*? 2012 ☒ Yes ☐ No  
2011 ☒ Yes ☐ No



THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

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II. FINANCIAL STATEMENT FINDINGS (continued)

FS 12/11-02     Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County will address fraud risk assessment specifically in the Sheriff's office and the Collector's office. The Sheriff and Collector will be requested to assess their procedures and report to the County Commission by Dec. 31, 2013. The Prosecutor, Recorder, Assessor, and Clerk will be requested to report to the County Commission by February 2014. The County Clerk's office phone number is (573)568-3339.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2012 AND 2011

The following findings, recommendations, and questioned costs are the results of the single audit of Stoddard County, Missouri for the fiscal years ended December 31, 2012 and 2011. Each finding is referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

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III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2012 AND 2011 (continued)

A. Category of Internal Control Weakness (concluded)

1. Significant Deficiency: A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.
2. Material Weakness: A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.
2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than \$10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

C. Federal Award Findings and Questioned Costs

<b>SA 12/11-01</b>	Federal Grantor:	U.S. Department of Transportation
Other Information	Pass-Through Grantor:	Missouri Department of Transportation
Significant Deficiency	Federal CFDA Number:	20.205
	Program Title:	Highway Planning and Construction

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Federal Expenditures and Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.



THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

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III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2012 AND 2011 (continued)

C. Federal Award Findings and Questioned Costs (concluded)

SA 12/11-01 Questioned Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: OMB Circular A-133 is being reviewed and training sessions will be initiated on October 1, 2013 in the County Clerk's (Joe Watson) office. The completion goal is December 31, 2013. The training will focus on capturing grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. Included in the training will be proper communications with other departments to ensure they are transmitting the information required on the SEFA to the County Clerk. The County Clerk's office phone number is (573) 568-3339.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

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I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 10/09-01     Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency. SAS No. 115 supersedes SAS No. 112.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During discussions with management, we noted that we will be assisting the County with the preparation of their audited financial statements and footnotes.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Status: Management has corrected this finding and has the skills and knowledge to prepare the financial statements.

FS 10/09-02     Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

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I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (continued)

FS 10/09-02     Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Status: Management has not implemented appropriate corrective action. See finding at FS 12/11-01.

FS 10/09-03     Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Status: Management has not implemented appropriate corrective action. See finding at FS 12/11-02.

FS 10/09-04     Criteria: The Internal Revenue Service requires employers to withhold taxes from employee wages. It also requires employers to pay the liability portion for the employer's portion of social security and medicare taxes.

Condition: During our audit, we noted that the Federal 941s were not completed correctly.

Context: During discussions with management, we noted that Federal 941s were not completed correctly.

Effect: Failure to properly complete the Federal 941s could cause the County additional tax liability, penalties or interest owed.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

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I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (continued)

FS 10/09-04 Cause: Management has not properly trained staff on how to complete the Federal 941 Form.

Recommendation: We recommend that County employees receive appropriate training in the preparation of tax documents or obtain outside services.

Status: Management has implemented an appropriate corrective action plan and corrected the finding in the current audit period.

FS 10/09-05 Criteria: Bank reconciliations must properly be prepared monthly on a timely basis by the Sheriff's office.

Condition: During our audit, we discovered that bank reconciliations were not prepared properly for the Sheriff's General account and Inmate account.

Context: This deficiency became apparent through our testing of the Sheriff's General and Inmate cash accounts and related reconciliations.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Sheriff's office properly reconcile its accounts on a monthly basis and monitor the reconciliations to be sure they are being properly prepared. These reconciliations will ensure meaningful and accurate financial statements.

Status: Management has implemented an appropriate corrective action plan and corrected the finding in the current audit period.

FS 10/09-06 Criteria: SAS No. 55, *Consideration of Internal Control in a Financial Statement Audit*, as amended by SAS No. 78, *Consideration of Internal Control in a Financial Statement Audit: An Amendment to SAS No. 55*.

Condition: During our audit, we noted certain instances in the Recorder's office that cause concern. First, the Recorder is able to perform all cash receipts and disbursement duties. Second, the Recorder only issues receipts for cash. The Recorder must also issue receipts for checks received or any other type of payment allowable by the office. Lastly, receipts issued are not pre-numbered, which is another deficiency in internal controls.

Context: During discussions with management, we noted that the Recorder is able to perform all cash receipts and disbursement duties, and does not issue receipts for checks received, only for cash. Also, the receipts issued were not pre-numbered.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

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I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (continued)

FS 10/09-06     Effect: Sound internal controls require segregation of duties in the office. Segregation of duties is critical to effective internal controls because it reduces the risk of mistakes and inappropriate actions. Other areas of internal control require the issuing and recording of all receipts for payments received regardless of the type of payment collected. Receipts should be pre-numbered as well, so payments can be tracked. If such internal controls are ignored, fraud or inefficiencies can occur in the office.

Cause: The Recorder has not implemented sound internal controls in the office.

Recommendation: We recommend that the Recorder segregate duties in her office if possible as well as issue and record receipts for all payments collected in the office. Also, the Recorder of Deeds should have pre-numbered receipts so payments may be tracked.

Status: Management has implemented an appropriate corrective action plan and corrected the finding in the current audit period.

FS 10/09-07     Criteria: SAS No. 55, *Consideration of Internal Control in a Financial Statement Audit*, as amended by SAS No. 78, *Consideration of Internal Control in a Financial Statement Audit*: An Amendment to SAS No. 55.

Condition: During our audit, we noted certain instances in the Treasurer's and Collector's offices. First, the office clerk is able to perform all duties of the cash receipts and disbursement process. Second, disbursements of court cost monies distributed by the Treasurer's and Collector's offices require no approval or dual authorization for approving disbursements.

Context: During discussions with management, we noted that the office clerk is able to perform all duties of the cash receipts and disbursement process. Also, disbursement of court costs monies distributed require no approval or dual authorization for approving disbursements.

Effect: Failure to segregate duties and require approval or dual authorization for approving disbursements shows a lack of internal controls.

Cause: The Treasurer and Collector have not implemented sound internal controls in their offices.

Recommendation: We recommend that the Treasurer's and Collector's offices require approval or dual authorization for approving disbursements and segregate duties in their offices.

Status: Management has implemented an appropriate corrective action plan and corrected the finding in the current audit period.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

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II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

<b>SA 10/09-01</b>	Federal Grantor:	U.S. Department of Transportation
Other Information	Pass-Through Grantor:	Missouri Department of Transportation
Significant Deficiency	Federal CFDA Number:	20.205
	Program Title:	Highway Planning and Construction

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Federal Expenditures and Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Status: Management has not implemented an appropriate corrective action. See finding at SA 12/11-01.

THE COUNTY OF STODDARD  
BLOOMFIELD, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

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II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (concluded)

<b>SA 10/09-02</b>	Federal Grantor:	U.S. Department of Transportation
Davis-Bacon	Pass-Through Grantor:	Missouri Department of Transportation
Significant Deficiency	Federal CFDA Number:	20.205
	Program Title:	Highway Planning and Construction

Information on the federal program: The County was non compliant with the minimum wage rates set forth by the Davis-Bacon Act.

Criteria: The compliance matrix to OMB Circular A-133 requires that recipients of Highway Planning and Construction funding must document their compliance with the Davis-Bacon Act.

Condition: We noted an instance of non compliance with the Davis Bacon Act.

Questioned Costs: Not applicable

Context: During our testing of a sample of Davis Bacon wages we noted instances of non compliance.

Effect: The County was non compliant with the Davis-Bacon Act.

Cause: Unknown.

Recommendation: The County should review all Davis-Bacon wage reports and review them for compliance with Federal minimum wage rates set by the Department of Labor by job classification and the date of the work.

Status: Management has implemented an appropriate corrective action plan and corrected the finding in the current audit period.



# Daniel Jones & Associates

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

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June 25, 2013

To the Board of Commissioners  
County of Stoddard

In planning and performing our audit of the regulatory based financial statements of the County of Stoddard (the "County") as of and for the years ended December 31, 2012, and December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I:

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI



## I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 12/11-01     Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County has started researching the COSO internal control guidance and will begin the process of internal control documentation in the County Clerk's (Joe Watson) office with a completion date of February 2014. The County Clerk's office phone number is (573)568-3339.

FS 12/11-02     Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

## I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

FS 12/11-02     Views of responsible officials and planned corrective actions: The County will address fraud risk assessment specifically in the Sheriff's office and the Collector's office. The Sheriff and Collector will be requested to assess their procedures and report to the County Commission by Dec. 31, 2013. The Prosecutor, Recorder, Assessor, and Clerk will be requested to report to the County Commission by February 2014. The County Clerk's office phone number is (573)568-3339.

SA 12/11-01	Federal Grantor:	U.S. Department of Transportation
Other Information	Pass-Through Grantor:	Missouri Department of Transportation
Significant Deficiency	Federal CFDA Number:	20.205
	Program Title:	Highway Planning and Construction

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Federal Expenditures and Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: OMB Circular A-133 is being reviewed and training sessions will be initiated on October 1, 2013 in the County Clerk's (Joe Watson) office. The completion goal is December 31, 2013. The training will focus on capturing grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. Included in the training will be proper communications with other departments to ensure they are transmitting the information required on the SEFA to the County Clerk. The County Clerk's office phone number is (573) 568-3339.

## II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

### Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 16, 2013. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2012-2011 fiscal years. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 25, 2013.

## **II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)**

### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the County’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with a regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Mercer County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Mercer County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich", is positioned above the printed name.

Thomas A. Schweich  
State Auditor

August 2013  
Report No. 2013-072

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORTS  
AND SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2012 AND 2011

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
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## **FINANCIAL SECTION**





**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

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INDEPENDENT AUDITOR'S REPORT

To the County Commission  
The County of Mercer, Missouri

**Report on the Financial Statements**

We have audited the accompanying financial statements of the County of Mercer, Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2012 and 2011, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note I of the financial statements, the financial statements are prepared on the basis of financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2012 and 2011, or changes in financial position or cash flows thereof for the years then ended.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2012 and 2011, and their respective cash receipts and disbursements, and budgetary results for the year then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Mercer’s basic financial statements. The schedule of expenditures of federal awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2013 on our consideration of the County of Mercer's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Mercer's internal control over financial reporting and compliance.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

June 25, 2013

## **FINANCIAL STATEMENTS**

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
(the Primary Government)  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

FUND	CASH JANUARY 1, 2012	RECEIPTS 2012	DISBURSEMENTS 2012	CASH DECEMBER 31, 2012
General Revenue	\$ 532,612.27	\$ 874,389.21	\$ 743,341.11	\$ 663,660.37
Special Road & Bridge	216,200.09	1,036,716.03	1,074,027.94	178,888.18
Use Tax	15,816.18	130,919.50	38,535.40	108,200.28
Assessment	14,766.99	101,670.17	93,729.79	22,707.37
LEA	4,187.64	8,673.35	106.68	12,754.31
PA Training	1,212.42	183.50	641.53	754.39
PA Bad Check	15.52	6,164.44	6,050.71	129.25
Recreation District	95,478.81	131,200.60	122,603.99	104,075.42
Recorder Trust	-	140.00	140.00	-
LE Sales Tax	29,019.07	131,391.31	149,157.51	11,252.87
CERF	340.95	25,899.49	25,395.03	845.41
LLEBG	6.07	-	-	6.07
Restitution	8,898.56	2,741.98	5,541.78	6,098.76
Sheriff's Special	11,692.31	7,995.98	7,610.60	12,077.69
Recorder's Special	7,039.78	3,578.24	5,185.38	5,432.64
LEPC	10,868.16	-	1,353.09	9,515.07
Tax Maintenance	8,528.45	7,308.52	7,079.75	8,757.22
Sheriff's Revolving	5,208.65	2,405.35	541.34	7,072.66
Law Enforcement Training	466.60	1,120.58	1,427.38	159.80
FEMA	1,492.49	99,319.65	100,812.14	-
LEPC Siren	1,029.73	-	1,029.73	-
Lindley Twp.	-	70,396.68	66,831.65	3,565.03
Senior Citizens	15,035.71	28,190.22	27,352.00	15,873.93
Deputy Sheriff	-	4,889.64	5,145.70	(256.06)
Inmate Security	586.00	576.00	-	1,162.00
Juvenile Fund	2,036.49	64.15	-	2,100.64
TOTAL	\$ 982,538.94	\$ 2,675,934.59	\$ 2,483,640.23	\$ 1,174,833.30

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
(the Primary Government)  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011

FUND	CASH JANUARY 1, 2011	RECEIPTS 2011	DISBURSEMENTS 2011	CASH DECEMBER 31, 2011
General Revenue	\$ 431,720.10	\$ 840,130.72	\$ 739,238.55	\$ 532,612.27
Special Road & Bridge	184,172.49	994,025.96	961,998.36	216,200.09
Use Tax	-	15,816.18	-	15,816.18
Assessment	7,087.88	103,726.99	96,047.88	14,766.99
LEA	3,504.11	683.53	-	4,187.64
PA Training	1,171.09	253.20	211.87	1,212.42
PA Bad Check	597.95	7,230.97	7,813.40	15.52
Recreation District	96,200.01	132,912.80	133,634.00	95,478.81
Recorder Trust	-	145.00	145.00	-
LE Sales Tax	20,427.66	138,807.48	130,216.07	29,019.07
CERF	441.32	22,645.94	22,746.31	340.95
LLEBG	6.07	-	-	6.07
Restitution	8,666.84	5,532.49	5,300.77	8,898.56
Sheriff's Special	6,320.10	11,893.00	6,520.79	11,692.31
Recorder's Special	5,053.25	3,440.12	1,453.59	7,039.78
LEPC	4,720.03	8,178.74	2,030.61	10,868.16
Tax Maintenance	7,792.94	8,194.94	7,459.43	8,528.45
Sheriff's Revolving	5,170.82	1,744.90	1,707.07	5,208.65
Law Enforcement Training	1,024.78	1,367.97	1,926.15	466.60
FEMA	218,600.50	476,687.96	693,795.97	1,492.49
LEPC Siren	4,948.00	1,000.00	4,918.27	1,029.73
Lindley Twp.	-	170,123.91	170,123.91	-
Senior Citizens	11,132.82	28,521.14	24,618.25	15,035.71
Deputy Sheriff	-	-	-	-
Inmate Security	-	586.00	-	586.00
Juvenile Fund	1,958.98	77.51	-	2,036.49
TOTAL	\$ 1,020,717.74	\$ 2,973,727.45	\$ 3,011,906.25	\$ 982,538.94

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
(the Primary Government)  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	GENERAL REVENUE FUND			
	2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL
<b>RECEIPTS</b>				
Property Taxes	\$ 135,000.00	\$ 128,211.10	\$ 133,800.00	\$ 135,372.82
Sales Taxes	300,000.00	291,530.29	290,000.00	303,983.27
Intergovernmental	216,267.00	218,023.31	204,231.00	218,464.37
Charges for Services	76,200.00	75,401.95	73,325.00	76,148.78
Interest	22,000.00	22,857.91	15,000.00	23,466.40
Other	68,016.40	98,364.65	80,370.00	42,695.08
Transfers In	40,000.00	40,000.00	40,000.00	40,000.00
<b>TOTAL RECEIPTS</b>	<b>857,483.40</b>	<b>874,389.21</b>	<b>836,726.00</b>	<b>840,130.72</b>
<b>DISBURSEMENTS</b>				
County Commission	68,060.00	67,862.54	68,010.00	67,370.30
County Clerk	99,408.75	89,845.67	97,415.46	90,824.26
Elections	43,360.00	40,444.95	16,245.00	16,316.88
Buildings and Grounds	89,720.00	60,923.24	90,074.61	90,520.19
Employee Fringe Benefits	93,400.00	92,569.05	86,200.00	84,517.33
County Treasurer	60,132.62	53,574.54	59,912.50	57,655.80
Collector	-	-	-	-
Recorder of Deeds	-	-	-	-
Circuit Clerk	12,455.53	9,852.81	12,508.31	11,100.71
Court Administration	7,723.50	1,709.24	7,674.07	4,361.22
Public Administrator	24,790.00	24,411.40	24,220.00	23,700.74
Sheriff	158,096.66	153,700.18	128,837.53	130,889.16
Jail	-	-	-	-
Prosecuting Attorney	68,397.69	68,328.85	68,933.02	66,879.95
Juvenile Officer	14,956.00	3,952.06	14,956.00	1,914.91
Coroner	8,240.00	8,239.92	8,000.00	8,000.00
Court Reporter	780.00	64.22	797.40	100.10
Other	-	-	-	-
Other County Government	83,600.00	66,803.87	88,000.00	79,039.80
Miscellaneous Expenses	1,251.00	1,058.57	28,225.00	6,047.20
Transfers Out	-	-	-	-
Emergency Fund	25,724.50	-	25,101.78	-
<b>TOTAL DISBURSEMENTS</b>	<b>860,096.25</b>	<b>743,341.11</b>	<b>825,110.68</b>	<b>739,238.55</b>
<b>RECEIPTS OVER (UNDER)</b>				
DISBURSEMENTS	(2,612.85)	131,048.10	11,615.32	100,892.17
<b>CASH, JANUARY 1</b>	<b>532,612.27</b>	<b>532,612.27</b>	<b>431,720.10</b>	<b>431,720.10</b>
<b>CASH, DECEMBER 31</b>	<b>\$ 529,999.42</b>	<b>\$ 663,660.37</b>	<b>\$ 443,335.42</b>	<b>\$ 532,612.27</b>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
(the Primary Government)  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	SPECIAL ROAD & BRIDGE FUND			
	2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ 62.86	\$ -
Sales Taxes	75,000.00	72,865.41	70,000.00	75,988.24
Intergovernmental	1,265,623.75	914,862.41	1,116,482.74	845,787.93
Charges for Services	21,658.65	21,905.74	30,322.53	49,404.74
Interest	4,000.00	6,486.49	3,700.00	9,020.54
Other	21,800.00	20,595.98	16,500.00	13,824.51
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,388,082.40	1,036,716.03	1,237,068.13	994,025.96
DISBURSEMENTS				
Salaries	92,326.73	92,938.93	99,637.60	98,782.20
Employee Fringe Benefits	26,800.00	24,237.44	23,720.00	23,967.61
Supplies	46,733.34	37,066.28	47,808.34	49,530.10
Insurance	6,000.00	5,668.54	6,000.00	5,890.48
Road & Bridge Materials	317,491.29	309,051.04	351,918.50	325,125.21
Equipment Repairs	18,000.00	18,356.05	40,000.00	26,956.89
Rentals	-	-	-	-
Equipment Purchases	52,420.20	53,274.23	51,420.20	50,814.91
R&B Construction	-	-	8,500.00	865.00
Other Expenditures	875,400.00	493,435.43	633,476.51	340,065.96
Transfers Out	40,000.00	40,000.00	40,000.00	40,000.00
TOTAL DISBURSEMENTS	1,475,171.56	1,074,027.94	1,302,481.15	961,998.36
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(87,089.16)	(37,311.91)	(65,413.02)	32,027.60
CASH, JANUARY 1	216,200.09	216,200.09	184,172.49	184,172.49
CASH, DECEMBER 31	\$ 129,110.93	\$ 178,888.18	\$ 118,759.47	\$ 216,200.09

The accompanying notes to the financial statements are an integral part of this statement.



THE COUNTY OF MERCER  
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YEARS ENDED DECEMBER 31, 2012 AND 2011

	USE TAX FUND			
	2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	50,000.00	130,919.50	-	15,816.18
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	50,000.00	130,919.50	-	15,816.18
DISBURSEMENTS				
911 Addressing	60,000.00	38,535.40	-	-
Vehicle Purchase	-	-	-	-
Other Expenses	-	-	-	-
TOTAL DISBURSEMENTS	60,000.00	38,535.40	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,000.00)	92,384.10	-	15,816.18
CASH, JANUARY 1	15,816.18	15,816.18	-	-
CASH, DECEMBER 31	\$ 5,816.18	\$ 108,200.28	\$ -	\$ 15,816.18

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MERCER  
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	ASSESSMENT FUND				LEA FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	97,872.00	99,228.60	94,796.00	101,224.77	-	-	-	-
Charges for Services	1,100.00	1,119.50	500.00	1,132.80	7,300.00	8,461.31	350.00	683.53
Interest	1,300.00	1,322.07	1,000.00	1,369.42	-	212.04	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	100,272.00	101,670.17	96,296.00	103,726.99	7,300.00	8,673.35	350.00	683.53
DISBURSEMENTS								
Salaries	69,699.09	61,591.77	70,578.04	67,146.89	-	-	-	-
Employee Fringe Benefits	18,325.00	16,085.57	13,275.00	15,840.41	-	-	-	-
Materials and Supplies	4,200.00	3,167.62	3,100.00	3,219.15	1,000.00	106.68	1,000.00	-
Mileage and Training	1,620.00	726.06	1,820.00	1,849.78	-	-	-	-
Other Expenses	14,084.00	12,158.77	8,031.19	7,991.65	1,000.00	-	1,000.00	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	107,928.09	93,729.79	96,804.23	96,047.88	2,000.00	106.68	2,000.00	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(7,656.09)	7,940.38	(508.23)	7,679.11	5,300.00	8,566.67	(1,650.00)	683.53
CASH, JANUARY 1	14,766.99	14,766.99	7,087.88	7,087.88	4,187.64	4,187.64	3,504.11	3,504.11
CASH, DECEMBER 31	\$ 7,110.90	\$ 22,707.37	\$ 6,579.65	\$ 14,766.99	\$ 9,487.64	\$ 12,754.31	\$ 1,854.11	\$ 4,187.64

The accompanying notes to the financial statements are an integral part of this statement.

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	PA TRAINING FUND				PA BAD CHECK FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	152.30	-	210.71	5,800.00	5,352.78	6,000.00	5,803.10
Interest	-	31.20	-	42.49	28.00	9.61	60.00	29.51
Other	-	-	-	-	1,372.00	802.05	1,010.00	1,398.36
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	183.50	-	253.20	7,200.00	6,164.44	7,070.00	7,230.97
DISBURSEMENTS								
Rent/Misc	-	-	-	-	7,215.52	6,050.71	7,200.00	7,813.40
Training	-	641.53	-	211.87	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	641.53	-	211.87	7,215.52	6,050.71	7,200.00	7,813.40
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	(458.03)	-	41.33	(15.52)	113.73	(130.00)	(582.43)
CASH, JANUARY 1	<u>1,212.42</u>	<u>1,212.42</u>	<u>1,171.09</u>	<u>1,171.09</u>	<u>15.52</u>	<u>15.52</u>	<u>597.95</u>	<u>597.95</u>
CASH, DECEMBER 31	<u>\$ 1,212.42</u>	<u>\$ 754.39</u>	<u>\$ 1,171.09</u>	<u>\$ 1,212.42</u>	<u>\$ 0.00</u>	<u>\$ 129.25</u>	<u>\$ 467.95</u>	<u>\$ 15.52</u>

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THE COUNTY OF MERCER  
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	RECREATION DISTRICT FUND				RECORDER TRUST FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	120,000.00	128,102.42	120,000.00	132,912.80	-	-	-	-
Intergovernmental	-	-	-	-	-	140.00	-	145.00
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	3,098.18	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	120,000.00	131,200.60	120,000.00	132,912.80	-	140.00	-	145.00
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	195,000.00	122,603.99	204,616.91	133,634.00	-	140.00	-	145.00
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	195,000.00	122,603.99	204,616.91	133,634.00	-	140.00	-	145.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(75,000.00)	8,596.61	(84,616.91)	(721.20)	-	-	-	-
CASH, JANUARY 1	95,478.81	95,478.81	96,200.01	96,200.01	-	-	-	-
CASH, DECEMBER 31	<u>\$ 20,478.81</u>	<u>\$ 104,075.42</u>	<u>\$ 11,583.10</u>	<u>\$ 95,478.81</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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THE COUNTY OF MERCER  
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BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	LE SALES TAX FUND				CERF			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	130,000.00	128,117.92	125,000.00	132,778.21	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	6,255.25	-	6,424.00
Interest	1,000.00	834.47	550.00	1,153.45	-	11.68	-	8.92
Other	7,500.00	2,438.92	3,000.00	4,875.82	-	19,632.56	-	16,213.02
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	138,500.00	131,391.31	128,550.00	138,807.48	-	25,899.49	-	22,645.94
DISBURSEMENTS								
Salaries	119,157.51	119,424.04	113,983.67	106,851.35	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	-	25,395.03	-	22,746.31
Capital Outlay	-	-	-	-	-	-	-	-
Jail	30,000.00	29,733.47	18,800.00	23,364.72	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	149,157.51	149,157.51	132,783.67	130,216.07	-	25,395.03	-	22,746.31
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(10,657.51)	(17,766.20)	(4,233.67)	8,591.41	-	504.46	-	(100.37)
CASH, JANUARY 1	29,019.07	29,019.07	20,427.66	20,427.66	340.95	340.95	441.32	441.32
CASH, DECEMBER 31	\$ 18,361.56	\$ 11,252.87	\$ 16,193.99	\$ 29,019.07	\$ 340.95	\$ 845.41	\$ 441.32	\$ 340.95

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THE COUNTY OF MERCER  
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	LLEBG FUND				RESTITUTION FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	465.97
Interest	-	-	-	-	-	241.98	-	316.52
Other	-	-	-	-	-	2,500.00	-	4,750.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	-	-	-	2,741.98	-	5,532.49
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	-	5,541.78	-	5,300.77
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
To Agency Funds	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	5,541.78	-	5,300.77
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	-	(2,799.80)	-	231.72
CASH, JANUARY 1	6.07	6.07	6.07	6.07	8,898.56	8,898.56	8,666.84	8,666.84
CASH, DECEMBER 31	\$ 6.07	\$ 6.07	\$ 6.07	\$ 6.07	\$ 8,898.56	\$ 6,098.76	\$ 8,666.84	\$ 8,898.56

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
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	SHERIFF'S SPECIAL FUND				RECORDER'S SPECIAL FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	9,200.00	7,624.45	8,500.00	9,588.13	3,000.00	3,417.25	2,500.00	3,196.25
Interest	350.00	371.53	180.00	392.98	200.00	160.99	160.00	243.87
Other	-	-	-	1,911.89	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	9,550.00	7,995.98	8,680.00	11,893.00	3,200.00	3,578.24	2,660.00	3,440.12
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	6,879.00	5,185.38	5,580.00	1,453.59
Training and Other	21,242.31	7,610.60	15,000.10	6,520.79	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	21,242.31	7,610.60	15,000.10	6,520.79	6,879.00	5,185.38	5,580.00	1,453.59
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(11,692.31)	385.38	(6,320.10)	5,372.21	(3,679.00)	(1,607.14)	(2,920.00)	1,986.53
CASH, JANUARY 1	11,692.31	11,692.31	6,320.10	6,320.10	7,039.78	7,039.78	5,053.25	5,053.25
CASH, DECEMBER 31	\$ -	\$ 12,077.69	\$ -	\$ 11,692.31	\$ 3,360.78	\$ 5,432.64	\$ 2,133.25	\$ 7,039.78

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MERCER  
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	LEPC FUND				TAX MAINTENANCE FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	7,500.00	6,966.43	6,900.00	7,745.90
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	400.00	342.09	210.00	449.04
Other	-	-	-	7,178.74	-	-	-	-
Transfers In	-	-	4,103.45	1,000.00	-	-	-	-
TOTAL RECEIPTS	-	-	4,103.45	8,178.74	7,900.00	7,308.52	7,110.00	8,194.94
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	9,100.00	7,079.75	7,700.00	7,459.43
Services and Other	-	1,353.09	-	2,030.61	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	1,353.09	-	2,030.61	9,100.00	7,079.75	7,700.00	7,459.43
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	(1,353.09)	4,103.45	6,148.13	(1,200.00)	228.77	(590.00)	735.51
CASH, JANUARY 1	10,868.16	10,868.16	4,720.03	4,720.03	8,528.45	8,528.45	7,792.94	7,792.94
CASH, DECEMBER 31	<u>\$ 10,868.16</u>	<u>\$ 9,515.07</u>	<u>\$ 8,823.48</u>	<u>\$ 10,868.16</u>	<u>\$ 7,328.45</u>	<u>\$ 8,757.22</u>	<u>\$ 7,202.94</u>	<u>\$ 8,528.45</u>

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	SHERIFF'S REVOLVING FUND				LAW ENFORCEMENT TRAINING FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,500.00	2,210.00	2,000.00	1,530.00	800.00	607.97	765.00	834.00
Interest	200.00	195.35	100.00	214.90	30.00	12.61	20.00	33.97
Other	-	-	-	-	500.00	500.00	500.00	500.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,700.00	2,405.35	2,100.00	1,744.90	1,330.00	1,120.58	1,285.00	1,367.97
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Training	-	-	-	-	1,796.60	1,427.38	2,219.78	1,926.15
Services and Other	6,908.65	541.34	7,270.82	1,707.07	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	6,908.65	541.34	7,270.82	1,707.07	1,796.60	1,427.38	2,219.78	1,926.15
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(5,208.65)	1,864.01	(5,170.82)	37.83	(466.60)	(306.80)	(934.78)	(558.18)
CASH, JANUARY 1	5,208.65	5,208.65	5,170.82	5,170.82	466.60	466.60	1,024.78	1,024.78
CASH, DECEMBER 31	\$ -	\$ 7,072.66	\$ -	\$ 5,208.65	\$ -	\$ 159.80	\$ 90.00	\$ 466.60

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	FEMA FUND				LEPC SIREN FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	99,400.00	99,319.65	473,888.34	476,687.96	-	-	4,103.45	1,000.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	99,400.00	99,319.65	473,888.34	476,687.96	-	-	4,103.45	1,000.00
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	100,892.49	100,812.14	692,488.84	693,795.97	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Other	-	-	-	-	1,029.73	1,029.73	9,051.45	4,918.27
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	100,892.49	100,812.14	692,488.84	693,795.97	1,029.73	1,029.73	9,051.45	4,918.27
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,492.49)	(1,492.49)	(218,600.50)	(217,108.01)	(1,029.73)	(1,029.73)	(4,948.00)	(3,918.27)
CASH, JANUARY 1	1,492.49	1,492.49	218,600.50	218,600.50	1,029.73	1,029.73	4,948.00	4,948.00
CASH, DECEMBER 31	\$ -	\$ -	\$ -	\$ 1,492.49	\$ -	\$ -	\$ -	\$ 1,029.73

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
(the Primary Government)  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	LINDLEY TWP. FUND				SENIOR CITIZENS FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 18,600.00	\$ 22,165.02	\$ 22,700.00	\$ 18,689.79	\$ 28,000.00	\$ 28,190.22	\$ 26,000.00	\$ 28,521.14
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	48,231.65	48,231.66	151,425.77	151,434.12	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	66,831.65	70,396.68	174,125.77	170,123.91	28,000.00	28,190.22	26,000.00	28,521.14
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	200.00	-	500.00	56.25
Services and Other	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Other	66,831.65	66,831.65	174,125.77	170,123.91	29,404.00	27,352.00	31,000.00	24,562.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	66,831.65	66,831.65	174,125.77	170,123.91	29,604.00	27,352.00	31,500.00	24,618.25
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	3,565.03	-	-	(1,604.00)	838.22	(5,500.00)	3,902.89
CASH, JANUARY 1	-	-	-	-	15,035.71	15,035.71	11,132.82	11,132.82
CASH, DECEMBER 31	\$ -	\$ 3,565.03	\$ -	\$ -	\$ 13,431.71	\$ 15,873.93	\$ 5,632.82	\$ 15,035.71

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
(the Primary Government)  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	DEPUTY SHERIFF FUND				INMATE SECURITY FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	576.00	-	586.00
Interest	-	-	-	-	-	-	-	-
Other	3,909.61	4,889.64	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,909.61	4,889.64	-	-	-	576.00	-	586.00
DISBURSEMENTS								
Salaries	3,909.61	5,145.70	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	3,909.61	5,145.70	-	-	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(256.06)	-	-	-	576.00	-	586.00
CASH, JANUARY 1	-	-	-	-	586.00	586.00	-	-
CASH, DECEMBER 31	\$ -	\$ (256.06)	\$ -	\$ -	\$ 586.00	\$ 1,162.00	\$ -	\$ 586.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
(the Primary Government)  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	JUVENILE FUND			
	2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	2,030.00	-	-	-
Interest	50.00	64.15	-	77.51
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	2,080.00	64.15	-	77.51
DISBURSEMENTS				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	-	-	-	-
Capital Outlay	-	-	-	-
Other	2,000.00	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	2,000.00	-	-	-
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	80.00	64.15	-	77.51
CASH, JANUARY 1	2,036.49	2,036.49	1,958.98	1,958.98
CASH, DECEMBER 31	\$ 2,116.49	\$ 2,100.64	\$ 1,958.98	\$ 2,036.49

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
AGENCY FUNDS - REGULATORY BASIS  
AS OF DECEMBER 31, 2012

	<b>Collector Funds</b>	<b>Recorders Funds</b>	<b>Prosecutors Funds</b>	<b>Unclaimed Fees Fund</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,571,328.74	\$ 3,486.50	\$ 585.74	\$ 807.51
Total Assets	3,571,328.74	3,486.50	585.74	807.51
<b>LIABILITIES AND FUND BALANCES</b>				
TOTAL LIABILITIES	-	-	-	-
UNRESERVED FUND BALANCES	3,571,328.74	3,486.50	585.74	807.51
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,571,328.74</u>	<u>\$ 3,486.50</u>	<u>\$ 585.74</u>	<u>\$ 807.51</u>
			<b>Grand Total</b>	
	<b>Criminal Costs Fund</b>	<b>Surplus Tax Fund</b>	<b>Agency Funds</b>	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 3,295.67	\$ 3,579,504.16	
Total Assets	-	3,295.67	3,579,504.16	
<b>LIABILITIES AND FUND BALANCES</b>				
TOTAL LIABILITIES	-	-	-	
UNRESERVED FUND BALANCES	-	3,295.67	3,579,504.16	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 3,295.67</u>	<u>\$ 3,579,504.16</u>	

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
AGENCY FUNDS - REGULATORY BASIS  
AS OF DECEMBER 31, 2011

	<b>Collector Funds</b>	<b>Recorders Funds</b>	<b>Prosecutors Funds</b>	<b>Unclaimed Fees Fund</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	<u>\$ 3,263,312.22</u>	<u>\$ 2,916.25</u>	<u>\$ 29.90</u>	<u>\$ 792.69</u>
Total Assets	3,263,312.22	2,916.25	29.90	792.69
<b>LIABILITIES AND FUND BALANCES</b>				
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>3,263,312.22</u>	<u>2,916.25</u>	<u>29.90</u>	<u>792.69</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,263,312.22</u>	<u>\$ 2,916.25</u>	<u>\$ 29.90</u>	<u>\$ 792.69</u>

	<b>Criminal Costs Fund</b>	<b>Surplus Tax Fund</b>	<b>Grand Total Agency Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	<u>\$ -</u>	<u>\$ 5,194.52</u>	<u>\$ 3,272,245.58</u>
Total Assets	-	5,194.52	3,272,245.58
<b>LIABILITIES AND FUND BALANCES</b>			
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>5,194.52</u>	<u>3,272,245.58</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 5,194.52</u>	<u>\$ 3,272,245.58</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Mercer, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1845 by an Act of the Missouri Territory. In addition to the three board members, there are eight elected Constitutional Officers: Assessor, County Clerk, Collector of Revenue/Treasurer, Coroner, Circuit Clerk/Recorder of Deeds, Prosecuting Attorney, Public Administrator, and Sheriff.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Mercer County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which include a Statement of Receipts, Disbursements and Changes in Cash—All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

**Governmental Fund Types**

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.



THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

**Fiduciary Fund Types**

*Agency* – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2012 and 2011, for purposes of taxation was:

	<u>2012</u>	<u>2011</u>
Real Estate	\$ 30,880,150	\$ 30,416,368
Personal Property	19,859,176	18,451,027
Railroad and Utilities	<u>10,751,664</u>	<u>10,341,970</u>
	<u>\$ 61,490,990</u>	<u>\$ 59,209,365</u>

During 2012 and 2011, the County Commission approved a \$0.3144 and \$0.3282 tax levy, respectively, per \$100 of assessed valuation of tangible taxable property for the calendar year 2012 and 2011, for purpose of County taxation, as follows:

	<u>2012</u>	<u>2011</u>
General Revenue Fund	\$ 0.2644	\$ 0.2782
Senior Citizens Fund	<u>0.0500</u>	<u>0.0500</u>
	<u>\$ 0.3144</u>	<u>\$ 0.3282</u>

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2012 and 2011, the carrying amount of the County's deposits was \$1,174,833.30 and \$982,538.94 and the bank balance was \$4,867,180.95, and \$4,364,458.04, respectively. The total bank balance as of December 31, 2012, and December 31, 2011, was insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2012, as follows:

Included in the following fund financial statement captions:

<u>Statements of Receipts, Disbursements and</u>	
<u>Changes in Cash:</u>	
Deposits and Cash Equivalents	\$ 1,174,833.30
Investments	<u>-</u>
Total Deposits & Investments as of December 31, 2012	\$ <u>1,174,833.30</u>

The carrying values of deposits and investments at December 31, 2011, are as follows:

Included in the following fund financial statement captions:

<u>Statements of Receipts, Disbursements and</u>	
<u>Changes in Cash:</u>	
Deposits and Cash Equivalents	\$ 982,538.94
Investments	<u>-</u>
Total Deposits & Investments as of December 31, 2011	\$ <u>982,538.94</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2012, and 2011.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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II. DEPOSITS AND INVESTMENTS (concluded)

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2012 and 2011.

III. CAPITAL LEASES

On December 20, 2007, Mercer County Road and Bridge entered into a municipal lease agreement with Farmers Bank of Northern Missouri for one Komatsu DL200LL-8 Trac-Hoe, with a purchase price of \$140,300 requiring one down payment at signing for \$27,500 and five annual payments of \$26,238.33 beginning 12/20/08 and ending 12/20/12. The interest rate is 5.25% and the equipment has a purchase option of \$1 at the end of the lease term.

On October 24, 2008, Mercer County entered into a lease agreement with Deere Credit, Inc. for one 2001 JD 310S Backhoe, with a purchase price of \$45,500 requiring 5 annual payments of \$10,359.05 from 3/24/09 through 4/24/13. The interest rate is 5.50% and the equipment has a purchase option of \$1 at the end of the lease term.

On February 1, 2009, Mercer County Sheriff's Department entered into a lease agreement with Grand River Mutual Telephone Corporation for the right to install, maintain and operate certain equipment on a Tower and adjacent building owned and operated by GRMTC at Princeton, MO for the purpose of providing Two-Way Radio Dispatch and associated dispatch related services. Rent is \$35 per month payable in advance and billed on the Sheriff Department's telephone bill. The lease term shall terminate on the 5<sup>th</sup> anniversary of the effective date unless otherwise terminated as provided therein. The Sheriff's Department shall have the right to extend the term for 5 successive 5 year periods on the same terms and conditions. The agreement shall automatically be extended for each successive renewal term unless the Sheriff's Department notifies the GRMTC of its intention not to renew prior to commencement of the succeeding renewal term.

On May 24, 2010, Mercer County entered into a lease agreement with Deere Credit, Inc. for one 2000 JD 672CH Motorgrader, for a purchase price of \$69,500, requiring 10 semi-annual payments of \$6,911.41 starting 5/25/10 through 10/25/15. FG 85 A Motorgrader was traded in for \$10,000 thereby having to only finance \$59,500. The interest rate is 4.95% and the equipment has a purchase option of \$1 at the end of the lease term.

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

III. CAPITAL LEASES (continued)

As of December 31, 2012, the unpaid principal balances for capital leases were \$48,330.91. The payments for the lease purchase agreement of the County are as follows.

Description	Balance 12/31/2011	Additions	Payments	Balance 12/31/2012	Interest Paid
2007 Trac-Hoe	\$ 24,888.12	\$ -	\$ (24,888.12)	\$ -	\$ 1,303.05
2001 Backhoe	19,089.17	-	(9,282.25)	9,806.92	92.01
Antenna Site	875.00	-	(420.00)	455.00	-
Motorgrader	49,555.22	-	(11,486.23)	38,068.99	393.45
<b>TOTAL</b>	<b>\$ 94,407.51</b>	<b>\$ -</b>	<b>\$ (46,076.60)</b>	<b>\$ 48,330.91</b>	<b>\$ 1,788.51</b>

As of December 31, 2012, the schedule of future payments for the capital leases of the County are as follows:

Year Ending December 31,	Interest	Principal	Total
2013	\$ 342.78	\$ 22,293.75	\$ 22,636.53
2014	192.61	12,715.04	12,907.65
2015	84.50	13,321.03	13,405.53
2016	-	1.09	1.09
	<b>\$ 619.89</b>	<b>\$ 48,330.91</b>	<b>\$ 48,950.80</b>

As of December 31, 2011, the unpaid principal balances for capital leases were \$94,407.51. The future payments for the lease purchase agreements of the County are as follows.

Description	Balance 12/31/2010	Additions	Payments	Balance 12/31/2011	Interest Paid
2007 Trac-Hoe	\$ 48,656.00	\$ -	\$ (23,767.88)	\$ 24,888.12	\$ 2,470.45
2001 Backhoe	27,875.81	-	(8,786.64)	19,089.17	134.36
Antenna Site	1,295.00	-	(420.00)	875.00	-
Motorgrader	59,500.00	-	(9,944.78)	49,555.22	486.67
<b>TOTAL</b>	<b>\$ 137,326.81</b>	<b>\$ -</b>	<b>\$ (42,919.30)</b>	<b>\$ 94,407.51</b>	<b>\$ 3,091.48</b>

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

III. CAPITAL LEASES (concluded)

As of December 31, 2011, the schedule of future payments for the capital leases of the County are as follows:

Year Ended December 31,	Interest	Principal	Total
2012	\$ 1,788.51	\$ 46,076.60	\$ 47,865.11
2013	342.78	22,293.75	22,636.53
2014	192.61	12,715.04	12,907.65
2015	84.41	13,321.12	13,405.53
2016	-	1.00	1.00
	<u>\$ 2,408.31</u>	<u>\$ 94,407.51</u>	<u>\$ 96,815.82</u>

IV. OPERATING LEASES

On October 22, 2009, the County entered into an operating lease with Xerox for a W5135 Copier W/HCTT. Half of the total monthly payment of \$79.80 is paid out of the General Revenue Fund and the other half is paid out of the Recorder's Special Fund. The lease is for 60 months.

The future payments for operating leases entered into by the County for the year ended December 31, 2012, are as follows:

Year Ending December 31	Copier
2013	\$ 957.60
2014	798.00
	<u>\$ 1,755.60</u>

The future payments for operating leases entered into by the County for the year ended December 31, 2011, are as follows:

Year Ending December 31	Copiers
2012	\$ 957.60
2013	957.60
2014	798.00
	<u>\$ 2,713.20</u>

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

V. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2012 and 2011 are as follows:

	2012		2011	
	TRANSFERS IN	TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT
General Revenue	\$ 40,000.00	\$ -	\$ 40,000.00	\$ -
Special Road & Bridge	-	40,000.00	-	40,000.00
TOTAL	<u>\$ 40,000.00</u>	<u>\$ 40,000.00</u>	<u>\$ 40,000.00</u>	<u>\$ 40,000.00</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may



THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

A. Plan Description (concluded)

be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee.

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2012 and 2011, the County collected and remitted to CERF, employee contributions of approximately \$30,851.53 and \$30,186.72, respectively, for the years then ended.

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$2,244.00 and \$2,244.00, respectively, for the years ended December 31, 2012 and 2011.

VIII. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. There were no participants at December 31, 2012 and no participants at December 31, 2011.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved in litigation as of the audit report date. The first case is being defended in federal court by the County's insurance carrier. No estimate is available at this time of claims to be paid out, if any. The second case involves a dispute over road issues and tax problems. This claim is under \$3,000 and a motion to dismiss has been filed.

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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IX. CLAIMS COMMITMENTS AND CONTINGENCIES (concluded)

B. Compensated Absences (Vacation and Sick Time)

Mercer County provides employees with up to three weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is not reimbursed for unused vacation and overtime. Sick time is paid for at a rate of 50% for any unused sick pay up to 120 hours at the end of every year. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. SUBSEQUENT EVENTS

There are no subsequent events to report as of the audit report date.

XI. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

**SUPPLEMENTARY SCHEDULES  
AND  
AUDITOR'S REPORT**

## **STATE COMPLIANCE SECTION**

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
SCHEDULE OF STATE FINDINGS  
DECEMBER 31, 2012 AND 2011

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SCHEDULE OF STATE FINDINGS

- I. For the year ended December 31, 2011, actual expenses exceeded budgeted expenses for the PA Training Fund, PA Bad Check Fund, Recorder Trust Fund, CERF, Restitution Fund, LEPC Fund and the FEMA Fund.
- II. For the year ended December 31, 2012, actual expenses exceeded budgeted expenses for the PA Training Fund, Recorder Trust Fund, CERF, Restitution Fund, LEPC Fund and the Deputy Sheriff Fund.
- III. For the year ended December 31, 2012, there is no budget for the PA Training Fund, Recorder Trust Fund, CERF, Restitution Fund, LEPC Fund and the Inmate Security Fund.
- IV. For the year ended December 31, 2011, there is no budget for the PA Training Fund, Recorder Trust Fund, CERF, Restitution Fund and the Inmate Security Fund.
- V. For the year ended December 31, 2012, the Deputy Sheriff Fund had a negative fund balance.

## **FEDERAL COMPLIANCE SECTION**



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission  
The County of Mercer, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Mercer ("County") as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 25, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [FS 12/11-01, FS 12/11-02, FS 12/11-03, FS 12/11-04, FS 12/11-05]

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **The County's Response to Findings**

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

June 25, 2013





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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS REQUIRED BY OMB CIRCULAR A-133

Independent Auditor's Report

To The County Commission  
The County of Mercer, Missouri

**Report on Compliance for Each Major Federal Program**

We have audited the County of Mercer's ("the County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2012 and 2011. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2012 and 2011.

### **Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the County as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 25, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial

statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

June 25, 2013

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2012 AND 2011

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA	PASS-THROUGH ENTITY	DECEMBER 31,	
	NUMBER	NUMBER	2012 EXPENDITURES	2011 EXPENDITURES
<u>U.S. Department of Transportation</u>				
Passed Through the Missouri Highway and Transportation Commission				
Highway Planning and Construction	20.205	BRO-B065(28)	2,027.17	110,535.38
	20.205	BRO-B065(29)	225,485.21	31,081.41
	20.205	BRO-B065(30)	2,758.25	208,191.67
	20.205	BRO-B065(31)	239,041.52	-
	20.205	IBRD-990(253)	23,881.28	-
Total Department of Transportation			493,193.43	349,808.46
<u>Election Assistance Commission</u>				
Passed Through the State Office of the Secretary of State				
Help America Vote Act Requirements Payments	90.401		1,398.21	2,618.21
Total Election Assistance Commission			1,398.21	2,618.21
<u>U.S. Department of Homeland Security</u>				
Passed through the State Department of Public Safety				
Presidentially Declared Disaster Grant	97.036	FEMA 1934-DR-MO	-	693,795.97
Total Department of Homeland Security			-	693,795.97
TOTAL FEDERAL EXPENDITURES			\$ 494,591.64	\$ 1,046,222.64

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this statement.

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2012 AND 2011

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Mercer County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistance* means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

*Federal award* means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards. Mercer County had no instances of noncash awards for the years ending December 31, 2012 and 2011.

C. Basis of Accounting

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUBRECIPIENTS

The County did provide federal awards to subrecipients for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) during the years ended December 31, 2012 and 2011 as follows:

<u>Township</u>	<u>2011</u>
Somerset	\$ 88,188.98
Marion	64,953.02
Lindley	122,825.77
Harrison	3,859.82
Morgan	47,339.29
Ravanna	16,570.57
Medicine	91,893.08
Washington	103,816.72
Madison	51,748.85
<b>Total</b>	<b><u>\$ 591,196.10</u></b>

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2012 AND 2011

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I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified - Regulatory Basis
2. Internal control over financial reporting:
  - a. Any material weakness(es) identified?

2012	___ Yes	___X___ No
2011	___ Yes	___X___ No
  - b. Any significant deficiencies identified that are not considered to be material weaknesses?

2012	___X___ Yes	___ None Reported
2011	___X___ Yes	___ None Reported
3. Any noncompliance material to financial statements noted?

2012	___ Yes	___X___ No
2011	___ Yes	___X___ No

B. Federal Awards

1. Internal control over major programs:

Any material weakness(es) identified?	2012	___ Yes	___X___ No
	2011	___ Yes	___X___ No
2. Any significant deficiencies identified that are not considered to be material weaknesses?

2012	___ Yes	___X___ None Reported
2011	___ Yes	___X___ None Reported
3. Type of auditor's report issued on compliance for major programs:

2012	- Unmodified
2011	- Unmodified
4. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*?

2012	___ Yes	___X___ No
2011	___ Yes	___X___ No



THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2012 AND 2011

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II. FINANCIAL STATEMENT FINDINGS (continued)

FS 12/11-02 Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's (Judy Hamilton) office is in the process of preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework. The expected completion date is December 31, 2013. The County Clerk's office phone number is 660-748-3425.

FS 12/11-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring, by performing assessments to identify, analyze, and manage these risks.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's (Judy Hamilton) office is in the process of preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework. The expected completion date is December 31, 2013. The County Clerk's office phone number is 660-748-3425.



THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2012 AND 2011

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II. FINANCIAL STATEMENT FINDINGS (concluded)

FS 12/11-04 Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Prosecuting Attorney's office.

Condition: We noted that there were no bank reconciliations for the Prosecuting Attorney's office.

Context: This deficiency became apparent through our testing of the Prosecuting Attorney's cash accounts and the related reconciliations.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Prosecuting Attorney's office prepare monthly bank reconciliations and adjustments to the cash accounts.

Views of Responsible Officials and Planned Corrective Actions: The Prosecuting Attorney's (John Young) office is in the process of preparing a written monthly bank reconciliation to review all monthly cash transactions. The expected completion date is December 31, 2013. The phone number for the Prosecuting Attorney's office is 660-748-3332.

FS 12/11-05 Criteria: All revenue received by the County must be properly receipted.

Condition: During our audit, we noted that the Financial Institution Tax revenue was not properly receipted and disbursed through the Collector/Treasurer's office.

Context: During the testing of revenues, we noted that the Financial Institution Tax was not properly receipted by the County.

Effect: Revenue could be improperly stated if receipts are not maintained for all revenue transactions.

Cause: Management did not properly receipt Financial Institution Tax revenue when received.

Recommendation: We recommend that the Collector/Treasurer's office receipt all revenue as it is received.

Views of Responsible Officials and Planned Corrective Actions: The Treasurer/Collector's (Susan Moore) office will take measures to ensure that all ACH Tax Deposits are properly receipted into the Collector computer system when received in the Collector's Bank Account; this will consist of having a check list of all expected ACH's made and a folder to hold copies of ACH receipted deposits. This will be implemented starting with the 2013 Tax Collecting season, November 1, 2013. The Collector/Treasurer's office phone number is 660-748-3435.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no single audit findings noted for the years ended December 31, 2012 and 2011.

THE COUNTY OF MERCER  
PRINCETON, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2012 AND 2011

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I. FOLLOW-UP PRIOR YEAR FINDINGS

There was no audit performed for the fiscal year ending December 31, 2010, and 2009, therefore we have no prior year audit findings to report.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There was no audit performed for the fiscal year ending December 31, 2010, and 2009, therefore we have no prior year audit findings to report.



# Daniel Jones & Associates

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

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June 25, 2013

To the Board of Commissioners  
County of Mercer

In planning and performing our audit of the regulatory based financial statements of the County of Mercer (the "County") as of and for the years ended December 31, 2012, and December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I:

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

## I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 12/11-01 Criteria: Amounts recorded for cash and fund balances must be reconciled to the financial statements monthly and in a timely manner. Reviewing account balances ensures that sufficient funds are available for approved expenditures.

Condition: We noted a negative cash balance in the Deputy Sheriff Fund for the year ended December 31, 2012.

Context: This deficiency became apparent through our testing of the cash accounts and the related reconciliations.

Effect: Sufficient funds are not available to cover all outstanding checks of this fund.

Cause: Expenditures exceeded the revenues and budget limitations of this fund.

Recommendation: We recommend special revenue funds be held to their budget limitations and available fund balance.

Views of Responsible Officials and Planned Corrective Actions: The Deputy Sheriff Fund has to pay out payroll and then get reimbursed from the State of Missouri after their receipt of proper documentation of payout on 27<sup>th</sup> day of following month. That is why there is a negative balance at end of year until reimbursement the following month. County Clerk, Judy Hamilton, will do a reverse accrual or a reverse transaction at end of year from General Revenue Fund to Deputy Sheriff Fund to offset this at end of year. The expected completion date is December 31, 2013. The County Clerk's office phone number is 660-748-3425.

FS 12/11-02 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

## **I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)**

FS 12/11-02 Views of Responsible Officials and Planned Corrective Actions: The County Clerk's (Judy Hamilton) office is in the process of preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework. The expected completion date is December 31, 2013. The County Clerk's office phone number is 660-748-3425.

FS 12/11-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring, by performing assessments to identify, analyze, and manage these risks.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's (Judy Hamilton) office is in the process of preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework. The expected completion date is December 31, 2013. The County Clerk's office phone number is 660-748-3425.

FS 12/11-04 Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Prosecuting Attorney's office.

Condition: We noted that there were no bank reconciliations for the Prosecuting Attorney's office.

Context: This deficiency became apparent through our testing of the Prosecuting Attorney's cash accounts and the related reconciliations.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Prosecuting Attorney's office prepare monthly bank reconciliations and adjustments to the cash accounts.

## I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

- FS 12/11-04 Views of Responsible Officials and Planned Corrective Actions: The Prosecuting Attorney's (John Young) office is in the process of preparing a written monthly bank reconciliation to review all monthly cash transactions. The expected completion date is December 31, 2013. The phone number for the Prosecuting Attorney's office is 660-748-3332.
- FS 12/11-05 Criteria: All revenue received by the County must be properly receipted.
- Condition: During our audit, we noted that the Financial Institution Tax revenue was not properly receipted and disbursed through the Collector/Treasurer's office.
- Context: During the testing of revenues, we noted that the Financial Institution Tax was not properly receipted by the County.
- Effect: Revenue could be improperly stated if receipts are not maintained for all revenue transactions.
- Cause: Management did not properly receipt Financial Institution Tax revenue when received.
- Recommendation: We recommend that the Collector/Treasurer's office receipt all revenue as it is received.
- Views of Responsible Officials and Planned Corrective Actions: The Treasurer/Collector's (Susan Moore) office will take measures to ensure that all ACH Tax Deposits are properly receipted into the Collector computer system when received in the Collector's Bank Account; this will consist of having a check list of all expected ACH's made and a folder to hold copies of ACH receipted deposits. This will be implemented starting with the 2013 Tax Collecting season, November 1, 2013. The Collector/Treasurer's office phone number is 660-748-3435.

## II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

### Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 4, 2013. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2012-2013 fiscal year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

## **II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (continued)**

### Significant Audit Findings (concluded)

#### *Qualitative Aspects of Accounting Practices (concluded)*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### Disagreements with Management

For purposes of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 25, 2013.

### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## **II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)**

### Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with a regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.





Thomas A. Schweich  
Missouri State Auditor

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## FOLLOW-UP REPORT ON AUDIT FINDINGS

# Missouri Quality Jobs Tax Incentive Program

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August 2013

Report No. 2013-073



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<http://auditor.mo.gov>

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# Quality Jobs Tax Incentive Program

## Follow-Up Report on Audit Findings

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\*Includes selected findings



# THOMAS A. SCHWEICH

## Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Mike Downing, Acting Director  
Department of Economic Development  
Jefferson City, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2012-65, *Missouri Quality Jobs Tax Incentive Program*, issued in July 2012, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the department about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the department, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we focused on the recommendations which were within the department's control and requested the department to provide a written status to selected findings. Various supporting documents were requested to verify the department's provided status. This report is a summary of the results of this follow-up work, which was substantially completed during July 2013.

A handwritten signature in black ink, reading "Thomas A. Schweich".

Thomas A. Schweich  
State Auditor

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# Quality Jobs Tax Incentive Program

## Follow-Up Report on Prior Audit Findings

### Status of Findings

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1. Program Data	Data used to project the economic impact of the Missouri Quality Jobs (MQJ) program were significantly overstated. Significant weaknesses also existed in the manner in which actual program data was obtained, maintained, verified, and reported to the legislature. Actual program data was not timely and was not verified to ensure accuracy and compliance with program requirements, and therefore, the data presented to the public and the legislature was outdated and not reliable.
1.1 Program activity projections	<p>Program activity projections reported to the General Assembly regarding the economic impact of the program appeared significantly overstated.</p> <p>The number of jobs expected to be created as reported by companies had been overstated. Approximately 40 percent of approved projects failed to meet minimum number of job created or retained requirements resulting in the expiration of the projects.</p> <p>The projected amount companies would invest as a result of the program appeared significantly overstated in the MQJ annual report. Based on information from the Customer Management System (CMS), companies had only reported actual investments of approximately 22.3 percent of the projected total amount as of February 2012.</p> <p>The total projected amount of tax incentives may have been significantly overstated in the MQJ annual report. The projected amount of tax incentives through 2018 for projects approved as of December 31, 2011, was \$501 million. However, according to the 2012 MQJ annual report, cumulative tax incentives expected on all projects receiving benefits in 2011 over the next 5 years (through 2016) were expected to be \$149 million.</p> <p>The method in which economic impact was calculated overstates the economic benefits of the program. Actual program activity has historically been significantly lower than projected.</p>
Recommendation	The Department of Economic Development (DED) establish procedures to ensure the economic benefit projections reported to the General Assembly reflect a realistic assessment of program performance.
Status	<p><b>Partially Implemented</b></p> <p>The economic impact projections reported on the 2013 tax credit activity report continue to use jobs, investment and tax incentive estimates that are overstated. However, based on our review of the 2012 MQJ annual report, which was completed in March 2013, the DED has made attempts to include language clarifying the actual and projected jobs and economic impact expected from the credit. According to department officials, the annual</p>



Quality Jobs Tax Incentive Program  
Follow-up Report on Prior Audit Findings  
Status of Findings

report will continue to be improved to include more clear and specific language to communicate program activity to the public and legislature.

1.2 Verification of  
withholding information

The DED did not require companies to provide payroll information to support the amount of withholdings retained for each new employee. Six of eight project files with retained withholdings did not contain documentation to support the amount of withholdings retained for new employees.

When actual withholding documentation was not submitted, DED personnel estimated the amount of total withholdings they believed should have been withheld for a project. If actual reported withholdings significantly exceeded DED estimates, DED officials stated they investigated the discrepancy. However, we noted two projects where the DED did not investigate significant discrepancies.

Recommendation

The DED obtain company payroll information to verify the amount of state income taxes withheld for each new employee is appropriate.

Status

**Partially Implemented**

DED officials do not believe the verification of withholding amounts is a high risk issue, but indicated the department implemented a procedure to require withholding reports on companies that withhold 20 percent more than the amount DED estimates.

1.3 Annual report  
timeliness

The DED had not established a timely deadline for businesses to submit the MQJ annual report required by state law. DED policy did not require the annual report to be submitted until November 30 of the following year. As a result, if a project was not eligible or businesses withheld an inappropriate amount, the DED may not have been aware of the issue for nearly 2 years.

Recommendation

The DED establish procedures to require companies receiving MQJ program incentives to submit annual reports in a more timely manner.

Status

**Not Implemented**

The DED has not changed the November 30 deadline. However, according to DED officials, the DED has implemented new policies and procedures to track which reports are due in a given month and notify those companies that reports are due. In the event a second reminder is necessary, DED policy now requires a phone call in addition to a second written notice.

1.4 Tax credit activity  
report

The amount of tax incentives reported on the tax credit activity report were understated. According to tax credit activity reports covering fiscal years 2008 to 2011, tax incentives redeemed and retained totaled \$52.9 million.



Quality Jobs Tax Incentive Program  
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However, according to information in the CMS, actual redemptions and retentions for the same timeframe were approximately \$58.7 million.

The primary reason for the difference was that the DED did not update prior year data to reflect actual activity when the next year's tax credit activity report was prepared. In addition, a DED official said some of the difference was due to timing between when the tax credit activity report was prepared and when the tax incentives were issued by the DED and/or retained by the companies and companies making adjustments to the amount of withholdings retained, and because prior to calendar year 2010 the DED did not revise the tax credit activity report to reflect the adjustments made.

**Recommendation**

The DED ensure tax incentive redemption data reported on the tax credit activity report is accurate and reflects actual program costs.

**Status**

**Not Implemented**

Our review of the DED January 2013 Report on Missouri Tax Credits showed the tax credits redeemed in fiscal year 2011 and 2010 had not been updated from the prior report amounts. While DED officials stated they would begin reconciling Department of Revenue redemption data to the tax activity reports, this does not appear to have taken place for the 2013 reports. As a result, redemptions of the MQJ credit on the tax activity report remain understated.

**1.5 Data accuracy**

The DED did not ensure key project data entered in the CMS was accurate, reliable, and complete. Our scans of DED project data files identified instances of incorrect authorized credit amounts, industry codes, number of jobs, average wages, annual report status, and investment data within the CMS.

**Recommendation**

The DED establish procedures to ensure data entered in the CMS is accurate, complete, and reliable.

**Status**

**Implemented**

According to DED officials, new procedures have been put into place to verify the accuracy of CMS data, including performing analytical reviews of system data for anomalies, and additional oversight of new staff to ensure accuracy.

**2.2 Oversight and  
Verification of Business  
Data - Base  
Employment**

The DED had not ensured base employment was consistently calculated or properly documented in project files. For three of the ten projects tested, the DED did not have sufficient documentation in the project files to support base employment. In addition, for one project, the DED did not use the same methodology as the other projects when calculating base employment.



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Quality Jobs Tax Incentive Program  
Follow-up Report on Prior Audit Findings  
Status of Findings

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Recommendation	The DED ensure base employment is consistently calculated and properly documented.
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Status	<b>Implemented</b>  The DED has developed a form and checklist to ensure base employment is calculated consistent with state law. The DED indicated this documentation is maintained in the project file for review.
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2.3 Oversight and Verification of Business Data - Site Visits	The DED did not adequately document monitoring procedures performed during site visits. For nine of ten projects reviewed, limited or no documentation was available to support details of the visit. The DED did not document how many and which employees were selected for verification, or the specific payroll information reviewed.
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Recommendation	The DED ensure site visits of participating companies are properly documented.
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Status	<b>Partially Implemented</b>  The DED has expanded the documentation maintained in its site visit files to include a more detailed description of the procedures performed. However, the documentation still does not include any copies of company payroll documents reviewed or indicate which employee records were reviewed.
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Thomas A. Schweich  
Missouri State Auditor

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# FOLLOW-UP REPORT ON AUDIT FINDINGS

## City of Diamond

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August 2013

Report No. 2013-074



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<http://auditor.mo.gov>



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# City of Diamond

## Follow-Up Report on Audit Findings

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\*Includes selected findings



# THOMAS A. SCHWEICH

## Missouri State Auditor

To the Honorable Mayor  
and  
Members of the Board of Aldermen  
City of Diamond, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2013-07, *City of Diamond*, issued in January 2013, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the city about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the city, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed supporting documentation submitted by city officials and held meetings with city officials. Documentation provided by the city included the 2013 budget, bank statements, receipt and deposit records, disbursement reports, and open and closed meeting minutes. This report is a summary of the results of this follow-up work, which was substantially completed during July 2013.

Thomas A. Schweich  
State Auditor

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# City of Diamond

## Follow-Up Report on Prior Audit Findings

### Status of Findings

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#### 1.1 City Sales Tax

The city did not allocate a portion of sales tax revenue to parks and recreation as originally provided in a city ordinance at the time the one-half cent sales tax issue was approved by voters. The city collected approximately \$35,000 in sales tax during the year ended June 30, 2012, which, based upon city calculations, would have resulted in approximately \$8,750 for parks and recreation. While city officials believed the city was not legally required to follow the restriction, they did not obtain documentation to indicate legal counsel was consulted.

#### Recommendation

The Board of Aldermen consult legal counsel to determine if the city is legally authorized to amend the original sales tax ordinance to eliminate the parks and recreation restriction, and if applicable, calculate the amount of park and recreation revenue for prior years and transfer that amount from the city's General Fund to a fund restricted for parks and recreation.

#### Status

##### **Implemented**

The Board of Aldermen approved a resolution in March 2013 to allocate 1/8 cent of the general sales tax to the Parks and Recreation Fund. As of May 31, 2013, the Parks and Recreation Fund had received \$1,955. The city did not calculate the amount not transferred to the Parks and Recreation Fund in prior years based upon a written legal opinion from their attorney.

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#### 1.2 Tax Exempt Lease

A tax exempt lease agreement in the city's name totaling \$11,173 was used to finance a copy machine for the private law office of the city's attorney. There was no documentation to indicate the Board approved this obligation. This arrangement potentially obligated the city to pay the lease and resulted in sales taxes and income taxes not being paid related to this transaction.

#### Recommendation

The Board of Aldermen instruct the city's attorney to correct the filings he has made with the IRS, bank, and copier company, and provide documentation to the city to support these corrections.

#### Status

##### **Implemented**

The city attorney refinanced the copier lease obligation in the name of his law firm in May 2013.

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#### 2.1 Disbursement Approval and Documentation

Some disbursements were not properly approved and supported by adequate documentation. Although the Board approved a list of disbursements each meeting, the list was not always complete, and in some instances not retained.



City of Diamond  
Follow-up Report on Prior Audit Findings  
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Recommendation	The Board of Aldermen ensure documentation is maintained for all disbursements and the list of disbursements approved at the monthly Board meeting is complete and retained.
Status	<b>Implemented</b>  According to the City Clerk invoices are now maintained for all disbursements. Invoices, along with a copy of the check, are filed together by vendor name. A list of disbursements approved by the Board is now included in the board meeting minutes.
2.3 Procurement Procedures	The city did not always comply with city code requiring city officials to advertise for bids for items or services costing more than \$5,000.
Recommendation	The Board of Aldermen ensure bids are solicited in accordance with city code.
Status	<b>Implemented</b>  The city complied with city code in 2013 by soliciting bids for a lawn mower, brush hog, building materials, and auditing services.
3.1 Segregation of Duties	The duties of receiving, recording and depositing all monies were primarily performed by the City Collector. Additionally, the City Collector was responsible for billing and tracking all utility and property tax accounts, which included posting adjustments to customer utility accounts.
Recommendation	The Board of Aldermen adequately segregate the duties of the City Collector. If this is not possible, at a minimum, the Board should perform and document the review of the City Collector's work.
Status	<b>Implemented</b>  The City Clerk is now responsible for sending utility billings and reviewing the daily receipt records and deposits prepared by the City Collector. The City Clerk documents her review by initialing the deposit slip and receipt record. Additionally, monthly reports of tax and utility collections are now submitted to the Board of Aldermen.
3.2 Receipting and Depositing Procedures	Receipt slips were not issued for some payments and receipt slips did not always correctly document the method of payment. Additionally, receipts were not deposited timely, receipts were not issued in numerical order, all copies of voided receipt slips were not retained, and receipts were not always deposited into the proper city bank account.
Recommendation	The Board of Aldermen ensure receipt slips are issued for all monies received, the composition is documented correctly on receipt slips, all



City of Diamond  
Follow-up Report on Prior Audit Findings  
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monies are deposited intact in the proper city bank account and in a timely manner, and the composition of receipts is reconciled to the composition of deposits. Additionally, the Board should ensure the numerical sequence of receipt slips is accounted for properly and all copies of voided receipt slips are retained.

Status

**Implemented**

According to the City Clerk, all monies received are recorded in manual receipt books or computerized receipt records. The method of payment is included on receipt records and reconciled to deposits, and deposits are now made intact daily into the correct city bank account. The numerical sequence of receipt numbers is accounted for and voided receipt slips are retained.

3.3 Recording Procedures

Monies received are not always posted to the city's computer system timely, and the computer system allowed receipt transactions to be posted to prior periods.

Recommendation

The Board of Aldermen ensure receipts are posted to the computer system timely and contact the programmer to determine if control features can be incorporated into the computer system to prevent receipts from being recorded in a prior period. If software changes cannot be made, the back dated transaction report should be generated and reviewed periodically.

Status

**Partially Implemented**

According to the City Clerk, receipts are now posted to the computer system daily. The City Clerk indicated she consulted with the programmer to determine if control features can be incorporated into the computer system to prevent receipts from being recorded in a prior period and determined that while such controls can be put in place the controls can be overridden by herself and the City Collector because both have administrative rights in the computer system. According to the City Clerk, a back dated receipt would be included on month end reports and would be caught.

8.1 Open Meetings

Minutes were not prepared for some open meetings, and meeting minutes did not always contain some necessary information.

Recommendation

The Board of Aldermen maintain complete and accurate minutes for open meetings.



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City of Diamond  
Follow-up Report on Prior Audit Findings  
Status of Findings

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**Status**

**Implemented**

The City Clerk indicated complete and accurate minutes are now maintained for all open meetings and contain all required information. Board meeting minutes for May and June 2013 contained adequate detail of discussion and votes.

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**8.2 Closed Meetings**

Open meeting minutes did not record a roll call vote to enter closed session or a specific reason for entering into closed session, closed meeting minutes were not prepared for some closed meetings, and some issues discussed in closed meetings were not allowable under the Sunshine Law. In addition, a closed meeting was held although not listed on the meeting agenda.

**Recommendation**

The Board of Aldermen ensure the vote to close a session is documented in the open minutes, along with the reason for closing the session. In addition, the Board should ensure only allowable subjects are discussed in closed session, minutes are maintained for all closed sessions, and reasonable notice is given for all meetings.

**Status**

**Implemented**

According to the City Clerk minutes of all closed meetings are maintained and the Sunshine Law is followed. We reviewed closed meeting minutes for April 2013 with no concerns noted.



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Daviess County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Daviess County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is written in a cursive style with a large, stylized "S" at the end.

Thomas A. Schweich  
State Auditor

August 2013  
Report No. 2013-075

THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORTS  
AND SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2012 AND 2011



**THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
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## **FINANCIAL SECTION**



# Daniel Jones & Associates

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

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## INDEPENDENT AUDITOR'S REPORT

To the County Commission  
The County of Daviess, Missouri

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the County of Daviess, Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2012 and 2011, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note I of the financial statements, the financial statements are prepared on the basis of financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2012 and 2011, or changes in financial position or cash flows thereof for the years then ended.

### ***Basis for Qualified Opinion on Regulatory Basis of Accounting***

The County was unable to provide the bank reconciliation for the Senate Bill 40’s Fund. We were unable to determine the reconciled cash balance as a reconciliation between cash balance and bank balance. Since we were unable to determine the cash balance of the Senate Bill 40 Fund, we used the book balances of \$245,747.97 and \$262,484.06 for the years ended December 31, 2012 and 2011, respectively.

### ***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2012 and 2011, and their respective cash receipts and disbursements, and budgetary results for the year then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

### ***Emphasis of Matter***

As described in Note XI, the County of Daviess has converted from a modified cash (GASB 34) basis of accounting to the regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America, as of and for the years ended December 31, 2012 and December 31, 2011.

As described in Note XII, due to a statutory change effective August 28, 2010, the County’s Central Dispatch Emergency Services Fund is considered a legally separate political subdivision and is no longer included in the audit of the County.

As described in Note XIII, the General Revenue Fund beginning balance was decreased by \$9,394 to correct the prior year’s ending balance for a certificate of deposit. The School Bond Forfeitures Fund and the Prosecutor’s Forfeitures Fund balances were increased by \$5,851.96 and \$331.45, respectively, due to being left off of the prior year’s report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2013 on our consideration of the County of Daviess's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Daviess's internal control over financial reporting and compliance.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

July 3, 2013

## **FINANCIAL STATEMENTS**

THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

FUND	CASH & INVESTMENTS JANUARY 1, 2012	RECEIPTS 2012	DISBURSEMENTS 2012	CASH & INVESTMENTS DECEMBER 31, 2012
General Revenue Fund	\$ 1,595,448.91	\$ 930,066.94	\$ 931,622.67	\$ 1,593,893.18
Special Road and Bridge Fund	134,158.85	979,997.26	987,415.75	126,740.36
Assessment Fund	32,110.44	171,921.25	170,751.35	33,280.34
Law Enforcement Sales Tax Fund	37,370.74	327,029.35	335,721.16	28,678.93
Law Enforcement Training Fund	824.66	3,199.43	2,576.45	1,447.64
Sheriff's Civil Fund	2,572.18	13,903.98	10,365.69	6,110.47
Prosecutor's Training Fund	442.00	803.97	1,045.35	200.62
Election Services Fund	5,726.62	1,291.70	3,500.00	3,518.32
Collector's Tax Maintenance Fund	45,179.82	13,819.47	15,025.14	43,974.15
Frazier Trust Fund	16,505.25	104.00	418.39	16,190.86
May's Estate Fund	8,132.69	46.15	4,920.00	3,258.84
Care Center Lease Fund	204,486.71	66,823.76	10,335.69	260,974.78
Domestic Violence Fund	325.16	225.39	540.53	10.02
Jackson Township Grant Maintenance Fund	65,970.01	23,961.22	-	89,931.23
Capital Improvements Fund	122,352.40	9,004.32	23,763.18	107,593.54
Veteran's Memorial Fund	13,180.00	199.69	148.28	13,231.41
Local Emergency Planning Commission Fund	13,511.06	13.78	8,653.23	4,871.61
Sheriff's Forfeiture Fund	0.37	-	-	0.37
Law Enforcement Post Fund	1,802.84	1,420.52	1,409.65	1,813.71
Law Enforcement Grant Fund	175.17	12,157.71	11,466.96	865.92
Senior Services Fund	23,401.07	55,565.32	54,225.00	24,741.39
Inmate Security Fund	3,095.67	3,185.88	2,899.58	3,381.97
Sheriff's Revolving Fund	4,869.31	4,853.59	4,886.90	4,836.00
Prosecutor's Check Processing Fund	21,120.15	7,797.34	8,162.05	20,755.44
School Bond Forfeitures Fund	15,122.51	8,784.99	21,806.65	2,100.85
Prosecutor's Delinquent Tax Fund	1.64	-	-	1.64
Prosecutor's Forfeitures Fund	333.15	1.25	-	334.40
Deputy Sheriff Supplemental Salary Fund	-	15,030.31	12,764.37	2,265.94
Senate Bill 40 Fund	262,484.06	81,179.04	97,915.13	245,747.97
Recorder User Fee Fund	20,145.48	4,175.09	1,264.91	23,055.66
Recorder Tech Fund	4,168.77	2,656.59	5,053.95	1,771.41
<b>TOTAL</b>	<b>\$ 2,655,017.69</b>	<b>\$ 2,739,219.29</b>	<b>\$ 2,728,658.01</b>	<b>\$ 2,665,578.97</b>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011

FUND	CASH & INVESTMENTS JANUARY 1, 2011	RECEIPTS 2011	DISBURSEMENTS 2011	CASH & INVESTMENTS DECEMBER 31, 2011
General Revenue Fund	\$ 1,647,275.60	\$ 852,943.31	\$ 904,770.00	\$ 1,595,448.91
Special Road and Bridge Fund	155,746.60	1,034,576.71	1,056,164.46	134,158.85
Assessment Fund	39,502.62	157,792.31	165,184.49	32,110.44
Law Enforcement Sales Tax Fund	19,908.56	314,896.35	297,434.17	37,370.74
Law Enforcement Training Fund	875.71	2,921.63	2,972.68	824.66
Sheriff's Civil Fund	(61.93)	9,481.75	6,847.64	2,572.18
Prosecutor's Training Fund	198.18	729.23	485.41	442.00
Election Services Fund	4,708.72	1,075.54	57.64	5,726.62
Collector's Tax Maintenance Fund	44,117.14	14,210.45	13,147.77	45,179.82
Frazier Trust Fund	16,779.71	235.38	509.84	16,505.25
May's Estate Fund	8,009.03	123.66	-	8,132.69
Care Center Lease Fund	156,202.30	54,919.81	6,635.40	204,486.71
Domestic Violence Fund	10.02	315.14	-	325.16
Jackson Township Grant Maintenance Fund	47,797.98	18,172.03	-	65,970.01
Capital Improvements Fund	178,358.15	5,020.41	61,026.16	122,352.40
Veteran's Memorial Fund	12,682.95	618.05	121.00	13,180.00
Local Emergency Planning Commission Fund	5,085.27	11,054.53	2,628.74	13,511.06
Sheriff's Forfeiture Fund	0.37	-	-	0.37
Law Enforcement Post Fund	1,779.81	1,353.63	1,330.60	1,802.84
Law Enforcement Grant Fund	485.16	10,869.98	11,179.97	175.17
Senior Services Fund	23,160.03	52,030.04	51,789.00	23,401.07
Inmate Security Fund	2,962.69	2,894.48	2,761.50	3,095.67
Sheriff's Revolving Fund	448.70	4,420.61	-	4,869.31
Prosecutor's Check Processing Fund	18,282.53	11,015.06	8,177.44	21,120.15
School Bond Forfeitures Fund	5,851.96	9,270.55	-	15,122.51
Prosecutor's Delinquent Tax Fund	1.64	-	-	1.64
Prosecutor's Forfeitures Fund	331.45	1.70	-	333.15
Deputy Sheriff Supplemental Salary Fund	-	-	-	-
Senate Bill 40 Fund	289,489.84	62,776.07	89,781.85	262,484.06
Recorder User Fee Fund	39,169.19	4,296.29	23,320.00	20,145.48
Recorder Tech Fund	3,551.15	2,713.35	2,095.73	4,168.77
<b>TOTAL</b>	<b>\$ 2,722,711.13</b>	<b>\$ 2,640,728.05</b>	<b>\$ 2,708,421.49</b>	<b>\$ 2,655,017.69</b>

The accompanying notes to the financial statements are an integral part of this statement.



THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
COMPARITIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH & INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	GENERAL REVENUE FUND			
	2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 130,000.00	\$ 138,335.26	\$ 152,600.00	\$ 132,201.47
Sales Taxes	285,000.00	306,727.16	260,000.00	283,975.07
Intergovernmental	595,890.00	84,039.38	568,220.00	77,088.14
Charges for Services	280,355.00	304,725.98	280,250.00	290,791.08
Interest	15,000.00	9,467.21	40,000.00	21,971.86
Other	56,100.00	85,501.95	91,450.00	40,921.73
Transfers In	-	1,270.00	-	5,993.96
TOTAL RECEIPTS	1,362,345.00	930,066.94	1,392,520.00	852,943.31
DISBURSEMENTS				
County Commission	91,034.04	88,296.86	87,484.04	84,006.29
County Clerk	90,463.00	88,085.67	89,530.00	84,104.58
Elections	76,050.00	72,510.81	22,600.00	18,800.94
Buildings and Grounds	110,500.00	77,698.32	113,000.00	86,456.11
Employee Fringe Benefits	83,303.22	81,732.60	94,536.91	73,085.30
County Treasurer	73,873.00	72,893.74	72,004.00	70,897.29
Collector	7,800.00	9,126.54	10,000.00	7,390.72
Recorder of Deeds	73,437.00	72,748.40	67,748.00	65,667.04
Circuit Clerk	27,850.00	24,512.95	30,690.00	29,817.08
Court Administration	29,000.00	14,315.48	53,010.00	28,619.33
Public Administrator	32,609.00	30,251.44	30,417.00	28,929.18
Sheriff	39,750.00	39,742.00	49,100.00	68,596.10
Jail	-	-	33,000.00	17,525.82
Prosecuting Attorney	88,215.00	82,248.63	89,774.00	87,974.95
Juvenile Officer	14,851.10	10,663.82	12,151.08	7,397.03
Coroner	29,823.00	19,842.39	29,573.00	18,054.02
Emergency Fund	200,000.00	17,623.25	200,000.00	20,700.00
Other General County Govt	649,000.00	121,244.89	621,775.00	100,423.42
Public Health and Welfare Services	2,000.00	-	19,004.00	2,049.00
Transfers Out	132,300.00	8,084.88	55,000.00	4,275.80
TOTAL DISBURSEMENTS	1,851,858.36	931,622.67	1,780,397.03	904,770.00
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(489,513.36)	(1,555.73)	(387,877.03)	(51,826.69)
CASH & INVESTMENTS, JANUARY 1	1,595,448.91	1,595,448.91	1,647,275.60	1,647,275.60
CASH & INVESTMENTS, DECEMBER 31	\$ 1,105,935.55	\$ 1,593,893.18	\$ 1,259,398.57	\$ 1,595,448.91

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
COMPARITIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH & INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,037,560.00	964,267.70	1,032,900.00	993,360.11	137,845.92	137,206.28	146,888.00	136,612.50
Charges for Services	4,000.00	1,123.41	1,500.00	600.00	-	23.67	40.00	32.31
Interest	1,000.00	708.18	1,000.00	1,159.68	1,100.00	-	-	-
Other	14,750.00	13,897.97	30,800.00	39,456.92	-	27,906.12	1,000.00	21,147.50
Transfers In	50,000.00	-	50,000.00	-	22,000.00	6,785.18	-	-
TOTAL RECEIPTS	1,107,310.00	979,997.26	1,116,200.00	1,034,576.71	160,945.92	171,921.25	147,928.00	157,792.31
DISBURSEMENTS								
Supplies	35,500.00	27,816.92	29,000.00	28,983.00	40,999.00	24,795.96	36,499.00	19,304.64
Road and Bridge Construction	1,003,000.00	774,346.38	1,018,500.00	837,763.55	-	-	-	-
Equipment Repairs	20,000.00	20,007.87	20,000.00	28,035.78	-	-	-	-
Insurance	10,000.00	7,308.00	10,000.00	8,678.00	2,000.00	1,762.00	2,500.00	1,823.00
Salaries	114,200.00	113,548.72	114,000.00	110,941.94	122,358.00	119,345.35	121,175.00	120,780.80
Benefits	38,936.30	34,132.26	34,221.00	31,345.29	25,560.39	24,848.04	24,322.89	23,276.05
Other Expenses	7,250.00	5,176.57	8,100.00	10,416.90	-	-	-	-
Transfers Out	4,840.00	5,079.03	4,840.00	-	-	-	-	-
TOTAL DISBURSEMENTS	1,233,726.30	987,415.75	1,238,661.00	1,056,164.46	190,917.39	170,751.35	184,496.89	165,184.49
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(126,416.30)	(7,418.49)	(122,461.00)	(21,587.75)	(29,971.47)	1,169.90	(36,568.89)	(7,392.18)
CASH & INVESTMENTS, JANUARY 1	134,158.85	134,158.85	155,746.60	155,746.60	32,110.44	32,110.44	39,502.62	39,502.62
CASH & INVESTMENTS, DECEMBER 31	\$ 7,742.55	\$ 126,740.36	\$ 33,285.60	\$ 134,158.85	\$ 2,138.97	\$ 33,280.34	\$ 2,933.73	\$ 32,110.44

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
COMPARITIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH & INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	LAW ENFORCEMENT SALES TAX FUND				LAW ENFORCEMENT TRAINING FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ 285,000.00	\$ 306,731.18	\$ 260,000.00	\$ 283,978.79	\$ -	\$ -	\$ -	\$ -
Charges for Services	3,200.00	3,525.00	3,900.00	3,188.00	3,000.00	3,198.00	2,900.00	2,921.63
Intergovernmental	-	216.60	100.00	38.08	-	-	-	-
Interest	-	24.18	30.00	29.59	-	1.43	-	-
Other	13,400.00	11,315.39	16,000.00	25,600.09	-	-	-	-
Transfers In	8,000.00	5,217.00	-	2,061.80	-	-	-	-
TOTAL RECEIPTS	309,600.00	327,029.35	280,030.00	314,896.35	3,000.00	3,199.43	2,900.00	2,921.63
DISBURSEMENTS								
Salaries	213,789.20	209,612.25	187,130.90	186,950.22	-	-	-	-
Benefits	-	-	-	-	-	-	-	-
Equipment	1,000.00	1,062.00	1,000.00	909.57	-	-	-	-
Travel Expense	47,000.00	54,021.16	58,000.00	64,856.56	-	-	-	-
Office	9,500.00	8,581.44	16,100.00	9,113.92	-	-	-	-
Other	12,760.00	13,990.00	13,190.00	10,534.37	3,800.00	2,576.45	3,750.00	2,972.68
Insurance	55,554.87	45,271.22	17,815.51	16,920.57	-	-	-	-
Prisoner Costs	7,300.00	3,183.09	6,300.00	4,271.86	-	-	-	-
Transfers Out	-	-	-	3,877.10	-	-	-	-
TOTAL DISBURSEMENTS	346,904.07	335,721.16	299,536.41	297,434.17	3,800.00	2,576.45	3,750.00	2,972.68
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(37,304.07)	(8,691.81)	(19,506.41)	17,462.18	(800.00)	622.98	(850.00)	(51.05)
CASH & INVESTMENTS, JANUARY 1	37,370.74	37,370.74	19,908.56	19,908.56	824.66	824.66	875.71	875.71
CASH & INVESTMENTS, DECEMBER 31	\$ 66.67	\$ 28,678.93	\$ 402.15	\$ 37,370.74	\$ 24.66	\$ 1,447.64	\$ 25.71	\$ 824.66

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
COMPARITIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH & INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	SHERIFF'S CIVIL FUND				PROSECUTOR'S TRAINING FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 8,500.00	\$ 12,563.25	\$ 12,000.00	\$ 9,480.00	\$ 600.00	\$ 803.73	\$ 800.00	\$ 729.03
Intergovernmental	-	-	-	-	-	-	-	-
Interest	-	3.05	-	1.75	-	0.24	-	0.20
Other	-	1,337.68	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	8,500.00	13,903.98	12,000.00	9,481.75	600.00	803.97	800.00	729.23
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Equipment	11,000.00	10,365.69	11,900.00	6,847.64	-	-	-	-
Other	-	-	-	-	600.00	1,045.35	800.00	485.41
TOTAL DISBURSEMENTS	11,000.00	10,365.69	11,900.00	6,847.64	600.00	1,045.35	800.00	485.41
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,500.00)	3,538.29	100.00	2,634.11	-	(241.38)	-	243.82
CASH & INVESTMENTS, JANUARY 1	2,572.18	2,572.18	(61.93)	(61.93)	442.00	442.00	198.18	198.18
CASH & INVESTMENTS, DECEMBER 31	\$ 72.18	\$ 6,110.47	\$ 38.07	\$ 2,572.18	\$ 442.00	\$ 200.62	\$ 198.18	\$ 442.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
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	ELECTION SERVICES FUND				COLLECTOR'S TAX MAINTENACE FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 1,400.00	\$ 1,288.17	\$ 650.00	\$ 1,070.24	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	15,000.00	13,644.41	15,500.00	14,077.83
Interest	-	3.53	5.00	5.30	125.00	175.06	200.00	132.62
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,400.00	1,291.70	655.00	1,075.54	15,125.00	13,819.47	15,700.00	14,210.45
DISBURSEMENTS								
Materials and Supplies	4,500.00	3,500.00	4,100.00	57.64	29,450.00	15,025.14	28,250.00	13,147.77
Services and Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	4,500.00	3,500.00	4,100.00	57.64	29,450.00	15,025.14	28,250.00	13,147.77
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(3,100.00)	(2,208.30)	(3,445.00)	1,017.90	(14,325.00)	(1,205.67)	(12,550.00)	1,062.68
CASH & INVESTMENTS, JANUARY 1	5,726.62	5,726.62	4,708.72	4,708.72	45,179.82	45,179.82	44,117.14	44,117.14
CASH & INVESTMENTS, DECEMBER 31	<u>\$ 2,626.62</u>	<u>\$ 3,518.32</u>	<u>\$ 1,263.72</u>	<u>\$ 5,726.62</u>	<u>\$ 30,854.82</u>	<u>\$ 43,974.15</u>	<u>\$ 31,567.14</u>	<u>\$ 45,179.82</u>

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	FRAZIER TRUST FUND				MAY'S ESTATE FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Interest	\$ 200.00	\$ 104.00	\$ 300.00	\$ 235.38	\$ 75.00	\$ 46.15	\$ 250.00	\$ 123.66
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	200.00	104.00	300.00	235.38	75.00	46.15	250.00	123.66
DISBURSEMENTS								
Supplies and Equipment	1,200.00	418.39	1,000.00	509.84	8,000.00	4,920.00	8,000.00	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,200.00	418.39	1,000.00	509.84	8,000.00	4,920.00	8,000.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,000.00)	(314.39)	(700.00)	(274.46)	(7,925.00)	(4,873.85)	(7,750.00)	123.66
CASH & INVESTMENTS, JANUARY 1	16,505.25	16,505.25	16,779.71	16,779.71	8,132.69	8,132.69	8,009.03	8,009.03
CASH & INVESTMENTS, DECEMBER 31	\$ 15,505.25	\$ 16,190.86	\$ 16,079.71	\$ 16,505.25	\$ 207.69	\$ 3,258.84	\$ 259.03	\$ 8,132.69

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	CARE CENTER LEASE FUND				DOMESTIC VIOLENCE FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	72,000.00	66,000.00	54,000.00	54,000.00	300.00	225.00	400.00	315.00
Interest	750.00	823.76	-	919.81	-	0.39	-	0.14
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	72,750.00	66,823.76	54,000.00	54,919.81	300.00	225.39	400.00	315.14
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	20,000.00	10,335.69	20,000.00	6,635.40	-	-	-	-
Services and Other	-	-	-	-	600.00	540.53	400.00	-
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	20,000.00	10,335.69	20,000.00	6,635.40	600.00	540.53	400.00	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	52,750.00	56,488.07	34,000.00	48,284.41	(300.00)	(315.14)	-	315.14
CASH & INVESTMENTS, JANUARY 1	204,486.71	204,486.71	156,202.30	156,202.30	325.16	325.16	10.02	10.02
CASH & INVESTMENTS, DECEMBER 31	<u>\$257,236.71</u>	<u>\$260,974.78</u>	<u>\$190,202.30</u>	<u>\$204,486.71</u>	<u>\$ 25.16</u>	<u>\$ 10.02</u>	<u>\$ 10.02</u>	<u>\$ 325.16</u>

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	JACKSON TOWNSHIP GRANT MAINTENANCE FUND				CAPITAL IMPROVEMENTS FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 980.00	\$ 980.00	\$ 980.00	\$ 5,820.00	\$ -	\$ -	\$ -	\$ -
Charges for Services	12,000.00	18,000.00	-	12,000.00	-	8,556.17	-	4,761.26
Interest	300.00	211.22	600.00	352.03	200.00	448.15	300.00	259.15
Other	-	4,770.00	-	-	-	-	4,500.00	-
Transfers In	4,840.00	-	4,840.00	-	50,000.00	-	-	-
TOTAL RECEIPTS	18,120.00	23,961.22	6,420.00	18,172.03	50,200.00	9,004.32	4,800.00	5,020.41
DISBURSEMENTS								
Materials and Supplies	10,000.00	-	10,000.00	-	-	-	-	-
Improvements	-	-	-	-	50,000.00	23,763.18	75,000.00	61,026.16
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	10,000.00	-	10,000.00	-	50,000.00	23,763.18	75,000.00	61,026.16
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	8,120.00	23,961.22	(3,580.00)	18,172.03	200.00	(14,758.86)	(70,200.00)	(56,005.75)
CASH & INVESTMENTS, JANUARY 1	65,970.01	65,970.01	47,797.98	47,797.98	122,352.40	122,352.40	178,358.15	178,358.15
CASH & INVESTMENTS, DECEMBER 31	<u>\$ 74,090.01</u>	<u>\$ 89,931.23</u>	<u>\$ 44,217.98</u>	<u>\$ 65,970.01</u>	<u>\$ 122,552.40</u>	<u>\$ 107,593.54</u>	<u>\$ 108,158.15</u>	<u>\$ 122,352.40</u>

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	VETERAN'S MEMORIAL FUND				LOCAL EMERGENCY PLANNING COMMISSION FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$45,400.00	\$ 11,040.61
Interest	100.00	79.69	300.00	178.05	-	13.78	-	13.92
Other	500.00	120.00	500.00	440.00	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	600.00	199.69	800.00	618.05	-	13.78	45,400.00	11,054.53
DISBURSEMENTS								
Equipment and Other	500.00	148.28	500.00	121.00	-	8,653.23	45,600.00	2,628.74
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	500.00	148.28	500.00	121.00	-	8,653.23	45,600.00	2,628.74
RECEIPTS OVER (UNDER) DISBURSEMENTS	100.00	51.41	300.00	497.05	-	(8,639.45)	(200.00)	8,425.79
CASH & INVESTMENTS, JANUARY 1	13,180.00	13,180.00	12,682.95	12,682.95	13,511.06	13,511.06	5,085.27	5,085.27
CASH & INVESTMENTS, DECEMBER 31	<u>\$ 13,280.00</u>	<u>\$ 13,231.41</u>	<u>\$ 12,982.95</u>	<u>\$ 13,180.00</u>	<u>\$ 13,511.06</u>	<u>\$ 4,871.61</u>	<u>\$ 4,885.27</u>	<u>\$ 13,511.06</u>

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THE COUNTY OF DAVIESS  
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	SHERIFF'S FORFEITURE FUND				LAW ENFORCEMENT POST FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10.87	\$ 40.00	\$ 23.03
Charges for Services	-	-	1,000.00	-	-	-	-	-
Intergovernmental	-	-	-	-	3,000.00	1,409.65	1,350.00	1,330.60
TOTAL RECEIPTS	-	-	1,000.00	-	3,000.00	1,420.52	1,390.00	1,353.63
DISBURSEMENTS								
Supplies and Other	-	-	1,000.00	-	3,000.00	1,409.65	3,000.00	1,330.60
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	1,000.00	-	3,000.00	1,409.65	3,000.00	1,330.60
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	-	10.87	(1,610.00)	23.03
CASH & INVESTMENTS, JANUARY 1	0.37	0.37	0.37	0.37	1,802.84	1,802.84	1,779.81	1,779.81
CASH & INVESTMENTS, DECEMBER 31	\$ 0.37	\$ 0.37	\$ 0.37	\$ 0.37	\$ 1,802.84	\$ 1,813.71	\$ 169.81	\$ 1,802.84

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THE COUNTY OF DAVIESS  
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	LAW ENFORCEMENT GRANT				SENIOR SERVICES FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 13,500.00	\$ 12,156.04	\$ 13,500.00	\$ 10,866.52	\$ -	\$ -	\$ -	\$ -
Property Taxes	-	-	-	-	54,000.00	54,347.98	55,000.00	51,918.47
Interest	-	1.67	-	3.46	-	13.15	20.00	14.43
Other	-	-	-	-	-	1,204.19	-	-
Transfers In	-	-	-	-	-	-	-	97.14
TOTAL RECEIPTS	13,500.00	12,157.71	13,500.00	10,869.98	54,000.00	55,565.32	55,020.00	52,030.04
DISBURSEMENTS								
Equipment and Other	13,500.00	11,452.89	13,500.00	11,179.97	-	-	97.14	-
Senior Services	-	-	-	-	55,000.00	54,225.00	54,902.86	51,789.00
Transfers Out	-	14.07	-	-	-	-	-	-
TOTAL DISBURSEMENTS	13,500.00	11,466.96	13,500.00	11,179.97	55,000.00	54,225.00	55,000.00	51,789.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	690.75	-	(309.99)	(1,000.00)	1,340.32	20.00	241.04
CASH & INVESTMENTS, JANUARY 1	175.17	175.17	485.16	485.16	23,401.07	23,401.07	23,160.03	23,160.03
CASH & INVESTMENTS, DECEMBER 31	\$ 175.17	\$ 865.92	\$ 485.16	\$ 175.17	\$ 22,401.07	\$ 24,741.39	\$ 23,180.03	\$ 23,401.07

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	INMATE SECURITY FUND				SHERIFF'S REVOLVING FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Interest	-	2.38	-	2.48	-	3.59	-	2.61
Charges for Services	3,000.00	3,183.50	2,700.00	2,892.00	2,000.00	4,850.00	4,000.00	4,418.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,000.00	3,185.88	2,700.00	2,894.48	2,000.00	4,853.59	4,000.00	4,420.61
DISBURSEMENTS								
Supplies and Other	6,000.00	2,899.58	3,000.00	2,761.50	5,000.00	4,886.90	4,000.00	-
Developmentally Disabled Board	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	6,000.00	2,899.58	3,000.00	2,761.50	5,000.00	4,886.90	4,000.00	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(3,000.00)	286.30	(300.00)	132.98	(3,000.00)	(33.31)	-	4,420.61
CASH & INVESTMENTS, JANUARY 1	3,095.67	3,095.67	2,962.69	2,962.69	4,869.31	4,869.31	448.70	448.70
CASH & INVESTMENTS, DECEMBER 31	\$ 95.67	\$ 3,381.97	\$ 2,662.69	\$ 3,095.67	\$ 1,869.31	\$ 4,836.00	\$ 448.70	\$ 4,869.31

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	PROSECUTOR'S CHECK PROCESSING FUND				SCHOOL BOND FORFEITURES FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Interest	-	20.33	-	18.77	-	4.99	-	10.55
Charges for Services	10,000.00	7,777.01	8,000.00	10,996.29	10,000.00	8,780.00	20,000.00	9,260.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	10,000.00	7,797.34	8,000.00	11,015.06	10,000.00	8,784.99	20,000.00	9,270.55
DISBURSEMENTS								
Supplies and Other	10,000.00	8,162.05	8,000.00	8,177.44	20,000.00	21,806.65	20,000.00	-
Developmentally Disabled Board	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	10,000.00	8,162.05	8,000.00	8,177.44	20,000.00	21,806.65	20,000.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(364.71)	-	2,837.62	(10,000.00)	(13,021.66)	-	9,270.55
CASH & INVESTMENTS, JANUARY 1	21,120.15	21,120.15	18,282.53	18,282.53	15,122.51	15,122.51	5,851.96	5,851.96
CASH & INVESTMENTS, DECEMBER 31	\$ 21,120.15	\$ 20,755.44	\$ 18,282.53	\$ 21,120.15	\$ 5,122.51	\$ 2,100.85	\$ 5,851.96	\$ 15,122.51

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	PROSECUTOR'S DELINQUENT TAX FUND				PROSECUTOR'S FORFEITURES FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	1.25	-	1.70
Charges for Services	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	-	-	-	1.25	-	1.70
DISBURSEMENTS								
Supplies and Other	-	-	-	-	-	-	-	-
Developmentally Disabled Board	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	-	1.25	-	1.70
CASH & INVESTMENTS, JANUARY 1	1.64	1.64	1.64	1.64	333.15	333.15	331.45	331.45
CASH & INVESTMENTS, DECEMBER 31	\$ 1.64	\$ 1.64	\$ 1.64	\$ 1.64	\$ 333.15	\$ 334.40	\$ 331.45	\$ 333.15

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	DEPUTY SHERIFF SUPPLEMENTAL SALARY FUND				SENATE BILL 40 FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 90,000.00	\$ 78,755.11	\$ 83,000.00	\$ 59,266.73
Intergovernmental	-	10,832.04	-	-	-	-	-	-
Interest	-	-	-	-	4,000.00	2,423.93	3,000.00	3,509.34
Other	-	4,198.27	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	15,030.31	-	-	94,000.00	81,179.04	86,000.00	62,776.07
DISBURSEMENTS								
Salaries	-	12,670.17	-	-	-	-	-	-
Developmentally Disabled Board	-	-	-	-	347,630.00	97,915.13	367,200.00	89,781.85
Transfers Out	-	94.20	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	12,764.37	-	-	347,630.00	97,915.13	367,200.00	89,781.85
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	2,265.94	-	-	(253,630.00)	(16,736.09)	(281,200.00)	(27,005.78)
CASH & INVESTMENTS, JANUARY 1	-	-	-	-	262,484.06	262,484.06	289,489.84	289,489.84
CASH & INVESTMENTS, DECEMBER 31	\$ -	\$ 2,265.94	\$ -	\$ -	\$ 8,854.06	\$ 245,747.97	\$ 8,289.84	\$ 262,484.06

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THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
COMPARITIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH & INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	RECORDER USER FEE FUND				RECORDER TECH FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Interest	350.00	119.09	650.00	434.29	3.00	2.84	4.00	3.60
Other	3,150.00	4,056.00	3,500.00	3,862.00	2,500.00	2,653.75	2,246.00	2,709.75
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,500.00	4,175.09	4,150.00	4,296.29	2,503.00	2,656.59	2,250.00	2,713.35
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Travel Expense	-	-	-	-	-	-	-	-
Office	-	-	-	-	-	-	-	-
Other	20,000.00	1,264.91	20,000.00	23,320.00	5,500.00	5,053.95	33,500.00	2,095.73
Insurance	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	20,000.00	1,264.91	20,000.00	23,320.00	5,500.00	5,053.95	33,500.00	2,095.73
RECEIPTS OVER (UNDER) DISBURSEMENTS	(16,500.00)	2,910.18	(15,850.00)	(19,023.71)	(2,997.00)	(2,397.36)	(31,250.00)	617.62
CASH & INVESTMENTS, JANUARY 1	20,145.48	20,145.48	39,169.19	39,169.19	4,168.77	4,168.77	3,551.15	3,551.15
CASH & INVESTMENTS, DECEMBER 31	\$ 3,645.48	\$ 23,055.66	\$ 23,319.19	\$ 20,145.48	\$ 1,171.77	\$ 1,771.41	\$ (27,698.85)	\$ 4,168.77

The accompanying notes to the financial statements are an integral part of this statement.



THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
AGENCY FUNDS - REGULATORY BASIS  
AS OF DECEMBER 31, 2012

	Collector Funds	Prosecuting Attorney	Recorders Funds	Sheriff Funds	Fines Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 3,350,641.38	\$ 19,891.97	\$ -	\$ -	\$ 52,868.21
Investments					
Other Investments	-	-	-	-	-
Total Investments	-	-	-	-	-
Total Assets	3,350,641.38	19,891.97	-	-	52,868.21
<b>LIABILITIES AND FUND BALANCES</b>					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	3,350,641.38	19,891.97	-	-	52,868.21
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,350,641.38</u>	<u>\$ 19,891.97</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,868.21</u>
	<b>Criminal Costs</b>	<b>Overplus Funds</b>	<b>CERF</b>		<b>Grand Total Agency Funds</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2,305.50	\$ 3,014.15	\$ 5,338.17		\$ 3,434,059.38
Investments					
Other Investments	-	1,856.19	-		1,856.19
Total Investments	-	1,856.19	-		1,856.19
Total Assets	2,305.50	4,870.34	5,338.17		3,435,915.57
<b>LIABILITIES AND FUND BALANCES</b>					
TOTAL LIABILITIES	-	-	-		-
UNRESERVED FUND BALANCES	2,305.50	4,870.34	5,338.17		3,435,915.57
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,305.50</u>	<u>\$ 4,870.34</u>	<u>\$ 5,338.17</u>		<u>\$ 3,435,915.57</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
AGENCY FUNDS - REGULATORY BASIS  
AS OF DECEMBER 31, 2011

	Collector Funds	Prosecuting Attorney	Recorders Funds	Sheriff Funds	Fines Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 3,415,525.46	\$ 25,965.42	\$ -	\$ -	\$ 59,914.70
Investments					
Other Investments	-	-	-	-	-
Total Investments	-	-	-	-	-
Total Assets	3,415,525.46	25,965.42	-	-	59,914.70
<b>LIABILITIES AND FUND BALANCES</b>					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	3,415,525.46	25,965.42	-	-	59,914.70
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,415,525.46</u>	<u>\$ 25,965.42</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,914.70</u>
	<b>Criminal Costs</b>	<b>Overplus Funds</b>	<b>CERF</b>		<b>Grand Total Agency Funds</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2,148.50	\$ 2,044.28	\$ 5,719.35		\$ 3,511,317.71
Investments					
Other Investments	-	1,845.55	-		1,845.55
Total Investments	-	1,845.55	-		1,845.55
Total Assets	2,148.50	3,889.83	5,719.35		3,513,163.26
<b>LIABILITIES AND FUND BALANCES</b>					
TOTAL LIABILITIES	-	-	-		-
UNRESERVED FUND BALANCES	2,148.50	3,889.83	5,719.35		3,513,163.26
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,148.50</u>	<u>\$ 3,889.83</u>	<u>\$ 5,719.35</u>		<u>\$ 3,513,163.26</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Daviess, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1836 by an Act of the Missouri Territory. In addition to the three Commissioners, there are nine elected Constitutional Officers: County Clerk, Collector/Treasurer, Recorder of Deeds, Sheriff, Assessor, Coroner, Circuit Clerk, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the county of Daviess County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

*Governmental Fund Types*

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

*Fiduciary Fund Types*

*Agency* – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similarly to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2012 and 2011, for purposes of taxation was:

	<u>2012</u>	<u>2011</u>
Real Estate	\$ 79,316,584	\$ 76,833,785
Personal Property	25,865,006	24,975,755
Railroad and Utilities	<u>7,440,189</u>	<u>7,085,195</u>
	<u>\$ 112,621,779</u>	<u>\$ 108,894,735</u>

During 2012 and 2011, the County Commission approved a \$0.2400 and \$0.2500 tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2012 and 2011, for purpose of County taxation, as follows:

	<u>2012</u>	<u>2011</u>
General Revenue Fund	\$ .1200	\$ .1200
Senate Bill 40 Fund	.0700	.0800
Senior Services Fund	<u>.0500</u>	<u>.0500</u>
	<u>\$ .2400</u>	<u>\$ .2500</u>

F. Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund are readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements. Details of these cash balances are presented in Note II.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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II. CASH AND INVESTMENTS

Deposits with maturities greater than three months are considered investments. In addition, cash and investments are separately held by several of the County's funds. Investments of the County consist of certificates of deposit with local banking institutions.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2012 and 2011, the carrying amount of the County's deposits was \$2,665,578.97 and \$2,655,017.69 and the bank balance was \$5,895,504.88 and \$5,790,653.28, respectively. As of December 31, 2012 and 2011, the County's deposits were properly pledged by FDIC insurance and pledged securities.

SUMMARY OF CARRYING VALUES

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash and Equivalents" under each fund's caption.

Carrying values of deposits and investments shown above are included in the financial statements at December 31, 2012, as follows:

Included in the following fund financial statement captions:

Statements of Receipts, Disbursements and Changes in Cash  
and Investments – Governmental Funds:

Deposits	\$ 985,842.76
Investments	<u>1,679,736.21</u>
Total Governmental Funds	2,665,578.97

Statement of Assets and Liabilities Arising From Cash

Transactions – Agency Funds:

Deposits	3,434,059.38
Investments	<u>1,856.19</u>
Total Agency Funds	<u>3,435,915.57</u>

Total Deposits and Investments as of December 31, 2012	\$ <u><u>6,101,494.54</u></u>
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The carrying values of deposits and investments at December 31, 2011, are as follows:

Included in the following fund financial statement captions:

Statements of Receipts, Disbursements and Changes in Cash  
and Investments – Governmental Funds:

Deposits	\$ 921,945.38
Investments	<u>1,733,072.31</u>
Total Governmental Funds	2,655,017.69

Statement of Assets and Liabilities Arising From Cash

Transactions – Agency Funds:

Deposits	3,511,317.71
Investments	<u>1,845.55</u>
Total Agency Funds	<u>3,513,163.26</u>

Total Deposits and Investments as of December 31, 2011	\$ <u><u>6,168,180.95</u></u>
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THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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II. CASH AND INVESTMENTS (concluded)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were exposed to custodial credit risk for the years ended December 31, 2012 and 2011.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2012 and 2011.



THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

III. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2012 and 2011 are as follows:

	2012		2011	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ 1,270.00	\$ 8,084.88	\$ 5,993.96	\$ 4,275.80
Special Road and Bridge Fund	-	5,079.03	-	-
Assessment Fund	6,785.18	-	-	-
Law Enforcement Sales Tax Fund	5,217.00	-	2,061.80	3,877.10
Law Enforcement Grant Fund	-	14.07	-	-
Senior Services Fund	-	-	97.14	-
Deputy Sheriff Supplemental Salary Fund	-	94.20	-	-
<b>TOTAL</b>	<b>\$ 13,272.18</b>	<b>\$ 13,272.18</b>	<b>\$ 8,152.90</b>	<b>\$ 8,152.90</b>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

IV. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest

THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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IV. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (continued)

A. Plan Description (continued)

after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee.

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2012 and 2011, the County collected and remitted to CERF, employee contributions of approximately \$37,475.61 and \$34,375.71, respectively, for the years then ended.

V. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$1,683 and \$2,244, respectively, for the years ended December 31, 2012 and 2011.

THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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VI. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. There was one participant for COBRA at December 31, 2012 and one participant at December 31, 2011.

VII. CLAIMS, COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not currently involved in pending litigation at December 31, 2012.

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Vacation days do not carry forward if they are unused. Upon termination, an employee will be reimbursed for any unused vacation days. Employees earn 3.75 or 4 hours of sick leave per month depending on their normal day. The County allows employees to carry forward sick leave however, an employee will not be reimbursed for unused sick leave. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

VIII. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool, which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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IX. RISK MANAGEMENT (concluded)

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

X. SUBSEQUENT EVENTS

There are no subsequent events to report up to the date of the audit report.

XI. ACCOUNTING CHANGE

For the years ended December 31, 2012 and December 31, 2011, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements.

XII. CENTRAL DISPATCH EMERGENCY SERVICES FUND

Due to a statutory change effective August 28, 2010, the County's Central Dispatch Emergency Services Fund is considered a legally separate political subdivision and is no longer included in the audit of the County.

XIII. PRIOR PERIOD ADJUSTMENT

The General Revenue Fund beginning balance at January 1, 2011, was decreased by \$9,394 to correct prior year's ending balance for a certificate of deposit. Also, the School Bond Forfeitures Fund and Prosecutor's Forfeitures Fund were left off of the prior year report. These funds have been included in the current year's report and increase beginning fund balance at January 1, 2011, by \$5,851.96 for the School Bond Forfeitures Fund and \$331.45 for the Prosecutor's Forfeitures Fund.

**SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT**

## **STATE COMPLIANCE SECTION**

THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
SCHEDULE OF STATE FINDINGS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

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SCHEDULE OF STATE FINDINGS

- I. For the year ended December 31, 2012, actual expenditures exceeded those budgeted in the Prosecutor's Training Fund and School Bond Forfeitures Fund.
- II. For the year ended December 31, 2011, actual expenditures exceeded those budgeted in the Prosecutor's Check Processing Fund and Recorder User Fee Fund.
- III. The Local Emergency Planning Commission Fund and the Deputy Sheriff Supplemental Salary Fund did not have budgets for the year ended December 31, 2012.
- IV. The Prosecutor's Delinquent Tax Fund and the Prosecutor's Forfeitures Fund did not have budgets for the years ended December 31, 2012 and December 31, 2011.

## **FEDERAL COMPLIANCE SECTION**





# Daniel Jones & Associates

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission  
The County of Daviess, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Daviess ("County") as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 3, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. [FS 12/11-03 and FS 12/11-04].

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies. [FS 12/11-01 and FS 12/11-02]

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **The County's Response to Findings**

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

July 3, 2013

THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
YEARS ENDED DECEMBER 31, 2012 AND 2011

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I. FINANCIAL STATEMENT FINDINGS

FS 12/11-01 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's (Sally Black) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is December 31, 2013. The Clerk's office phone number is 660-663-2641.

FS 12/11-02 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the walkthroughs of the County, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
YEARS ENDED DECEMBER 31, 2012 AND 2011

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I. FINANCIAL STATEMENT FINDINGS (continued)

FS 12/11-02     Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's (Sally Black) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is December 31, 2013. The Clerk's office phone number is 660-663-2641.

FS 12/11-03     Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Prosecuting Attorney's office.

Condition: We noted that there were no bank reconciliations for the Prosecuting Attorney's office.

Context: This deficiency became apparent through our testing of the Prosecuting Attorney's cash accounts and the related reconciliations.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Prosecuting Attorney's office prepare monthly bank reconciliations and adjustments to the cash accounts.

Views of Responsible Officials and Planned Corrective Actions: The Prosecuting Attorney's (Andrea Gibson) office will consider the auditor's recommendation and attempt to begin reconciling bank statements in a timely manner in the 2013 fiscal year. The Prosecuting Attorney's office phone number is 660-663-4129.

FS 12/11-04     Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Senate Bill 40's office.

Condition: We noted that there were no bank reconciliations for the Senate Bill 40's office.

Context: This deficiency became apparent through our testing of the Senate Bill 40's cash accounts and the related reconciliations.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

THE COUNTY OF DAVIESS  
GALLATIN, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
YEARS ENDED DECEMBER 31, 2012 AND 2011

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I. FINANCIAL STATEMENT FINDINGS (concluded)

FS 12/11-04     Recommendation: We recommend that the Senate Bill 40's office prepare monthly bank reconciliations and adjustments to the cash accounts.

Views of Responsible Officials and Planned Corrective Actions: The Senate Bill 40's office (Brenda Wright) will consider the auditor's recommendation and attempt to begin reconciling bank statements in a timely manner in the 2013 fiscal year.

THE COUNTY OF DAVIES  
GALLATIN, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
YEARS ENDED DECEMBER 31, 2012 AND 2011

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I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings related to internal control and compliance.



# Daniel Jones & Associates

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

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July 3, 2013

To the Board of Commissioners  
County of Daviess

In planning and performing our audit of the regulatory based financial statements of the County of Daviess (the "County") as of and for the years ended December 31, 2012, and December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in the County's internal control to be material weaknesses as noted in section I:

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section II:

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Material
- II. Deficiencies Considered to be Significant
- III. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

## **I. DEFICIENCIES CONSIDERED TO BE MATERIAL**

FS 12/11-03 Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Prosecuting Attorney's office.

Condition: We noted that there were no bank reconciliations for the Prosecuting Attorney's office.

Context: This deficiency became apparent through our testing of the Prosecuting Attorney's cash accounts and the related reconciliations.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Prosecuting Attorney's office prepare monthly bank reconciliations and adjustments to the cash accounts.

Views of Responsible Officials and Planned Corrective Actions: The Prosecuting Attorney's (Andrea Gibson) office will consider the auditor's recommendation and attempt to begin reconciling bank statements in a timely manner in the 2013 fiscal year. The Prosecuting Attorney's office phone number is 660-663-4129.

FS 12/11-04 Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Senate Bill 40's office.

Condition: We noted that there were no bank reconciliations for the Senate Bill 40's office.

Context: This deficiency became apparent through our testing of the Senate Bill 40's cash accounts and the related reconciliations.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Senate Bill 40's office prepare monthly bank reconciliations and adjustments to the cash accounts.

Views of Responsible Officials and Planned Corrective Actions: The Senate Bill 40's office (Brenda Wright) will consider the auditor's recommendation and attempt to begin reconciling bank statements in a timely manner in the 2013 fiscal year.



## II. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 12/11-01 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

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Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's (Sally Black) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is December 31, 2013. The Clerk's office phone number is 660-663-2641.

FS 12/11-02 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the walkthroughs of the County, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

## II. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

FS 12/11-02    Views of Responsible Officials and Planned Corrective Actions: The County Clerk's (Sally Black) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is December 31, 2013. The Clerk's office phone number is 660-663-2641.

## III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

### Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 29, 2013. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2012-2013 fiscal year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### Disagreements with Management

For purposes of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)**

#### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated July 3, 2013.

#### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the County’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### **Other Matters**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with a regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.



# THOMAS A. SCHWEICH

## Missouri State Auditor

To the County Commission  
and  
Officeholders of Ste. Genevieve County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Ste. Genevieve County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Thomas A. Schweich  
State Auditor

August 2013  
Report No. 2013-076

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORTS  
AND SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2012 AND 2011

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
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## **FINANCIAL SECTION**



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

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INDEPENDENT AUDITOR'S REPORT

To the County Commission  
The County of Ste. Genevieve, Missouri

**Report on the Financial Statements**

We have audited the accompanying financial statements of the County of Ste. Genevieve, Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2012 and 2011, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note I of the financial statements, the financial statements are prepared on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2012 and 2011, or changes in financial position or cash flows thereof for the years then ended.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2012 and 2011, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Ste. Genevieve’s basic financial statements. The schedule of expenditures of federal awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 5, 2013 on our consideration of the County of Ste. Genevieve's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Ste. Genevieve's internal control over financial reporting and compliance.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

July 5, 2013

## **FINANCIAL STATEMENTS**

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
(the Primary Government)  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

FUND	CASH AND INVESTMENTS JANUARY 1, 2012	RECEIPTS 2012	DISBURSEMENTS 2012	CASH AND INVESTMENTS DECEMBER 31, 2012
General Revenue Fund	\$ 929,971.97	\$ 7,233,990.78	\$ 7,790,125.84	\$ 373,836.91
Special Road and Bridge Fund	330,780.51	2,500,332.58	2,520,023.58	311,089.51
Assessment Fund	326,821.97	657,384.10	814,573.09	169,632.98
Law Enforcement Training Fund	15,493.18	17,595.84	24,530.86	8,558.16
Prosecuting Attorney Training Fund	5,753.79	2,886.91	1,964.25	6,676.45
Law Enforcement Restitution Fund	98,232.52	108,450.32	129,595.88	77,086.96
911 Emergency Fund	26,425.11	452,646.11	408,652.34	70,418.88
Victims of Domestic Violence Fund	6,743.62	13,970.98	13,351.18	7,363.42
TIF Fund	-	529,180.90	529,180.90	-
PA Bad Check Fund	9,795.37	6,546.69	5,318.87	11,023.19
CAFA Fund	4,515.45	5.13	4,162.37	358.21
PA Delinquent Fund	3,920.06	5,188.13	9.73	9,098.46
Sheriff Revolving Fund	16,665.10	10,399.15	14,905.56	12,158.69
Recorder Fund	51,111.07	19,491.15	20,232.95	50,369.27
Community Center Sales Tax Fund	377,639.39	1,124,608.52	1,105,080.05	397,167.86
Community Center Operating Fund	2,388.48	755,993.35	758,381.83	-
Sheriff Fees Fund	13,848.50	29,784.64	20,015.81	23,617.33
Special Election Fund	-	50,914.47	50,914.47	-
Election Services Fund	7,459.36	5,533.01	4,923.20	8,069.17
Tax Maintenance Fund	26,227.84	25,788.29	34,637.17	17,378.96
K-9 Fund	2,079.01	1,188.49	1,888.76	1,378.74
Law Enforcement Sales Tax Fund	-	1,998,998.39	1,998,998.39	-
Inmate Security Fund	13,993.35	11,485.49	16,704.83	8,774.01
Capital Improvements Fund	52,527.07	1,260,680.74	780,347.70	532,860.11
Repairs and Upkeep Property Fund	22,444.51	10,072.97	4,446.04	28,071.44
Senior Services Board Fund	125,773.83	148,483.90	139,658.41	134,599.32
Mental Health Board Fund	311,343.43	438,442.54	376,144.37	373,641.60
SB40 Board Fund	224,551.86	533,789.66	434,041.96	324,299.56
Mental Health Repairs and Upkeep Fund	271,451.06	1,470.33	5,295.10	267,626.29
Special Road Fund	-	2,018.03	2,018.03	-
TOTAL	\$ 3,277,957.41	\$ 17,957,321.59	\$ 18,010,123.52	\$ 3,225,155.48

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
(the Primary Government)  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011

FUND	CASH AND INVESTMENTS JANUARY 1, 2011	RECEIPTS 2011	DISBURSEMENTS 2011	CASH AND INVESTMENTS DECEMBER 31, 2011
General Revenue Fund	\$ 359,425.76	\$ 5,821,626.58	\$ 5,251,080.37	\$ 929,971.97
Special Road and Bridge Fund	634,099.01	2,380,610.83	2,683,929.33	330,780.51
Assessment Fund	426,578.30	498,252.07	598,008.40	326,821.97
Law Enforcement Training Fund	11,848.44	13,648.64	10,003.90	15,493.18
Prosecuting Attorney Training Fund	4,683.21	2,574.09	1,503.51	5,753.79
Law Enforcement Restitution Fund	31,121.81	113,330.68	46,219.97	98,232.52
911 Emergency Fund	25,221.34	550,836.57	549,632.80	26,425.11
Victims of Domestic Violence Fund	4,187.13	11,750.00	9,193.51	6,743.62
TIF Fund	-	427,568.62	427,568.62	-
PA Bad Check Fund	4,962.33	12,721.01	7,887.97	9,795.37
CAFA Fund	7,519.80	44.69	3,049.04	4,515.45
PA Delinquent Fund	949.29	2,981.45	10.68	3,920.06
Sheriff Revolving Fund	13,443.87	8,465.00	5,243.77	16,665.10
Recorder Fund	60,322.90	25,056.51	34,268.34	51,111.07
Community Center Sales Tax Fund	274,599.54	1,725,503.43	1,622,463.58	377,639.39
Community Center Operating Fund	358.25	771,905.52	769,875.29	2,388.48
Sheriff Fees Fund	13,216.70	26,117.71	25,485.91	13,848.50
Special Election Fund	-	23,737.62	23,737.62	-
Election Services Fund	9,678.18	4,281.34	6,500.16	7,459.36
Tax Maintenance Fund	19,192.28	29,298.98	22,263.42	26,227.84
K-9 Fund	2,914.47	1,004.42	1,839.88	2,079.01
Law Enforcement Sales Tax Fund	-	1,462,228.68	1,462,228.68	-
Inmate Security Fund	14,046.22	10,046.10	10,098.97	13,993.35
Capital Improvements Fund	74,101.96	440,925.89	462,500.78	52,527.07
Repairs and Upkeep Property Fund	10,072.76	50,105.12	37,733.37	22,444.51
Senior Services Board Fund	102,145.67	142,023.00	118,394.84	125,773.83
Mental Health Board Fund	225,770.52	468,126.00	382,553.09	311,343.43
SB40 Board Fund	183,395.10	445,793.98	404,637.22	224,551.86
Mental Health Repairs and Upkeep Fund	-	284,908.06	13,457.00	271,451.06
Special Road Fund	-	65,755.47	65,755.47	-
TOTAL	\$ 2,513,854.84	\$ 15,821,228.06	\$ 15,057,125.49	\$ 3,277,957.41

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
(the Primary Government)  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	GENERAL REVENUE FUND			
	2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 892,500.00	\$ 888,895.86	\$ 918,000.00	\$ 898,419.93
Sales Taxes	900,000.00	870,941.46	800,000.00	922,619.38
Intergovernmental	5,398,200.50	4,530,881.16	2,744,027.12	3,160,837.70
Charges for Services	464,200.00	536,095.96	480,689.06	501,248.42
Interest	7,000.00	4,901.29	7,000.00	6,564.30
Other	303,303.72	320,077.77	277,294.49	241,936.85
Transfers In	130,970.31	82,197.28	106,500.00	90,000.00
TOTAL RECEIPTS	8,096,174.53	7,233,990.78	5,333,510.67	5,821,626.58
DISBURSEMENTS				
County Commission	161,490.21	160,704.48	147,049.59	146,463.03
County Clerk	174,876.47	172,047.09	162,642.86	162,254.23
Elections	165,014.00	152,027.57	10,500.00	6,537.88
Buildings and Grounds	127,715.64	109,789.23	140,954.98	120,630.87
Employee Fringe Benefits	-	-	-	-
County Treasurer	105,120.74	103,477.87	96,129.91	96,869.11
Collector	158,122.96	149,071.93	146,712.27	133,755.82
Recorder of Deeds	147,117.02	138,750.29	133,666.05	136,767.24
Circuit Clerk	41,613.00	34,174.63	27,690.34	24,419.20
Court Administration	18,690.36	10,548.64	15,049.58	17,613.50
Public Administrator	49,130.00	58,809.09	48,587.58	41,817.62
Sheriff	-	-	-	-
Jail	2,577,270.50	2,916,379.37	2,423,841.01	2,573,692.15
Prosecuting Attorney	318,051.61	330,086.88	319,028.40	312,175.00
Juvenile Officer	69,827.50	69,827.52	63,419.80	63,419.80
Coroner	54,446.54	39,758.61	50,004.33	51,592.88
Emergency Fund	176,288.09	77,965.18	160,005.32	55,942.67
Other General County Govt	923,991.44	1,989,116.67	900,047.39	783,041.49
Public Health and Welfare Services	-	-	-	-
Transfers Out	3,588,302.92	1,277,590.79	659,613.75	524,087.88
TOTAL DISBURSEMENTS	8,857,069.00	7,790,125.84	5,504,943.16	5,251,080.37
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(760,894.47)	(556,135.06)	(171,432.49)	570,546.21
CASH AND INVESTMENTS, JANUARY 1	929,971.97	929,971.97	359,425.76	359,425.76
CASH AND INVESTMENTS, DECEMBER 31	\$ 169,077.50	\$ 373,836.91	\$ 187,993.27	\$ 929,971.97

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
(the Primary Government)  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 477,000.00	\$ 483,930.75	\$ 477,500.00	\$ 481,952.52	\$ -	\$ -	\$ -	\$ -
Sales Taxes	900,000.00	870,598.66	128,000.00	728,964.36	-	-	-	-
Intergovernmental	802,100.00	822,992.09	816,500.00	831,673.44	285,000.00	261,205.60	382,592.00	243,349.18
Charges for Services	-	-	-	-	-	-	-	-
Interest	4,400.00	2,416.20	6,000.00	4,507.34	3,000.00	1,372.12	3,500.00	3,262.34
Other	624,528.00	320,394.88	962,336.00	333,513.17	631,883.18	394,806.38	443,500.00	251,640.55
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,808,028.00	2,500,332.58	2,390,336.00	2,380,610.83	919,883.18	657,384.10	829,592.00	498,252.07
DISBURSEMENTS								
Supplies	550,000.00	618,607.00	715,000.00	674,316.25	27,300.00	10,685.47	28,800.00	26,291.73
Road and Bridge Construction	805,000.00	551,808.24	996,451.71	660,868.84	-	-	-	-
Equipment Repairs	50,000.00	46,078.47	50,000.00	90,509.92	-	-	-	-
Equipment Purchases	322,393.00	241,611.44	259,461.00	351,057.00	63,098.00	75,340.69	24,500.00	8,518.89
Insurance	47,562.00	49,335.50	38,000.00	37,171.00	10,102.00	10,102.00	5,586.00	5,586.00
Salaries	393,289.54	380,212.88	338,273.08	351,197.88	253,124.42	217,914.67	225,558.18	216,088.77
Benefits	119,863.25	107,290.83	96,304.01	100,637.46	46,375.01	34,278.84	46,374.05	40,544.90
Other Expenses	485,041.00	390,857.00	292,409.49	338,170.98	711,950.00	466,251.42	581,500.00	300,978.11
Transfers Out	154,470.31	134,222.22	130,000.00	80,000.00	-	-	-	-
TOTAL DISBURSEMENTS	2,927,619.10	2,520,023.58	2,915,899.29	2,683,929.33	1,111,949.43	814,573.09	912,318.23	598,008.40
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(119,591.10)	(19,691.00)	(525,563.29)	(303,318.50)	(192,066.25)	(157,188.99)	(82,726.23)	(99,756.33)
CASH AND INVESTMENTS, JANUARY 1	330,780.51	330,780.51	634,099.01	634,099.01	326,821.97	326,821.97	426,578.30	426,578.30
CASH AND INVESTMENTS, DECEMBER 31	\$ 211,189.41	\$ 311,089.51	\$ 108,535.72	\$ 330,780.51	\$ 134,755.72	\$ 169,632.98	\$ 343,852.07	\$ 326,821.97

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
(the Primary Government)  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	12,000.00	17,555.64	12,000.00	13,590.90	2,500.00	2,873.23	1,800.00	2,505.51
Intergovernmental	-	-	-	-	-	-	-	-
Interest	58.00	40.20	70.00	57.74	7.00	13.68	7.00	11.29
Other	-	-	-	-	-	-	-	57.29
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	12,058.00	17,595.84	12,070.00	13,648.64	2,507.00	2,886.91	1,807.00	2,574.09
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Mileage and Training	25,015.00	24,530.86	23,000.00	10,003.90	8,260.79	1,964.25	4,000.00	1,503.51
Office	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Prisoner Costs	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	25,015.00	24,530.86	23,000.00	10,003.90	8,260.79	1,964.25	4,000.00	1,503.51
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(12,957.00)	(6,935.02)	(10,930.00)	3,644.74	(5,753.79)	922.66	(2,193.00)	1,070.58
CASH AND INVESTMENTS, JANUARY 1	15,493.18	15,493.18	11,848.44	11,848.44	5,753.79	5,753.79	4,683.21	4,683.21
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 2,536.18</u>	<u>\$ 8,558.16</u>	<u>\$ 918.44</u>	<u>\$ 15,493.18</u>	<u>\$ -</u>	<u>\$ 6,676.45</u>	<u>\$ 2,490.21</u>	<u>\$ 5,753.79</u>

The accompanying notes to the financial statements are an integral part of this statement.



THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
(the Primary Government)  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	LAW ENFORCEMENT RESTITUTION FUND				911 EMERGENCY FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ 290,000.00	\$ 287,559.30	\$ 391,127.49	\$ 339,665.08
Intergovernmental	100,000.00	103,260.35	100,000.00	107,157.15	150,000.00	164,998.92	150,000.00	192,776.39
Interest	390.00	597.97	100.00	390.33	-	50.09	140.00	37.47
Other	5,784.00	4,592.00	4,000.00	5,783.20	-	37.80	38,562.63	18,357.63
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	106,174.00	108,450.32	104,100.00	113,330.68	440,000.00	452,646.11	579,830.12	550,836.57
DISBURSEMENTS								
Salaries	51,000.00	20,000.00	29,000.00	20,000.00	-	-	73,690.99	85,055.48
Mileage and Training	8,500.00	2,634.75	9,500.00	4,203.84	-	-	-	-
Equipment	64,000.00	48,399.85	3,500.00	3,500.00	15,000.00	6,595.41	109,500.00	56,509.08
Payments to St. Francois County	-	-	-	-	425,000.00	401,937.18	407,291.00	396,513.07
Other	79,906.00	58,561.28	57,000.00	18,516.13	-	119.75	13,700.00	11,555.17
TOTAL DISBURSEMENTS	203,406.00	129,595.88	99,000.00	46,219.97	440,000.00	408,652.34	604,181.99	549,632.80
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(97,232.00)	(21,145.56)	5,100.00	67,110.71	-	43,993.77	(24,351.87)	1,203.77
CASH AND INVESTMENTS, JANUARY 1	98,232.52	98,232.52	31,121.81	31,121.81	26,425.11	26,425.11	25,221.34	25,221.34
CASH AND INVESTMENTS, DECEMBER 31	\$ 1,000.52	\$ 77,086.96	\$ 36,221.81	\$ 98,232.52	\$ 26,425.11	\$ 70,418.88	\$ 869.47	\$ 26,425.11

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
(the Primary Government)  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	VICTIMS OF DOMESTIC VIOLENCE FUND				TIF FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 275,000.00	\$ 352,227.30	\$ 250,140.00	\$ 276,910.79
Charges for Services	12,000.00	13,962.00	10,000.00	11,743.00	-	-	-	-
Interest	7.50	8.98	3.50	7.00	-	-	-	-
Other	-	-	-	-	-	1,646.68	-	-
Transfers In	-	-	-	-	176,000.00	175,306.92	118,000.00	150,657.83
TOTAL RECEIPTS	12,007.50	13,970.98	10,003.50	11,750.00	451,000.00	529,180.90	368,140.00	427,568.62
DISBURSEMENTS								
T.I.F. FEES	-	-	-	-	451,000.00	529,180.90	368,140.00	427,568.62
Services and Other	11,011.00	13,351.18	10,000.00	9,193.51	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	11,011.00	13,351.18	10,000.00	9,193.51	451,000.00	529,180.90	368,140.00	427,568.62
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	996.50	619.80	3.50	2,556.49	-	-	-	-
CASH AND INVESTMENTS, JANUARY 1	6,743.62	6,743.62	4,187.13	4,187.13	-	-	-	-
CASH AND INVESTMENTS, DECEMBER 31	\$ 7,740.12	\$ 7,363.42	\$ 4,190.63	\$ 6,743.62	\$ -	\$ -	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
(the Primary Government)  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	PA BAD CHECK FUND				CAFA FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Interest	\$ 25.00	\$ 25.94	\$ -	\$ 20.73	\$ 45.00	\$ 5.13	\$ 100.00	\$ 44.69
Charges for Services	2,500.00	5,600.75	9,500.00	10,959.81	-	-	-	-
Other	1,750.00	920.00	1,320.00	1,740.47	2,000.00	-	2,000.00	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	4,275.00	6,546.69	10,820.00	12,721.01	2,045.00	5.13	2,100.00	44.69
DISBURSEMENTS								
Supplies and Equipment	14,070.37	5,318.87	10,400.00	7,887.97	4,500.00	4,162.37	5,300.00	3,049.04
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	14,070.37	5,318.87	10,400.00	7,887.97	4,500.00	4,162.37	5,300.00	3,049.04
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(9,795.37)	1,227.82	420.00	4,833.04	(2,455.00)	(4,157.24)	(3,200.00)	(3,004.35)
CASH AND INVESTMENTS, JANUARY 1	9,795.37	9,795.37	4,962.33	4,962.33	4,515.45	4,515.45	7,519.80	7,519.80
CASH AND INVESTMENTS, DECEMBER 31	\$ -	\$ 11,023.19	\$ 5,382.33	\$ 9,795.37	\$ 2,060.45	\$ 358.21	\$ 4,319.80	\$ 4,515.45

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
(the Primary Government)  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	PA DELINQUENT FUND				SHERIFF REVOLVING FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	2,000.00	5,175.32	494.00	2,981.45	5,000.00	10,324.00	8,000.00	8,382.75
Interest	25.00	12.81	-	-	85.00	75.15	-	82.25
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,025.00	5,188.13	494.00	2,981.45	5,085.00	10,399.15	8,000.00	8,465.00
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	5,945.06	9.73	1,000.00	10.68	21,011.00	14,905.56	16,000.00	5,243.77
Services and Other	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	5,945.06	9.73	1,000.00	10.68	21,011.00	14,905.56	16,000.00	5,243.77
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(3,920.06)	5,178.40	(506.00)	2,970.77	(15,926.00)	(4,506.41)	(8,000.00)	3,221.23
CASH AND INVESTMENTS, JANUARY 1	3,920.06	3,920.06	949.29	949.29	16,665.10	16,665.10	13,443.87	13,443.87
CASH AND INVESTMENTS, DECEMBER 31	\$ -	\$ 9,098.46	\$ 443.29	\$ 3,920.06	\$ 739.10	\$ 12,158.69	\$ 5,443.87	\$ 16,665.10

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
(the Primary Government)  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	RECORDER FUND				COMMUNITY CENTER SALES TAX FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 250,000.00	\$ 252,622.51	\$ 435,000.00	\$ 455,125.00
Sales Tax	-	-	-	-	828,000.00	870,840.97	800,000.00	922,500.22
Charges for Services	7,400.00	9,151.00	8,600.00	7,284.00	-	-	-	-
Interest	275.00	238.90	950.00	490.26	1,200.00	1,145.04	1,200.00	1,353.21
Other	4,350.00	10,101.25	18,100.00	17,282.25	-	-	1,125,000.00	346,525.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	12,025.00	19,491.15	27,650.00	25,056.51	1,079,200.00	1,124,608.52	2,361,200.00	1,725,503.43
DISBURSEMENTS								
Materials and Supplies	33,300.00	20,232.95	48,015.00	34,268.34	-	-	-	-
Principal	-	-	-	-	525,000.00	524,999.60	480,000.00	480,000.00
Interest	-	-	-	-	173,811.25	173,739.57	155,616.00	155,562.46
Insurance	-	-	-	-	20,000.00	49,849.35	20,000.00	14,888.00
Equipment	-	-	-	-	100,000.00	80,147.86	100,000.00	665,965.05
Improvements	-	-	-	-	-	-	1,260,000.00	-
Transfers Out	-	-	-	-	344,800.00	276,343.67	354,300.00	306,048.07
TOTAL DISBURSEMENTS	33,300.00	20,232.95	48,015.00	34,268.34	1,163,611.25	1,105,080.05	2,369,916.00	1,622,463.58
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(21,275.00)	(741.80)	(20,365.00)	(9,211.83)	(84,411.25)	19,528.47	(8,716.00)	103,039.85
CASH AND INVESTMENTS, JANUARY 1	51,111.07	51,111.07	60,322.90	60,322.90	377,639.39	377,639.39	274,599.54	274,599.54
CASH AND INVESTMENTS, DECEMBER 31	\$ 29,836.07	\$ 50,369.27	\$ 39,957.90	\$ 51,111.07	\$ 293,228.14	\$ 397,167.86	\$ 265,883.54	\$ 377,639.39

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
(the Primary Government)  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	COMMUNITY CENTER OPERATING FUND				SHERIFF FEES FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	246,600.00	283,560.13	281,100.00	256,620.11	25,000.00	29,047.66	\$ 26,000.00	\$ 25,321.70
Interest	-	23.77	-	15.49	106.00	84.02	333.30	109.01
Other	216,600.00	196,065.78	187,600.00	209,221.85	550.00	652.96	450.00	687.00
Transfers In	314,800.00	276,343.67	324,300.00	306,048.07	-	-	-	-
TOTAL RECEIPTS	778,000.00	755,993.35	793,000.00	771,905.52	25,656.00	29,784.64	26,783.30	26,117.71
DISBURSEMENTS								
Equipment and Other	267,400.00	269,854.38	300,700.00	290,396.11	35,025.00	20,015.81	40,000.00	25,485.91
Operations of Community Center	510,600.00	457,029.10	492,300.00	449,657.38	-	-	-	-
Transfers Out	-	31,498.35	-	29,821.80	-	-	-	-
TOTAL DISBURSEMENTS	778,000.00	758,381.83	793,000.00	769,875.29	35,025.00	20,015.81	40,000.00	25,485.91
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(2,388.48)	-	2,030.23	(9,369.00)	9,768.83	(13,216.70)	631.80
CASH AND INVESTMENTS, JANUARY 1	2,388.48	2,388.48	358.25	358.25	13,848.50	13,848.50	13,216.70	13,216.70
CASH AND INVESTMENTS, DECEMBER 31	\$ 2,388.48	\$ -	\$ 358.25	\$ 2,388.48	\$ 4,479.50	\$ 23,617.33	\$ -	\$ 13,848.50

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
(the Primary Government)  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	SPECIAL ELECTION FUND				ELECTION SERVICES FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24.75	\$ -	\$ -
Chargers for Services	-	-	-	-	-	-	-	-
Intergovernmental	55,000.00	50,914.47	26,000.00	23,737.62	8,297.50	4,218.66	4,792.00	4,281.34
Other	-	-	-	-	-	1,289.60	-	-
TOTAL RECEIPTS	55,000.00	50,914.47	26,000.00	23,737.62	8,297.50	5,533.01	4,792.00	4,281.34
DISBURSEMENTS								
Supplies and Other	55,000.00	50,914.47	26,000.00	23,737.62	7,515.00	4,923.20	7,215.00	6,500.16
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	55,000.00	50,914.47	26,000.00	23,737.62	7,515.00	4,923.20	7,215.00	6,500.16
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	782.50	609.81	(2,423.00)	(2,218.82)
CASH AND INVESTMENTS, JANUARY 1	-	-	-	-	7,459.36	7,459.36	9,678.18	9,678.18
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,241.86</u>	<u>\$ 8,069.17</u>	<u>\$ 7,255.18</u>	<u>\$ 7,459.36</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
(the Primary Government)  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	TAX MAINTENANCE FUND				K-9 FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 27,500.00	\$ 25,788.29	\$ 27,000.00	\$ 29,298.98	\$ -	\$ -	\$ -	\$ -
Property Tax Revenues	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	3.49	-	-
Other	-	-	-	-	1,004.00	1,185.00	2,000.00	1,004.42
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	27,500.00	25,788.29	27,000.00	29,298.98	1,004.00	1,188.49	2,000.00	1,004.42
DISBURSEMENTS								
Equipment and Other	39,500.00	29,637.17	32,000.00	12,263.42	3,016.00	1,888.76	4,914.47	1,839.88
Transfers	5,000.00	5,000.00	12,500.00	10,000.00	-	-	-	-
TOTAL DISBURSEMENTS	44,500.00	34,637.17	44,500.00	22,263.42	3,016.00	1,888.76	4,914.47	1,839.88
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(17,000.00)	(8,848.88)	(17,500.00)	7,035.56	(2,012.00)	(700.27)	(2,914.47)	(835.46)
CASH AND INVESTMENTS, JANUARY 1	26,227.84	26,227.84	19,192.28	19,192.28	2,079.01	2,079.01	2,914.47	2,914.47
CASH AND INVESTMENTS, DECEMBER 31	\$ 9,227.84	\$ 17,378.96	\$ 1,692.28	\$ 26,227.84	\$ 67.01	\$ 1,378.74	\$ -	\$ 2,079.01

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THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
(the Primary Government)  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	LAW ENFORCEMENT SALES TAX FUND				INMATE SECURITY FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ 920,000.00	\$ 870,746.98	\$ 800,000.00	\$ 910,802.56	\$ -	\$ -	\$ -	\$ -
Intergovernmental	98,700.00	349,061.95	73,500.00	75,133.03	9,000.00	11,443.00	7,000.00	9,942.00
Interest	100.00	152.19	50.00	135.97	105.00	42.49	100.00	104.10
Charges for Services	24,000.00	21,159.96	11,500.00	22,770.86	-	-	-	-
Other	25,100.00	32,420.90	31,600.00	24,849.16	-	-	-	-
Transfers In	668,076.00	725,456.41	568,613.75	428,537.10	-	-	-	-
TOTAL RECEIPTS	1,735,976.00	1,998,998.39	1,485,263.75	1,462,228.68	9,105.00	11,485.49	7,100.00	10,046.10
DISBURSEMENTS								
Supplies and Other	1,612,193.35	1,943,713.14	1,485,263.75	1,406,943.43	23,013.00	16,704.83	21,000.00	10,098.97
Developmentally Disabled Board	-	-	-	-	-	-	-	-
Transfers Out	123,782.65	55,285.25	-	55,285.25	-	-	-	-
TOTAL DISBURSEMENTS	1,735,976.00	1,998,998.39	1,485,263.75	1,462,228.68	23,013.00	16,704.83	21,000.00	10,098.97
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	-	-	-	(13,908.00)	(5,219.34)	(13,900.00)	(52.87)
CASH AND INVESTMENTS, JANUARY 1	-	-	-	-	13,993.35	13,993.35	14,046.22	14,046.22
CASH AND INVESTMENTS, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ 85.35	\$ 8,774.01	\$ 146.22	\$ 13,993.35

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
(the Primary Government)  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	CAPITAL IMPROVEMENTS FUND				REPAIRS AND UPKEEP PROPERTY FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	20,000.00
Interest	200.00	360.50	-	201.20	-	72.97	-	105.12
Other	309,685.92	749,684.24	304,045.61	440,724.69	-	-	-	-
Transfers In	814,418.65	510,636.00	100,427.87	-	10,000.00	10,000.00	30,000.00	30,000.00
TOTAL RECEIPTS	1,124,304.57	1,260,680.74	404,473.48	440,925.89	10,000.00	10,072.97	30,000.00	50,105.12
DISBURSEMENTS								
Supplies and Other	1,110,836.00	780,347.70	462,500.78	462,500.78	-	-	-	19.38
Repairs and Upkeep	-	-	-	-	10,000.00	4,446.04	38,562.63	37,713.99
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,110,836.00	780,347.70	462,500.78	462,500.78	10,000.00	4,446.04	38,562.63	37,733.37
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	13,468.57	480,333.04	(58,027.30)	(21,574.89)	-	5,626.93	(8,562.63)	12,371.75
CASH AND INVESTMENTS, JANUARY 1	52,527.07	52,527.07	74,101.96	74,101.96	22,444.51	22,444.51	10,072.76	10,072.76
CASH AND INVESTMENTS, DECEMBER 31	\$ 65,995.64	\$ 532,860.11	\$ 16,074.66	\$ 52,527.07	\$ 22,444.51	\$ 28,071.44	\$ 1,510.13	\$ 22,444.51

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
(the Primary Government)  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	SENIOR SERVICES BOARD FUND				MENTAL HEALTH BOARD FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ 135,746.57	\$ -	\$ 110,178.80	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	340,030.00	345,167.00	345,600.00	349,118.00
Interest	-	797.90	-	916.65	2,305.00	2,293.54	2,500.00	2,017.00
Charges for Services	-	-	-	-	-	-	-	-
Other	-	11,939.43	-	30,927.55	89,500.00	90,982.00	85,368.00	116,991.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	148,483.90	-	142,023.00	431,835.00	438,442.54	433,468.00	468,126.00
DISBURSEMENTS								
Senior Services	-	139,658.41	-	118,394.84	-	-	-	-
Developmentally Disabled Board	-	-	-	-	395,600.00	376,144.37	395,300.00	382,553.09
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	139,658.41	-	118,394.84	395,600.00	376,144.37	395,300.00	382,553.09
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	8,825.49	-	23,628.16	36,235.00	62,298.17	38,168.00	85,572.91
CASH AND INVESTMENTS, JANUARY 1	125,773.83	125,773.83	102,145.67	102,145.67	311,343.43	311,343.43	225,770.52	225,770.52
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 125,773.83</u>	<u>\$ 134,599.32</u>	<u>\$ 102,145.67</u>	<u>\$ 125,773.83</u>	<u>\$ 347,578.43</u>	<u>\$ 373,641.60</u>	<u>\$ 263,938.52</u>	<u>\$ 311,343.43</u>

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THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
(the Primary Government)  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	SB40 BOARD FUND				MENTAL HEALTH REPAIRS AND UPKEEP FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 225,000.00	\$ 224,623.29	\$ 215,000.00	\$ 222,606.30	\$ 1,540.00	\$ 1,470.33	\$ -	\$ 811.00
Intergovernmental	-	-	-	-	-	-	-	-
Interest	250.00	229.14	200.00	258.81	-	-	-	-
Charges for Services	-	256,058.57	-	167,462.78	-	-	-	-
Other	52,000.00	52,878.66	50,000.00	55,466.09	-	-	275,000.00	284,097.06
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	277,250.00	533,789.66	265,200.00	445,793.98	1,540.00	1,470.33	275,000.00	284,908.06
DISBURSEMENTS								
SB 40	453,534.91	434,041.96	424,036.91	404,637.22	40,000.00	5,295.10	30,000.00	13,457.00
Developmentally Disabled Board	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	453,534.91	434,041.96	424,036.91	404,637.22	40,000.00	5,295.10	30,000.00	13,457.00
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(176,284.91)	99,747.70	(158,836.91)	41,156.76	(38,460.00)	(3,824.77)	245,000.00	271,451.06
CASH AND INVESTMENTS, JANUARY 1	224,551.86	224,551.86	183,395.10	183,395.10	271,451.06	271,451.06	-	-
CASH AND INVESTMENTS, DECEMBER 31	\$ 48,266.95	\$ 324,299.56	\$ 24,558.19	\$ 224,551.86	\$ 232,991.06	\$ 267,626.29	\$ 245,000.00	\$ 271,451.06

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
(the Primary Government)

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	SPECIAL ROAD FUND			
	2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	2,018.03	-	65,755.47
Interest	-	-	-	-
Charges for Services	-	-	-	-
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	-	2,018.03	-	65,755.47
DISBURSEMENTS				
Other	-	2,018.03	-	65,755.47
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	-	2,018.03	-	65,755.47
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-
CASH AND INVESTMENTS, JANUARY 1	-	-	-	-
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
(the Primary Government)  
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
AGENCY FUNDS - REGULATORY BASIS  
AS OF DECEMBER 31, 2012

	Collector Funds	Prosecuting Attorney	Recorders Funds	Sheriff Funds	Schools Funds	Mineral Area College
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 20,132.84	\$ 94.80	\$ 16,505.00	\$ 48,020.42	\$ -	\$ -
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	20,132.84	94.80	16,505.00	48,020.42	-	-
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	20,132.84	94.80	16,505.00	48,020.42	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 20,132.84</u>	<u>\$ 94.80</u>	<u>\$ 16,505.00</u>	<u>\$ 48,020.42</u>	<u>\$ -</u>	<u>\$ -</u>
	School Principal Fund	Library Fund	Hospital Operating	Health Dept. Fund	CERF Fund	Fees Fund
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 290,837.00	\$ -	\$ -	\$ -	\$ -	\$ 2,492.30
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	290,837.00	-	-	-	-	2,492.30
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	290,837.00	-	-	-	-	2,492.30
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 290,837.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,492.30</u>
	City Funds	Ambulance Funds	Surtax Funds	Unclaimed Fees Funds	Grand Total Agency Funds	
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ -	\$ -	\$ 7,536.01	\$ -	\$ 385,618.37	
Investments						
Other Investments	-	-	-	-	-	
Total Investments	-	-	-	-	-	
Total Assets	-	-	7,536.01	-	385,618.37	
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	-	-	-	-	-	
UNRESERVED FUND BALANCES	-	-	7,536.01	-	385,618.37	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,536.01</u>	<u>\$ -</u>	<u>\$ 385,618.37</u>	

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
(the Primary Government)  
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
AGENCY FUNDS - REGULATORY BASIS  
AS OF DECEMBER 31, 2011

	Collector Funds	Prosecuting Attorney	Recorders Funds	Sheriff Funds	Schools Funds	Mineral Area College
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 2,716,845.88	\$ 108.23	\$ 13,851.50	\$ 35,307.34	\$ -	\$ -
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	2,716,845.88	108.23	13,851.50	35,307.34	-	-
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	2,716,845.88	108.23	13,851.50	35,307.34	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,716,845.88</u>	<u>\$ 108.23</u>	<u>\$ 13,851.50</u>	<u>\$ 35,307.34</u>	<u>\$ -</u>	<u>\$ -</u>
	School Principal Fund	Library Fund	Hospital Operating	Health Dept. Fund	CERF Fund	Fees Fund
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 251,175.31	\$ -	\$ -	\$ -	\$ -	\$ 2,312.14
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	251,175.31	-	-	-	-	2,312.14
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	251,175.31	-	-	-	-	2,312.14
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 251,175.31</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,312.14</u>
	City Funds	Ambulance Funds	Surtax Funds	Unclaimed Fees Funds	Grand Total Agency Funds	
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ -	\$ -	\$ 17,311.15	\$ 38.66	\$ 3,036,950.21	
Investments						
Other Investments	-	-	-	-	-	
Total Investments	-	-	-	-	-	
Total Assets	-	-	17,311.15	38.66	3,036,950.21	
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	-	-	-	-	-	
UNRESERVED FUND BALANCES	-	-	17,311.15	38.66	3,036,950.21	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,311.15</u>	<u>\$ 38.66</u>	<u>\$ 3,036,950.21</u>	

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Ste. Genevieve, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1812 by an Act of the Missouri Territory. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, County Clerk, Collector of Revenue, Coroner, Circuit Clerk, Recorder of Deeds, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Ste. Genevieve County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances— All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

**Governmental Fund Types**

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.



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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

**Fiduciary Fund Types**

*Agency* – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

THE COUNTY OF STE. GENEVIEVE  
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2012 and 2011, for purposes of taxation was:

	<u>2012</u>	<u>2011</u>
Real Estate	\$ 290,162,460	\$ 287,281,080
Personal Property	88,872,783	79,984,454
Railroad and Utilities	<u>22,587,342</u>	<u>22,482,365</u>
	<u>\$ 401,622,585</u>	<u>\$ 389,747,899</u>

During 2012 and 2011, the County Commission approved a \$0.6844 and \$0.6706 tax levy respectively per \$100 of assessed valuation of tangible taxable property for the calendar year 2012 and 2011, for purpose of County taxation, as follows:

	<u>2012</u>	<u>2011</u>
General Revenue	\$ 0.2463	\$ 0.2393
Special Road and Bridge	0.2519	0.2470
SB40 Board	0.0600	0.0600
Senior Services Board	0.0300	0.0300
Mental Health Board	0.0962	0.0943
	<u>\$ 0.6844</u>	<u>\$ 0.6706</u>

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2012 and 2011, the carrying amount of the County's deposits and investments was \$3,225,155.48 and \$3,277,957.41, and the bank balance was \$13,311,606.03 and \$12,986,756.64 respectively. The total bank balance as of December 31, 2012, and December 31, 2011, was insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2012, as follows:

Included in the following fund financial statement captions:

Statements of Receipts, Disbursements and  
Changes in Cash and Investments:

Deposits and Cash Equivalents	\$ 3,035,155.48
Investments	<u>190,000.00</u>
Total Deposits and Investments as of December 31, 2012	\$ <u>3,225,155.48</u>

The carrying values of deposits and investments at December 31, 2011, are as follows:

Included in the following fund financial statement captions:

Statements of Receipts, Disbursements and  
Changes in Cash and Investments:

Deposits and Cash Equivalents	\$ 3,277,957.41
Investments	<u>-</u>
Total Deposits and Investments as of December 31, 2011	\$ <u>3,277,957.41</u>

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II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2012, and 2011.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2012 and 2011.

III. LONG-TERM DEBT

On June 1, 2008, the County issued Certificates of Participation (COPs) in the amount of \$5,320,000. The maturity of the COPs is February 1, 2018 with a varying interest rate between 3.50% and 4.15%. United Missouri Bank (UMB) is the holder of these COPs. The issuance was for the purpose of refunding the 1998 Certificates of Participation's outstanding balance. The 2008 debt was for the purpose of refinancing the costs of constructing and equipping a community center including recreational facilities and site improvements.

On June 1, 2011, the County issued Certificates of Participation (COPs) in the amount of \$950,000. The maturity of the COPs is February 1, 2021 with an interest rate of 4.05%. United Missouri Bank (UMB) is the holder of these COPs. The 2011 debt was issued for the purpose of funding an addition to the community center project.

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III. LONG-TERM DEBT (continued)

As of December 31, 2012, the unpaid principal balance of the Certificates of Participation was \$4,290,000. The future payments for the COPs of the County are as follows:

Description	Balance 12/31/2011	Additions	Payments	Balance 12/31/2012	Interest Paid
Series 2008 COPs	\$ 3,865,000.00	\$ -	\$ 500,000.00	\$ 3,365,000.00	\$ 135,842.50
Series 2011 COPs	950,000.00	-	25,000.00	925,000.00	37,968.75
TOTAL	<u>\$ 4,815,000.00</u>	<u>\$ -</u>	<u>\$ 525,000.00</u>	<u>\$ 4,290,000.00</u>	<u>\$ 173,811.25</u>

December 31,	Interest	Principal	Total
2013	\$ 106,365.00	\$ 560,000.00	\$ 666,365.00
2014	103,065.00	580,000.00	683,065.00
2015	101,040.00	600,000.00	701,040.00
2016	98,913.75	625,000.00	723,913.75
2017	96,686.25	645,000.00	741,686.25
2018-2021	148,121.25	1,280,000.00	1,428,121.25
	<u>\$ 654,191.25</u>	<u>\$ 4,290,000.00</u>	<u>\$ 4,944,191.25</u>

As of December 31, 2011, the unpaid principal balance of the Certificates of Participation was \$4,815,000. The future payments for the COPs of the County are as follows.

Description	Balance 12/31/2010	Additions	Payments	Balance 12/31/2011	Interest Paid
Series 2008 COPs	\$ 4,345,000.00	\$ -	\$ 480,000.00	\$ 3,865,000.00	\$ 151,532.50
Series 2011 COPs	-	950,000.00	-	950,000.00	4,061.25
TOTAL	<u>\$ 4,345,000.00</u>	<u>\$ 950,000.00</u>	<u>\$ 480,000.00</u>	<u>\$ 4,815,000.00</u>	<u>\$ 155,593.75</u>

Year Ending December 31,	Interest	Principal	Total
2012	\$ 173,811.25	\$ 525,000.00	\$ 698,811.25
2013	106,365.00	560,000.00	666,365.00
2014	103,065.00	580,000.00	683,065.00
2015	101,040.00	600,000.00	701,040.00
2016	98,913.75	625,000.00	723,913.75
2017-2021	244,807.50	1,925,000.00	2,169,807.50
2022-2024	-	-	-
	<u>\$ 828,002.50</u>	<u>\$ 4,815,000.00</u>	<u>\$ 5,643,002.50</u>

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
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III. LONG-TERM DEBT (concluded)

The County entered into a line of credit up to \$800,000 dated March 22, 2010 with an interest rate of 4.375% to finance the construction of the detention center project. The outstanding principal was originally due in full on December 22, 2010. No minimum principal or interest payments were due until this date. At December 22, 2010 the outstanding principal of \$656,170.99 was renewed by the bank until its payment at June 28, 2012.

The County entered into a line of credit up to \$6,500,000 dated June 21, 2012, with an interest rate of 4.0% to finance the construction of the detention center project. The outstanding principal was originally due in full on June 21, 2013.

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2012 and 2011 are as follows:

	2012		2011	
	TRANSFERS IN	TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT
General Revenue	\$ 82,197.28	\$ 1,277,590.79	\$ 90,000.00	\$ 524,087.88
Special Road and Bridge	-	134,222.22	-	80,000.00
Tax Maintenance	-	5,000.00	-	10,000.00
Law Enforcement Sales Tax	725,456.41	55,285.25	428,537.10	55,285.25
TIF	175,306.92	-	150,657.83	-
Repairs and Upkeep Property	10,000.00	-	30,000.00	-
Community Center Operating	276,343.67	31,498.35	306,048.07	29,821.80
Community Center Sales Tax	-	276,343.67	-	306,048.07
Capital Improvements	510,636.00	-	-	-
TOTAL	<u>\$ 1,779,940.28</u>	<u>\$ 1,779,940.28</u>	<u>\$ 1,005,243.00</u>	<u>\$ 1,005,243.00</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

Ste. Genevieve County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

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V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

A. Plan Description (concluded)

LAGERS was created and governed by statute, Section RSMO 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status

Full-time employees of Ste. Genevieve County contribute 4% of their gross pay to the pension plan. The June 30<sup>th</sup> statutorily required contribution rates are 4.6% (General) and 5.6% (Police) for 2012 and 3.6% (General) and 5.5% (Police) for 2011, of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO)

The subdivision's annual pension cost and net pension obligation for the current years 2012 and 2011 were as follows:

<u>2012</u>	
Annual required contribution	\$ 224,123
Interest on net pension obligation	7,296
Adjustment to annual required contribution	(6,343)
Annual pension cost	<u>225,076</u>
Actual contributions	<u>(175,488)</u>
Increase (decrease) in NPO	49,588
NPO beginning of year	100,641
NPO end of year	<u><u>\$ 150,229</u></u>

The annual required contribution (ARC) was determined as part of the February 28, 2010 and February 28, 2011 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions, as of February 29, 2012, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using



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V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO) (continued)

techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2010 was 30 years for the General division and 25 years for the Police division. The amortization period as of February 28, 2011 was 30 years for the General division and 17 years for the Police division.

THREE-YEAR TREND INFORMATION

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 139,557	72.7%	\$ 38,099
2011	198,237	68.5	100,641
2012	225,076	78.0	150,229

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[ (b-a) / c ] UAL as a Percentage of Covered Payroll
2/28/2010	\$3,770,638	\$4,199,491	\$ 428,853	90%	\$3,522,867	12%
2/28/2011	4,317,484	4,867,087	549,603	89	3,399,315	16
2/29/2012	4,788,518	5,235,291	446,773	91	3,704,037	12

*Note:* The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

**2011**

Annual required contribution	\$ 197,518
Interest on net pension obligation	2,857
Adjustment to annual required contribution	(2,138)
Annual pension cost	198,237
Actual contributions	(135,695)
Increase (decrease) in NPO	62,542
NPO beginning of year	38,099
NPO end of year	\$ 100,641

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V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO) (concluded)

The annual required contribution (ARC) was determined as part of the February 28, 2009 and February 28, 2010 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2011 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2009 was 30 years for the General division and 30 years for the Police division. The amortization period as of February 28, 2010 was 30 years for the General division and 25 years for the Police division.

THREE-YEAR TREND INFORMATION

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 80,324	100.0%	\$ -
2010	139,557	72.7	38,099
2011	198,237	68.5	100,641

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[ (b-a) / c ] UAL as a Percentage of Covered Payroll
2/28/2009	\$4,136,854	\$4,296,528	\$ 159,674	96%	\$3,351,283	5%
2/28/2010	3,770,638	4,199,491	428,853	90	3,522,867	12
2/28/2011	4,317,484	4,867,087	549,603	89	3,399,315	16

*Note:* The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

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VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs.

Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee.

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2012 and 2011, the County collected and remitted to CERF,

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

B. Contributions(concluded

employee contributions of approximately \$338,424.15 and \$352,611.78, respectively, for the years then ended.

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$7,106.00 and \$7,752.00, respectively, for the years ended December 31, 2012 and 2011.

XIII. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. There were five participants at December 31, 2012 and five participants at December 31, 2011.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County was involved in pending litigation as of the audit report date. The open cases relate to assessment appeals which the County is vigorously contesting. Should an unfavorable outcome occur, the liability of the County will be to refund a portion of its property taxes collected.

B. Compensated Absences (Vacation and Sick Time)

Ste. Genevieve County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service.

Regular full-time employees who have completed no less than (10) years of service with the County and who are eligible to retire and do not retire shall receive compensation for 50% of accumulated unused sick time leave.

Regular full-time employees who have completed ten (10) years of service with the County who are permanently laid off, or leave voluntarily (quit) shall receive compensation for up to 33 1/3% of accumulated unused sick time, which in no case may exceed one month's pay.

Regular full-time employees whose job position is eliminated within their employment period, shall receive compensation for 50% of accumulated unused sick time leave, which in no case may exceed one month's pay.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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IX. CLAIMS COMMITMENTS AND CONTINGENCIES (concluded)

B. Compensated Absences (Vacation and Sick Time) (concluded)

In the event of separation due to death of a full-time employee with no less than ten (10) years of service, compensation shall be made to the employee's estate at the rate of 50% for any accumulated unused sick time, which in no case may exceed one month's pay.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. SUBSEQUENT EVENTS

There are no subsequent events to report as of the audit report date.

XI. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

**SUPPLEMENTARY SCHEDULES  
AND  
AUDITOR'S REPORT**

## **STATE COMPLIANCE SECTION**

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
SCHEDULE OF STATE FINDINGS  
DECEMBER 31, 2012 AND 2011

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SCHEDULE OF STATE FINDINGS

- I. For the year ended December 31, 2012, actual expenses exceeded budgeted expenses for the Victims of Domestic Violence Fund, TIF Fund, Law Enforcement Sales Tax Fund, Senior Services Board Fund, and the Special Road Fund.
- II. For the year ended December 31, 2011, actual expenses exceeded budgeted expenses for the TIF Fund, Senior Services Board Fund, and the Special Road Fund.
- III. For the year ended December 31, 2012, the following funds did not have budgets: Senior Services Board and the Special Road Fund.
- IV. For the year ended December 31, 2011, the following funds did not have budgets: Senior Services Board and the Special Road Fund.



## **FEDERAL COMPLIANCE SECTION**



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission  
The County of Ste. Genevieve, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Ste. Genevieve ("County") as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 5, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. (FS 12/11-01, FS 12/11-02, FS12/11-03, FS 12/11-04 and FS 12/11-05)

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **The County's Response to Findings**

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

July 5, 2013



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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS REQUIRED BY OMB CIRCULAR A-133

Independent Auditor's Report

To The County Commission  
The County of Ste. Genevieve, Missouri

**Report on Compliance for Each Major Federal Program**

We have audited the County of Ste. Genevieve's ("County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2012 and 2011. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2012, and 2011.

## Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item SA 12/11-01. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item SA 12/11-01, that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the County as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated July 5, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

July 5, 2013

**THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2012 AND 2011**

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	DECEMBER 31,	
			2012 EXPENDITURES	2011 EXPENDITURES
<u>U.S. Department of Agriculture</u>				
Passed Through State Office of Administration				
Schools and Roads - Grants to States and National Forest	10.665	N/A	\$ 41,451.08	\$ 40,290.05
Total Department of Agriculture			41,451.08	40,290.05
<u>U.S. Department of Housing and Urban Development</u>				
Passed Through State Department of Economic Development				
Community Development Block Grant	14.228	2008DI18	1,206,830.68	108,389.96
		2006-ED-04	2,018.03	-
Total Housing and Urban Development			1,208,848.71	108,389.96
<u>U.S. Department of the Interior Development</u>				
Direct Program:				
Payment in Lieu of Taxes - PILT	15.226	N/A	14,504.00	13,744.00
Total Interior Development			14,504.00	13,744.00
<u>U.S. Department of Transportation</u>				
Passed Through the Missouri Highway and Transportation Commission				
Highway Planning and Construction	20.205	BRO-B095	15,842.61	-
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	13-154-AL-064	1,039.90	-
Alcohol Open Container Requirements	20.607	11-PT-02-130	-	11,200.60
		12-K8-03-083	7,077.45	1,887.25
			7,077.45	13,087.85
Total Department of Transportation			23,959.96	13,087.85
<u>General Services Administration</u>				
Passed Through the State Office of the Secretary of State				
Election Reform Payments	39.011	-	4,400.00	-
Total General Services Administration			4,400.00	-
<u>U.S. Department of Energy</u>				
Passed Through the State Department of Natural Resources				
Energy Efficiency Conservation Block Grant - ARRA	81.128	G10-EECBG-02-956652895	-	155,165.13
Total Department of Energy			-	155,165.13
<u>Election Assistance Commission</u>				
Passed Through the State Office of the Secretary of State				
Help America Vote Act Requirements Payments	90.401	-	7,609.66	2,276.00
Total Election Assistance Commission			7,609.66	2,276.00
<u>U.S. Department of Homeland Security</u>				
Passed through the State Department of Public Safety				
Presidentially Declared Disaster Grant	97.036	FEMA 1980-DR-MO	17,260.71	65,545.04
Direct Program				
Port Security Grant Program	97.056	EMW-2011-PU-00193	312,693.18	-
Total Department of Homeland Security			329,953.89	65,545.04
TOTAL FEDERAL EXPENDITURES			\$ 1,630,727.30	\$ 398,498.03

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this statement.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2012 AND 2011

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Ste. Genevieve County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistance* means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

*Federal award* means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards. Ste. Genevieve County had no instances of noncash awards for the years ending December 31, 2012 and 2011.

C. Basis of Accounting

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUBRECIPIENTS

<b>Subrecipient</b>	<b>Grant</b>	<b>CFDA #</b>	<b>2012</b>	<b>2011</b>
New Bourbon Regional Port Authority	CDBG	14.228	\$ 1,208,848.71	\$ 108,389.96
City of Farmington	EECBG	81.128	-	14,982.58
City of Perryville	EECBG	81.128	-	16,838.24
Iron County C-4	EECBG	81.128	-	23,615.06
Perry County	EECBG	81.128	-	13,042.23
SEMO RPC	EECBG	81.128	-	14,321.85
SG County	EECBG	81.128	-	3,265.11
Ste. Genevieve Hospital	EECBG	81.128	-	545.00
West Co. R-IV	EECBG	81.128	-	11,397.98



THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2012 AND 2011

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I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified - Regulatory Basis
2. Internal control over financial reporting:
  - a. Any material weakness(es) identified?

2012	___ Yes	___X___ No
2011	___ Yes	___X___ No
  - b. Any significant deficiencies identified that are not considered to be material weaknesses?

2012	___X___ Yes	___ None Reported
2011	___X___ Yes	___ None Reported
3. Any noncompliance material to financial statements noted?

2012	___ Yes	___X___ No
2011	___ Yes	___X___ No

B. Federal Awards

1. Internal control over major programs:

Any material weakness(es) identified?	2012	___ Yes	___X___ No
	2011	___ Yes	___X___ No
2. Any significant deficiencies identified that are not considered to be material weaknesses?

2012	___X___ Yes	___ None Reported
2011	___X___ Yes	___ None Reported
3. Type of auditor's report issued on compliance for major programs:

2012	- Unmodified
2011	- Unmodified
4. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*?

2012	___X___ Yes	___ No
2011	___X___ Yes	___ No



THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2012 AND 2011

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II. FINANCIAL STATEMENT FINDINGS (continued)

FS 12/11-02     Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Clerk's (Kay Basler) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is December 31, 2013. The phone number for the Clerk's office is 573-883-5589.

FS 12/11-03     Criteria: SAS No. 109, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement* and SAS No. 110, *Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained* which supercede SAS No. 55, *Consideration of Internal Control in a Financial Statement Audit*.

Condition: Lack of sufficient segregation of duties.

Context: During our testing of internal controls, we noted a lack of segregation of duties in the areas of receipts and disbursements in the Collector's office.

Effect: The design of the internal control over financial reporting could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within these offices and insufficient segregation of duties between staff.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2012 AND 2011

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II. FINANCIAL STATEMENT FINDINGS (continued)

FS 12/11-03 Recommendation: These areas should be reviewed periodically and consideration given to the improving of segregation of duties.

Views of responsible officials and planned corrective actions: The County is currently following all state statutes regarding segregation of duties. Budget restraints make it impossible to add additional personnel when work load does not require.

FS 12/11-04 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit we noted that the Collector's office held a debit card without internal controls in place to review these transactions.

Context: During discussions with management, we noted there was a debit card for the Collector's bank account that was not monitored by the Commission or Treasurer's office.

Effect: Lack of internal control systems over this account could result in fraudulent purchases and bank overdrafts.

Cause: Management has not implemented an internal control system over the Collector's bank account and accompanying debit card.

Recommendation: We recommend that the County switch from a debit card to a credit card and place internal controls over the purchases the Collector makes through this account.

Views of responsible officials and planned corrective actions: The County Clerk's (Kay Basler) office is attempting to implement internal controls that allow the Commission to review these debit card transactions. The expected completion date is December 31, 2013. The phone number for the Clerk's office is 573-883-5589.

FS 12/11-05 Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Collector's office.

Condition: We noted that bank reconciliations for the Collector's office were not being performed in a timely manner.

Context: This deficiency became apparent through our testing of the Collector's cash accounts and the related reconciliations.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2012 AND 2011

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II. FINANCIAL STATEMENT FINDINGS (concluded)

FS 12/11-05     Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Collector's office prepare monthly bank reconciliations and adjustments to the cash accounts.

Views of Responsible Officials and Planned Corrective Actions: The Collector's Office (Phyllis Vessell) will consider the auditor's recommendation. The Collector's office is working on preparing bank reconciliations monthly, and plans to have this implemented by the end of the 2013 fiscal year. The Collector's office phone number is (573) 883-5492.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012 AND 2011

The following findings, recommendations, and questioned costs are the results of the single audit of Ste. Genevieve County, Missouri for the fiscal years ended December 31, 2012 and 2011. Each finding is referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.
2. Material Weakness: A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2012 AND 2011

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III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS  
ENDED DECEMBER 31, 2012 AND 2011 (continued)

B. Category of Noncompliance Findings (concluded)

2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than \$10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

C. Federal Award Findings and Questioned Costs

SA 12/11-01	Federal Grantor:	U.S. Department of Housing and Urban Development
Other Information	Pass-Through Grantor:	Missouri Department of Economic Development
Significant Deficiency	Federal CFDA Number:	14.228
	Program Title:	Community Development Block Grant
Other Information	Federal Grantor:	U.S. Department of Homeland Security
Significant Deficiency	Pass-Through Grantor:	Direct Program
	Federal CFDA Number:	97.056
	Program Title:	Port Security Grant Program

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Federal Expenditures and Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2012 AND 2011

---

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS  
ENDED DECEMBER 31, 2012 AND 2011 (concluded)

C. Federal Award Findings and Questioned Costs (concluded)

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The SEFA form omitted several expenditures. The financial information shown on the report was correct. OMB Circular A-133 is being reviewed and training sessions will be initiated to educate the Clerk's staff on proper preparation of the Schedule of Expenditures of Federal Awards (SEFA). The County Clerk (Kay Basler) is in charge of preparing the Schedule of Expenditures of Federal Awards. The County Clerk's office phone number is (573) 883-5589.

THE COUNTY OF STE. GENEVIEVE  
STE. GENEVIEVE, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2012 AND 2011

---

I. FOLLOW-UP PRIOR YEAR FINDINGS

There was no audit performed for the fiscal years ending December 31, 2010, and 2009, therefore we have no prior year audit findings to report.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There was no audit performed for the fiscal years ending December 31, 2010, and 2009, therefore we have no prior year audit findings to report.





# Daniel Jones & Associates

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

---

July 5, 2013

To the Board of Commissioners  
County of Ste. Genevieve

In planning and performing our audit of the regulatory based financial statements of the County of Ste. Genevieve (the "County") as of and for the years ended December 31, 2012, and December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I:

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

## I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 12/11-01 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Clerk's (Kay Basler) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is December 31, 2013. The phone number for the Clerk's office is 573-883-5589.

FS 12/11-02 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

## I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

FS 12/11-02 Views of responsible officials and planned corrective actions: The County Clerk's (Kay Basler) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is December 31, 2013. The phone number for the Clerk's office is 573-883-5589.

FS 12/11-03 Criteria: SAS No. 109, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement* and SAS No. 110, *Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained* which supercede SAS No. 55, *Consideration of Internal Control in a Financial Statement Audit*.

Condition: Lack of sufficient segregation of duties.

Context: During our testing of internal controls, we noted a lack of segregation of duties in the areas of receipts and disbursements in the Collector's office.

Effect: The design of the internal control over financial reporting could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within these offices and insufficient segregation of duties between staff.

Recommendation: These areas should be reviewed periodically and consideration given to the improving of segregation of duties.

Views of responsible officials and planned corrective actions: The County is currently following all state statutes regarding segregation of duties. Budget restraints make it impossible to add additional personnel when work load does not require.

FS 12/11-04 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit we noted that the Collector's office held a debit card without internal controls in place to review these transactions.

Context: During discussions with management, we noted there was a debit card for the Collector's bank account that was not monitored by the Commission or Treasurer's office.

Effect: Lack of internal control systems over this account could result in fraudulent purchases and bank overdrafts.

Cause: Management has not implemented an internal control system over the Collector's bank account and accompanying debit card.

Recommendation: We recommend that the County switch from a debit card to a credit card and place internal controls over the purchases the Collector makes through this account.

**I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)**

FS 12/11-04 Views of responsible officials and planned corrective actions: The County Clerk's (Kay Basler) office is attempting to implement internal controls that allow the Commission to review these debit card transactions. The expected completion date is December 31, 2013. The phone number for the Clerk's office is 573-883-5589.

FS 12/11-05 Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Collector's office.

Condition: We noted that bank reconciliations for the Collector's office were not being performed in a timely manner.

Context: This deficiency became apparent through our testing of the Collector's cash accounts and the related reconciliations.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Collector's office prepare monthly bank reconciliations and adjustments to the cash accounts.

Views of Responsible Officials and Planned Corrective Actions: The Collector's Office (Phyllis Vessell) will consider the auditor's recommendation. The Collector's office is working on preparing bank reconciliations monthly, and plans to have this implemented by the end of the 2013 fiscal year. The Collector's office phone number is (573) 883-5492.

SA 12/11-01 Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Federal Expenditures and Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

## I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

SA 12/11-01 Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The SEFA form omitted several expenditures. The financial information shown on the report was correct. OMB Circular A-133 is being reviewed and training sessions will be initiated to educate the Clerk's staff on proper preparation of the Schedule of Expenditures of Federal Awards (SEFA). The County Clerk (Kay Basler) is in charge of preparing the Schedule of Expenditures of Federal Awards. The County Clerk's office phone number is (573) 883-5589.

## II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

### Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 6, 2013. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2012-2013 fiscal year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

## **II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)**

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### Disagreements with Management

For purposes of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 5, 2013.

### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with a regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.



# THOMAS A. SCHWEICH

## Missouri State Auditor

To the County Commission  
and  
Officeholders of St. Clair County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of St. Clair County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Davis, Lynn & Moots, P.C., Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is written in a cursive style with a large, stylized "S" at the end.

Thomas A. Schweich  
State Auditor

August 2013  
Report No. 2013-077

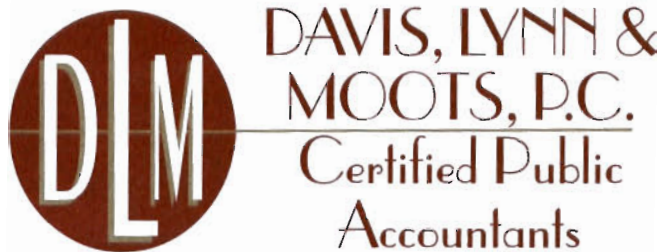
**ST. CLAIR COUNTY, MISSOURI**  
**FINANCIAL STATEMENTS**  
**Years Ended December 31, 2012 and 2011**



# ST. CLAIR COUNTY, MISSOURI

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ANTHONY D. LYNN, CPA  
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## **INDEPENDENT AUDITORS' REPORT**

St. Clair County Commission  
St. Clair County  
Osceola, Missouri

### **Report on the Financial Statements**

We have audited the accompanying financial statements of St. Clair County, Missouri, which comprise the cash and investment balances of each fund as of December 31, 2012 and 2011, and the related receipts, disbursements and budgetary results for each fund for the years then ended and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note A, the financial statements are prepared by St. Clair County, Missouri, on the basis of accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the State of Missouri. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of St. Clair County, Missouri, as of December 31, 2012 and 2011, the changes in its financial position, or, where applicable, its cash flows for the years then ended.

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of St. Clair County, Missouri, as of December 31, 2012 and 2011, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note A.

### **Other Matters**

#### *Other Information*

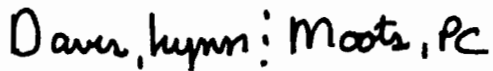
Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph. The schedule of funding progress is presented for the purpose of additional analysis and is not a required part of the regulatory basis financial statements.

The schedule of funding progress has not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements referred to in the first paragraph and accordingly, we do not express an opinion or provide any assurance on it.

St. Clair County Commission  
St. Clair County  
Osceola, Missouri

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2013, on our consideration of St. Clair County, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Clair County, Missouri's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Davis, Lynn & Moots, PC". The signature is written in a cursive, slightly slanted style.

DAVIS, LYNN & MOOTS, P.C.  
June 18, 2013

## ST. CLAIR COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS

Year Ended December 31, 2012

FUND	Cash and Investment Balances	Receipts	Disbursements	Cash and Investment Balances
	January 1, 2012			December 31, 2012
General Revenue Fund	\$ 1,202,274	\$ 4,206,106	\$ 3,559,751	\$ 1,848,629
Special Road and Bridge Fund	394,237	979,109	893,286	480,060
Assessment Fund	58,840	139,675	137,897	60,618
Law Enforcement Training Fund	1,639	6,133	3,239	4,533
Prosecuting Attorney Training Fund	1,728	1,373	1,182	1,919
Recorder's Maintenance Fund	43,180	12,117	14,436	40,861
Sheriff's Commissary Fund	55,833	27,756	42,010	41,579
Prosecuting Attorney Administrative Cost Fund	15,580	7,461	13,948	9,093
Tax Maintenance Fund	52,279	16,972	18,615	50,636
Election Services Fund	4,447	891	-	5,338
Sheriff Drug Fund	1,099	33	-	1,132
Sheriff's Revolving Fund	10,296	7,669	6,848	11,117
H.A.V.A. Fund	1	4,428	4,428	1
Sheriff's Civil Fees Fund	37,882	17,704	24,626	30,960
Local Emergency Planning Commission Fund	6,731	4,591	2,853	8,469
Deputy Sheriff Salary Fund	-	4,512	4,231	281
U.S. Marshall Federal Sharing Fund	11,751	332	12,000	83
Domestic Violence Fund	576	881	938	519
Inmate Security Fund	17,223	5,591	-	22,814
Sheriff Records Management System Fund	1	68,348	68,348	1
Monegaw Creek Bridge Fund	-	25,157	25,157	-
FEMA Storm Shelter Grant Fund	-	25,255	25,254	1
St. Clair Co Senior Center Fund	-	6,251	6,250	1
<b>TOTAL</b>	<b>\$ 1,915,597</b>	<b>\$ 5,568,345</b>	<b>\$ 4,865,297</b>	<b>\$ 2,618,645</b>

See accompanying notes.

ST. CLAIR COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
Year Ended December 31, 2011

FUND	Cash and Investment Balances	Receipts	Disbursements	Cash and Investment Balances
	January 1, 2011			December 31, 2011
General Revenue Fund	\$ 1,059,443	\$ 3,561,374	\$ 3,418,543	\$ 1,202,274
Special Road and Bridge Fund	398,105	973,209	977,077	394,237
Assessment Fund	51,156	138,858	131,174	58,840
Law Enforcement Training Fund	538	3,243	2,142	1,639
Prosecuting Attorney Training Fund	2,849	776	1,897	1,728
Recorder's Maintenance Fund	52,134	7,365	16,319	43,180
Sheriff's Commissary Fund	26,120	32,980	3,267	55,833
Prosecuting Attorney Administrative Cost Fund	24,288	7,266	15,974	15,580
Tax Maintenance Fund	50,780	16,616	15,117	52,279
Election Services Fund	3,192	1,255	-	4,447
Sheriff Drug Fund	1,067	32	-	1,099
Sheriff's Revolving Fund	7,903	4,328	1,935	10,296
H.A.V.A. Fund	1	1,818	1,818	1
Sheriff's Civil Fees Fund	22,598	19,248	3,964	37,882
Local Emergency Planning Commission Fund	4,635	2,096	-	6,731
Deputy Sheriff Salary Fund	2	5,073	5,075	-
U.S. Marshall Federal Sharing Fund	13,570	361	2,180	11,751
Domestic Violence Fund	487	963	874	576
Inmate Security Fund	14,113	3,110	-	17,223
Sheriff Records Management System Fund	1	53,830	53,830	1
TOTAL	<u>\$ 1,732,982</u>	<u>\$ 4,833,801</u>	<u>\$ 4,651,186</u>	<u>\$ 1,915,597</u>

See accompanying notes.

## ST. CLAIR COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<b><u>GENERAL REVENUE FUND</u></b>						
<b>RECEIPTS</b>						
Property taxes	\$ 449,816	\$ 462,338	\$ 12,522	\$ 434,436	\$ 447,150	\$ 12,714
Sales taxes	265,000	261,673	(3,327)	250,000	265,303	15,303
Intergovernmental	185,412	239,748	54,336	572,230	267,699	(304,531)
Charges for services	2,774,187	2,815,864	41,677	2,340,385	2,282,976	(57,409)
Interest	39,000	45,620	6,620	32,500	38,417	5,917
Other	311,791	380,863	69,072	189,230	259,829	70,599
<b>TOTAL RECEIPTS</b>	<b>4,025,206</b>	<b>4,206,106</b>	<b>180,900</b>	<b>3,818,781</b>	<b>3,561,374</b>	<b>(257,407)</b>
<b>DISBURSEMENTS</b>						
County commission	101,011	100,407	604	100,854	99,469	1,385
County clerk	99,126	96,997	2,129	95,295	93,645	1,650
Elections	77,600	73,591	4,009	14,318	13,155	1,163
Buildings and grounds	138,847	108,504	30,343	276,652	218,542	58,110
County treasurer	49,078	47,362	1,716	48,891	48,154	737
County collector	96,763	92,483	4,280	103,282	99,649	3,633
Recorder of deeds	74,163	72,386	1,777	69,293	69,297	(4)
Circuit clerk	11,535	10,009	1,526	11,033	9,503	1,530
Court administration	20,020	10,155	9,865	19,903	12,529	7,374
Public administrator	28,026	35,184	(7,158)	27,981	23,950	4,031
Sheriff	361,781	367,748	(5,967)	338,711	319,373	19,338
Jail	2,265,523	2,234,391	31,132	2,121,233	2,105,569	15,664
Prosecuting attorney	89,777	84,397	5,380	82,953	87,526	(4,573)
Juvenile officer	42,099	35,318	6,781	38,810	33,267	5,543
County coroner	19,720	17,647	2,073	19,380	19,586	(206)
Public defender	3,315	3,315	-	3,315	3,314	1
Emergency management	-	4,920	(4,920)	5,200	2,522	2,678
Public health and welfare service	3,750	63,511	(59,761)	3,700	-	3,700
Other	166,538	101,426	65,112	436,204	159,493	276,711
Emergency fund	120,756	-	120,756	114,563	-	114,563
<b>TOTAL DISBURSEMENTS</b>	<b>3,769,428</b>	<b>3,559,751</b>	<b>209,677</b>	<b>3,931,571</b>	<b>3,418,543</b>	<b>513,028</b>
<b>EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS</b>						
	255,778	646,355	390,577	(112,790)	142,831	255,621
<b>CASH AND INVESTMENT BALANCE, January 1</b>						
	1,202,274	1,202,274	-	1,059,443	1,059,443	-
<b>CASH AND INVESTMENT BALANCE, December 31</b>						
	<u>\$ 1,458,052</u>	<u>\$ 1,848,629</u>	<u>\$ 390,577</u>	<u>\$ 946,653</u>	<u>\$ 1,202,274</u>	<u>\$ 255,621</u>

See accompanying notes.

## ST. CLAIR COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(continued)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<b>SPECIAL ROAD AND BRIDGE FUND</b>						
<b>RECEIPTS</b>						
Property taxes	\$ 349,350	\$ 348,457	\$ (893)	\$ 347,325	\$ 343,838	\$ (3,487)
Intergovernmental	585,076	590,798	5,722	577,899	579,285	1,386
Charges for services	3,000	5,348	2,348	7,000	1,620	(5,380)
Interest	15,000	16,420	1,420	15,000	14,171	(829)
Other	21,200	18,086	(3,114)	13,500	34,295	20,795
<b>TOTAL RECEIPTS</b>	<b>973,626</b>	<b>979,109</b>	<b>5,483</b>	<b>960,724</b>	<b>973,209</b>	<b>12,485</b>
<b>DISBURSEMENTS</b>						
Salaries	280,000	269,829	10,171	260,978	276,110	(15,132)
Employee fringe benefits	93,005	85,449	7,556	84,843	86,581	(1,738)
Supplies	124,100	117,012	7,088	122,300	121,946	354
Insurance	21,400	21,105	295	16,600	19,484	(2,884)
Road and bridge materials	183,000	187,140	(4,140)	180,000	156,853	23,147
Equipment repairs	49,500	21,747	27,753	52,000	42,197	9,803
Rentals	500	-	500	500	50	450
Equipment purchases	110,000	19,068	90,932	125,000	94,013	30,987
Construction, repair, and maintenance	41,500	2,920	38,580	46,500	11,948	34,552
CART payments to special road districts	165,000	166,507	(1,507)	160,000	163,262	(3,262)
Other	17,100	2,509	14,591	6,800	4,633	2,167
<b>TOTAL DISBURSEMENTS</b>	<b>1,085,105</b>	<b>893,286</b>	<b>191,819</b>	<b>1,055,521</b>	<b>977,077</b>	<b>78,444</b>
<b>EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(111,479)</b>	<b>85,823</b>	<b>197,302</b>	<b>(94,797)</b>	<b>(3,868)</b>	<b>90,929</b>
<b>CASH AND INVESTMENT BALANCE, January 1</b>	<b>394,237</b>	<b>394,237</b>	<b>-</b>	<b>398,105</b>	<b>398,105</b>	<b>-</b>
<b>CASH AND INVESTMENT BALANCE, December 31</b>	<b>\$ 282,758</b>	<b>\$ 480,060</b>	<b>\$ 197,302</b>	<b>\$ 303,308</b>	<b>\$ 394,237</b>	<b>\$ 90,929</b>

See accompanying notes.



## ST. CLAIR COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(continued)

	For Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<b><u>ASSESSMENT FUND</u></b>						
RECEIPTS						
Intergovernmental	\$ 128,323	\$ 129,579	\$ 1,256	\$ 128,254	\$ 134,143	\$ 5,889
Interest	2,700	2,743	43	2,400	2,691	291
Other	1,500	7,353	5,853	875	2,024	1,149
TOTAL RECEIPTS	132,523	139,675	7,152	131,529	138,858	7,329
DISBURSEMENTS						
Assessor	141,277	137,897	3,380	138,142	131,174	6,968
TOTAL DISBURSEMENTS	141,277	137,897	3,380	138,142	131,174	6,968
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(8,754)	1,778	10,532	(6,613)	7,684	14,297
CASH AND INVESTMENT BALANCE, January 1	58,840	58,840	-	51,156	51,156	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 50,086</u>	<u>\$ 60,618</u>	<u>\$ 10,532</u>	<u>\$ 44,543</u>	<u>\$ 58,840</u>	<u>\$ 14,297</u>
<b><u>LAW ENFORCEMENT TRAINING FUND</u></b>						
RECEIPTS						
Charges for services	\$ 4,000	\$ 6,046	\$ 2,046	\$ 4,000	\$ 3,210	\$ (790)
Interest	30	87	57	35	33	(2)
TOTAL RECEIPTS	4,030	6,133	2,103	4,035	3,243	(792)
DISBURSEMENTS						
Sheriff	3,100	3,239	(139)	4,000	2,142	1,858
TOTAL DISBURSEMENTS	3,100	3,239	(139)	4,000	2,142	1,858
EXCESS OF RECEIPTS OVER DISBURSEMENTS	930	2,894	1,964	35	1,101	1,066
CASH AND INVESTMENT BALANCE, January 1	1,639	1,639	-	538	538	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 2,569</u>	<u>\$ 4,533</u>	<u>\$ 1,964</u>	<u>\$ 573</u>	<u>\$ 1,639</u>	<u>\$ 1,066</u>

See accompanying notes.

## ST. CLAIR COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(continued)

	For Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<b>PROSECUTING ATTORNEY</b>						
<b><u>TRAINING FUND</u></b>						
RECEIPTS						
Charges for services	\$ 700	\$ 1,318	\$ 618	\$ 750	\$ 699	\$ (51)
Interest	80	55	(25)	85	77	(8)
TOTAL RECEIPTS	780	1,373	593	835	776	(59)
DISBURSEMENTS						
Prosecuting attorney	2,400	1,182	1,218	2,100	1,897	203
TOTAL DISBURSEMENTS	2,400	1,182	1,218	2,100	1,897	203
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(1,620)	191	1,811	(1,265)	(1,121)	144
CASH AND INVESTMENT						
BALANCE, January 1	1,728	1,728	-	2,849	2,849	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 108</u>	<u>\$ 1,919</u>	<u>\$ 1,811</u>	<u>\$ 1,584</u>	<u>\$ 1,728</u>	<u>\$ 144</u>
<b><u>RECORDER'S MAINTENANCE</u></b>						
<b><u>FUND</u></b>						
RECEIPTS						
Charges for services	\$ 3,714	\$ 4,460	\$ 746	\$ 3,765	\$ 3,670	\$ (95)
Interest	1,680	1,377	(303)	1,500	1,474	(26)
Other	2,244	6,280	4,036	2,300	2,221	(79)
TOTAL RECEIPTS	7,638	12,117	4,479	7,565	7,365	(200)
DISBURSEMENTS						
Recorder of deeds	22,045	14,436	7,609	34,180	16,319	17,861
TOTAL DISBURSEMENTS	22,045	14,436	7,609	34,180	16,319	17,861
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(14,407)	(2,319)	12,088	(26,615)	(8,954)	17,661
CASH AND INVESTMENT						
BALANCE, January 1	43,180	43,180	-	52,134	52,134	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 28,773</u>	<u>\$ 40,861</u>	<u>\$ 12,088</u>	<u>\$ 25,519</u>	<u>\$ 43,180</u>	<u>\$ 17,661</u>

See accompanying notes.

## ST. CLAIR COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(continued)

	For Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<b><u>SHERIFF'S COMMISSARY FUND</u></b>						
RECEIPTS						
Charges for services	\$ 35,000	\$ 26,143	\$ (8,857)	\$ 18,000	\$ 32,126	\$ 14,126
Interest	850	1,613	763	800	854	54
TOTAL RECEIPTS	35,850	27,756	(8,094)	18,800	32,980	14,180
DISBURSEMENTS						
Commissary	50,000	42,010	7,990	22,000	3,267	18,733
TOTAL DISBURSEMENTS	50,000	42,010	7,990	22,000	3,267	18,733
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(14,150)	(14,254)	(104)	(3,200)	29,713	32,913
CASH AND INVESTMENT						
BALANCE, January 1	55,833	55,833	-	26,120	26,120	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 41,683</u>	<u>\$ 41,579</u>	<u>\$ (104)</u>	<u>\$ 22,920</u>	<u>\$ 55,833</u>	<u>\$ 32,913</u>
<b><u>PROSECUTING ATTORNEY ADMINISTRATIVE COST FUND</u></b>						
RECEIPTS						
Charges for services	\$ 7,000	\$ 7,000	\$ -	\$ 8,000	\$ 6,585	\$ (1,415)
Interest	700	461	(239)	850	681	(169)
TOTAL RECEIPTS	7,700	7,461	(239)	8,850	7,266	(1,584)
DISBURSEMENTS						
Prosecuting attorney	22,562	12,593	9,969	10,421	15,974	(5,553)
Fees to State of Missouri	-	1,355	(1,355)	5,300	-	5,300
TOTAL DISBURSEMENTS	22,562	13,948	8,614	15,721	15,974	(253)
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(14,862)	(6,487)	8,375	(6,871)	(8,708)	(1,837)
CASH AND INVESTMENT						
BALANCE, January 1	15,580	15,580	-	24,288	24,288	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 718</u>	<u>\$ 9,093</u>	<u>\$ 8,375</u>	<u>\$ 17,417</u>	<u>\$ 15,580</u>	<u>\$ (1,837)</u>

See accompanying notes.

## ST. CLAIR COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(continued)

	For Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<b><u>TAX MAINTENANCE FUND</u></b>						
RECEIPTS						
Charges for services	\$ 13,000	\$ 15,319	\$ 2,319	\$ 12,500	\$ 14,972	\$ 2,472
Interest	1,500	1,653	153	1,500	1,644	144
TOTAL RECEIPTS	14,500	16,972	2,472	14,000	16,616	2,616
DISBURSEMENTS						
Tax maintenance	40,500	18,615	21,885	30,400	15,117	15,283
Transfer out	-	-	-	500	-	500
TOTAL DISBURSEMENTS	40,500	18,615	21,885	30,900	15,117	15,783
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(26,000)	(1,643)	24,357	(16,900)	1,499	18,399
CASH AND INVESTMENT						
BALANCE, January 1	52,279	52,279	-	50,780	50,780	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 26,279</u>	<u>\$ 50,636</u>	<u>\$ 24,357</u>	<u>\$ 33,880</u>	<u>\$ 52,279</u>	<u>\$ 18,399</u>
<b><u>ELECTION SERVICES FUND</u></b>						
RECEIPTS						
Intergovernmental	\$ 1,200	\$ 740	\$ (460)	\$ 650	\$ 1,137	\$ 487
Interest	125	151	26	200	118	(82)
TOTAL RECEIPTS	1,325	891	(434)	850	1,255	405
DISBURSEMENTS						
Election	1,800	-	1,800	850	-	850
TOTAL DISBURSEMENTS	1,800	-	1,800	850	-	850
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(475)	891	1,366	-	1,255	1,255
CASH AND INVESTMENT						
BALANCE, January 1	4,447	4,447	-	3,192	3,192	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 3,972</u>	<u>\$ 5,338</u>	<u>\$ 1,366</u>	<u>\$ 3,192</u>	<u>\$ 4,447</u>	<u>\$ 1,255</u>

See accompanying notes.

## ST. CLAIR COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(continued)

	For Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<b><u>SHERIFF DRUG FUND</u></b>						
RECEIPTS						
Interest	\$ 31	\$ 33	\$ 2	\$ 31	\$ 32	\$ 1
TOTAL RECEIPTS	31	33	2	31	32	1
DISBURSEMENTS						
Law enforcement	1,000	-	1,000	1,000	-	1,000
TOTAL DISBURSEMENTS	1,000	-	1,000	1,000	-	1,000
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(969)	33	1,002	(969)	32	1,001
CASH AND INVESTMENT						
BALANCE, January 1	1,099	1,099	-	1,067	1,067	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 130</u>	<u>\$ 1,132</u>	<u>\$ 1,002</u>	<u>\$ 98</u>	<u>\$ 1,099</u>	<u>\$ 1,001</u>
<b><u>SHERIFF'S REVOLVING FUND</u></b>						
RECEIPTS						
Charges for services	\$ 5,000	\$ 7,256	\$ 2,256	\$ 2,500	\$ 4,063	\$ 1,563
Interest	250	413	163	175	265	90
TOTAL RECEIPTS	5,250	7,669	2,419	2,675	4,328	1,653
DISBURSEMENTS						
Sheriff	10,000	6,848	3,152	7,500	1,935	5,565
TOTAL DISBURSEMENTS	10,000	6,848	3,152	7,500	1,935	5,565
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(4,750)	821	5,571	(4,825)	2,393	7,218
CASH AND INVESTMENT						
BALANCE, January 1	10,296	10,296	-	7,903	7,903	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 5,546</u>	<u>\$ 11,117</u>	<u>\$ 5,571</u>	<u>\$ 3,078</u>	<u>\$ 10,296</u>	<u>\$ 7,218</u>

See accompanying notes.

## ST. CLAIR COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(continued)

	For Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<b><u>H.A.V.A. FUND</u></b>						
RECEIPTS						
Interest	\$ 1	\$ -	\$ (1)	\$ -	\$ -	\$ -
Intergovernmental	6,643	4,428	(2,215)	1,680	1,818	138
TOTAL RECEIPTS	6,644	4,428	(2,216)	1,680	1,818	138
DISBURSEMENTS						
Election	6,643	4,428	2,215	1,680	1,818	(138)
TOTAL DISBURSEMENTS	6,643	4,428	2,215	1,680	1,818	(138)
EXCESS OF RECEIPTS OVER DISBURSEMENTS	1	-	(1)	-	-	-
CASH AND INVESTMENT						
BALANCE, January 1	1	1	-	1	1	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>
<b><u>SHERIFF'S CIVIL FEES FUND</u></b>						
RECEIPTS						
Charges for services	\$ 18,000	\$ 16,615	\$ (1,385)	\$ 18,000	\$ 18,282	\$ 282
Interest	950	1,089	139	650	966	316
TOTAL RECEIPTS	18,950	17,704	(1,246)	18,650	19,248	598
DISBURSEMENTS						
Sheriff	30,000	24,626	5,374	17,000	3,964	13,036
TOTAL DISBURSEMENTS	30,000	24,626	5,374	17,000	3,964	13,036
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(11,050)	(6,922)	4,128	1,650	15,284	13,634
CASH AND INVESTMENT						
BALANCE, January 1	37,882	37,882	-	22,598	22,598	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 26,832</u>	<u>\$ 30,960</u>	<u>\$ 4,128</u>	<u>\$ 24,248</u>	<u>\$ 37,882</u>	<u>\$ 13,634</u>

See accompanying notes.

ST. CLAIR COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
 BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
 (continued)

	For Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<b><u>LOCAL EMERGENCY PLANNING</u></b>						
<b><u>COMMISSION FUND</u></b>						
RECEIPTS						
Interest	\$ 150	\$ 199	\$ 49	\$ -	\$ 162	\$ 162
Other	-	4,392	4,392	-	1,934	1,934
TOTAL RECEIPTS	150	4,591	4,441	-	2,096	2,096
DISBURSEMENTS						
LEPC	4,000	2,853	1,147	-	-	-
TOTAL DISBURSEMENTS	4,000	2,853	1,147	-	-	-
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(3,850)	1,738	5,588	-	2,096	2,096
CASH AND INVESTMENT BALANCE, January 1	6,731	6,731	-	-	4,635	4,635
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 2,881</u>	<u>\$ 8,469</u>	<u>\$ 5,588</u>	<u>\$ -</u>	<u>\$ 6,731</u>	<u>\$ 6,731</u>
<b><u>DEPUTY SHERIFF SALARY FUND</u></b>						
RECEIPTS						
Charges for services	\$ 5,000	\$ 4,510	\$ (490)	\$ -	\$ 5,070	\$ 5,070
Interest	2	2	-	-	3	3
TOTAL RECEIPTS	5,002	4,512	(490)	-	5,073	5,073
DISBURSEMENTS						
Fees to State of Missouri	5,000	4,231	769	-	5,075	(5,075)
TOTAL DISBURSEMENTS	5,000	4,231	769	-	5,075	(5,075)
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	2	281	279	-	(2)	(2)
CASH AND INVESTMENT BALANCE, January 1	-	-	-	-	2	2
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 2</u>	<u>\$ 281</u>	<u>\$ 279</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

ST. CLAIR COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(continued)

	For Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<b><u>U.S. MARSHALL FEDERAL SHARING FUND</u></b>						
RECEIPTS						
Interest	\$ 350	\$ 332	\$ (18)	\$ 375	\$ 361	\$ (14)
Other	11,723	-	(11,723)	-	-	-
TOTAL RECEIPTS	12,073	332	(11,741)	375	361	(14)
DISBURSEMENTS						
Sheriff	11,723	12,000	(277)	13,000	2,180	10,820
TOTAL DISBURSEMENTS	11,723	12,000	(277)	13,000	2,180	10,820
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	350	(11,668)	(12,018)	(12,625)	(1,819)	10,806
CASH AND INVESTMENT BALANCE, January 1	11,751	11,751	-	13,570	13,570	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 12,101</u>	<u>\$ 83</u>	<u>\$ (12,018)</u>	<u>\$ 945</u>	<u>\$ 11,751</u>	<u>\$ 10,806</u>
<b><u>DOMESTIC VIOLENCE FUND</u></b>						
RECEIPTS						
Charges for services	\$ 940	\$ 872	\$ (68)	\$ 1,100	\$ 953	\$ (147)
Interest	10	9	(1)	9	10	1
TOTAL RECEIPTS	950	881	(69)	1,109	963	(146)
DISBURSEMENTS						
Shelter services	675	938	(263)	1,000	874	126
TOTAL DISBURSEMENTS	675	938	(263)	1,000	874	126
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	275	(57)	(332)	109	89	(20)
CASH AND INVESTMENT BALANCE, January 1	576	576	-	487	487	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 851</u>	<u>\$ 519</u>	<u>\$ (332)</u>	<u>\$ 596</u>	<u>\$ 576</u>	<u>\$ (20)</u>

See accompanying notes.



## ST. CLAIR COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(continued)

	For Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<b><u>INMATE SECURITY FUND</u></b>						
RECEIPTS						
Charges for services	\$ -	\$ 5,591	\$ 5,591	\$ 588	\$ 3,110	\$ 2,522
TOTAL RECEIPTS	-	5,591	5,591	588	3,110	2,522
DISBURSEMENTS						
Inmate security	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-
EXCESS OF RECEIPTS OVER DISBURSEMENTS	-	5,591	5,591	588	3,110	2,522
CASH AND INVESTMENT BALANCE, January 1	17,223	17,223	-	14,113	14,113	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 17,223</u>	<u>\$ 22,814</u>	<u>\$ 5,591</u>	<u>\$ 14,701</u>	<u>\$ 17,223</u>	<u>\$ 2,522</u>
<b><u>PAPE BRIDGE FUND</u></b>						
RECEIPTS						
Intergovernmental	\$ 370,000	\$ -	\$ (370,000)	\$ 428,000	\$ -	\$ (428,000)
TOTAL RECEIPTS	370,000	-	(370,000)	428,000	-	(428,000)
DISBURSEMENTS						
Bridge construction	370,000	-	370,000	428,000	-	428,000
TOTAL DISBURSEMENTS	370,000	-	370,000	428,000	-	428,000
EXCESS OF RECEIPTS OVER DISBURSEMENTS	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, January 1	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

## ST. CLAIR COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(continued)

	For Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<b><u>SHERIFF RECORDS</u></b>						
<b><u>MANAGEMENT SYSTEM FUND</u></b>						
RECEIPTS						
Intergovernmental	\$ 98,700	\$ 68,348	\$ (30,352)	\$ -	\$ 53,830	\$ 53,830
TOTAL RECEIPTS	98,700	68,348	(30,352)	-	53,830	53,830
DISBURSEMENTS						
Deputy sheriff	98,700	68,348	30,352	-	53,830	(53,830)
TOTAL DISBURSEMENTS	98,700	68,348	30,352	-	53,830	(53,830)
EXCESS OF RECEIPTS OVER DISBURSEMENTS	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, January 1	1	1	-	-	1	1
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
<b><u>MONEGAW CREEK BRIDGE FUND</u></b>						
RECEIPTS						
Intergovernmental	\$ 325,000	\$ 25,157	\$ (299,843)	\$ -	\$ -	\$ -
TOTAL RECEIPTS	325,000	25,157	(299,843)	-	-	-
DISBURSEMENTS						
Bridge construction	325,000	25,157	299,843	-	-	-
TOTAL DISBURSEMENTS	325,000	25,157	299,843	-	-	-
EXCESS OF RECEIPTS OVER DISBURSEMENTS	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, January 1	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

## ST. CLAIR COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(continued)

	For Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<b><u>FEMA STORM SHELTER GRANT FUND</u></b>						
RECEIPTS						
Intergovernmental	\$ 2,454,961	\$ 25,255	\$ (2,429,706)	\$ -	\$ -	\$ -
TOTAL RECEIPTS	2,454,961	25,255	(2,429,706)	-	-	-
DISBURSEMENTS						
FEMA grant	2,454,961	25,254	2,429,707	-	-	-
TOTAL DISBURSEMENTS	2,454,961	25,254	2,429,707	-	-	-
EXCESS OF RECEIPTS OVER DISBURSEMENTS	-	1	1	-	-	-
CASH AND INVESTMENT BALANCE, January 1	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	\$ -	\$ 1	\$ 1	\$ -	\$ -	\$ -
<b><u>ST. CLAIR CO SENIOR CENTER FUND</u></b>						
RECEIPTS						
Other income	\$ -	\$ 6,251	\$ 6,251	\$ -	\$ -	\$ -
TOTAL RECEIPTS	-	6,251	6,251	-	-	-
DISBURSEMENTS						
Senior center grant	-	6,250	(6,250)	-	-	-
TOTAL DISBURSEMENTS	-	6,250	(6,250)	-	-	-
EXCESS OF RECEIPTS OVER DISBURSEMENTS	-	1	1	-	-	-
CASH AND INVESTMENT BALANCE, January 1	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	\$ -	\$ 1	\$ 1	\$ -	\$ -	\$ -

See accompanying notes.

ST. CLAIR COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH AND INVESTMENT TRANSACTIONS – AGENCY FUNDS –  
REGULATORY BASIS

December 31, 2012

	Sheriff Fund	Jail Inmate Fund	Interest of Common Schools Fund	Collector's Collector's Fund	Collector's Surtax Fund	Unclaimed Fees Fund	County Employee Retirement Fund	Special Road Districts Fund	School Building Revolving Fund	Tax Sale Surplus Fund	County Interest Fund	Total
ASSETS												
Cash and investments	\$ 716	\$ 23,426	\$ 68,608	\$ 4,453,919	\$ 4,571	\$ 341	\$ 6,468	\$ 526,804	\$ 3,005	\$ 46,676	\$ 6,574	\$ 5,141,108
TOTAL ASSETS	<u>\$ 716</u>	<u>\$ 23,426</u>	<u>\$ 68,608</u>	<u>\$ 4,453,919</u>	<u>\$ 4,571</u>	<u>\$ 341</u>	<u>\$ 6,468</u>	<u>\$ 526,804</u>	<u>\$ 3,005</u>	<u>\$ 46,676</u>	<u>\$ 6,574</u>	<u>\$ 5,141,108</u>
LIABILITIES												
Due to others	\$ 716	\$ 8,829	\$ -	\$ 1	\$ -	\$ 341	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,887
Due to other funds	-	14,597	-	610,889	-	-	-	-	-	-	6,574	632,060
Due to other governments	-	-	68,608	3,843,029	4,571	-	6,468	526,804	3,005	46,676	-	4,499,161
TOTAL LIABILITIES	<u>\$ 716</u>	<u>\$ 23,426</u>	<u>\$ 68,608</u>	<u>\$ 4,453,919</u>	<u>\$ 4,571</u>	<u>\$ 341</u>	<u>\$ 6,468</u>	<u>\$ 526,804</u>	<u>\$ 3,005</u>	<u>\$ 46,676</u>	<u>\$ 6,574</u>	<u>\$ 5,141,108</u>

See accompanying notes.

ST. CLAIR COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH AND INVESTMENT TRANSACTIONS – AGENCY FUNDS –  
REGULATORY BASIS

December 31, 2011

	Sheriff Fund	Jail Inmate Fund	Interest of Common Schools Fund	Collector's Collector's Fund	Collector's Surtax Fund	Unclaimed Fees Fund	County Employee Retirement Fund	Special Road Districts Fund	School Building Revolving Fund	Tax Sale Surplus Fund	County Interest Fund	Total
ASSETS												
Cash and investments	\$ 24,936	\$ 7,680	\$ 46,773	\$ 4,289,854	\$ 2,123	\$ 335	\$ 5,895	\$ 570,670	\$ 6	\$ 9,792	\$ 4,667	\$ 4,962,731
TOTAL ASSETS	<u>\$ 24,936</u>	<u>\$ 7,680</u>	<u>\$ 46,773</u>	<u>\$ 4,289,854</u>	<u>\$ 2,123</u>	<u>\$ 335</u>	<u>\$ 5,895</u>	<u>\$ 570,670</u>	<u>\$ 6</u>	<u>\$ 9,792</u>	<u>\$ 4,667</u>	<u>\$ 4,962,731</u>
LIABILITIES												
Due to others	\$ 501	\$ 7,680	\$ -	\$ 1	\$ -	\$ 335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,517
Due to other funds	24,435	-	-	591,773	-	-	-	-	-	-	4,667	620,875
Due to other governments	-	-	46,773	3,698,080	2,123	-	5,895	570,670	6	9,792	-	4,333,339
TOTAL LIABILITIES	<u>\$ 24,936</u>	<u>\$ 7,680</u>	<u>\$ 46,773</u>	<u>\$ 4,289,854</u>	<u>\$ 2,123</u>	<u>\$ 335</u>	<u>\$ 5,895</u>	<u>\$ 570,670</u>	<u>\$ 6</u>	<u>\$ 9,792</u>	<u>\$ 4,667</u>	<u>\$ 4,962,731</u>

See accompanying notes.

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

St. Clair County, Missouri, (“County”) is governed by a three-member board of commissioners. In addition to the three commissioners, there are ten elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder, Coroner, Collector, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note A, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

### Reporting Entity

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of St. Clair County, Missouri, which consists of all funds, organizations, agencies, departments, and offices that comprise the County’s legal entity.

### Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statements of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash and Investment Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following funds are used by the County:

Governmental Funds – Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds (agency funds) are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector and other officeholders.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measureable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County adopts a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Adjustments made during the year were not significant and are reflected in the budget information in the financial statements. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Although adoption of a formal budget is required by law, the County did not adopt a formal budget for the St. Clair Co Senior Center Fund (2012), Inmate Security Fund (2012), Local Emergency Planning Commission Fund (2011), Sheriff Records Management System Fund (2011), or the Deputy Sheriff Salary Fund (2011).
10. Section 50.740, RSMo, prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the Law Library Fund (2012), Law Enforcement Training Fund (2012), U.S. Marshall Federal Sharing Fund (2012), Domestic Violence Fund (2012), Prosecuting Attorney Administrative Cost Fund (2011), and H.A.V.A. Fund (2011) of the County.

Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund is readily identifiable. Some County officials also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements.

NOTE B – CASH AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all Funds. Each Fund's portion of this pool is displayed as "Cash and investments". In addition, cash and investments are separately held by several of the County's Funds. Investments of the County consist of Certificates of Deposit with local banking institutions. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2011 and 2012, all bank balances and Certificates of Deposit are entirely insured or collateralized with securities.



ST. CLAIR COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE B – CASH AND INVESTMENTS (continued)

The County's investments at December 31, 2011 and 2012, are as follows:

Investment Type	Maturity	Year Ended December 31,	
		2011	2012
Certificates of Deposit:			
General Revenue Fund	01/07/2013 - 04/23/2013	\$ 300,000	\$ 300,000
Special Road and Bridge Fund	01/08/2013 - 04/23/2013	200,000	200,000
Agency Fund - Special Road Districts Fund	02/18/2013 - 06/20/2013	195,000	195,000
		\$ 695,000	\$ 695,000

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the County's deposits be collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2012 and 2011, all certificates are entirely insured or collateralized with securities.

The County does not have a policy on interest rate risk.

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2011 and 2012, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits, will not have a material effect on any of the individual government funds or the overall financial position of the County.

ST. CLAIR COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES (continued)

Legal Matters

There are a number of claims and/or lawsuits to which the County is a party as a result of certain injuries and various other matters and complaints arising in the ordinary course of County activities. The County's management and legal counsel anticipate that the potential claims against the County resulting from such litigation, if any, would not have a material effect on the financial position of the County.

NOTE D – PENSION PLAN – CERF

*STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND*

Plan Description

St. Clair County participates in the County Employees' Retirement Fund (CERF), a cost-sharing multiple-employer pension plan. CERF is a defined benefit pension plan which provides retirement and death benefits to plan members and beneficiaries. CERF was created and is governed by state statute, RSMo 50.1000 to 50.1300. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The County Employees' Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to CERF, Plan Administrator, 2121 Schotthill Woods Drive, Jefferson City, MO 65101.

Funding Policy

St. Clair County's full-time employees hired before February 25, 2002, are required by state statute to contribute 0% of annual payroll to the pension plan. St. Clair County's full-time employees hired after February 25, 2002, are required by state statute to contribute 4% of annual covered payroll to the pension plan. The County is required by state statute to remit the fees collected under RSMo Sections 52.290, 150.150, 137.280, 137.345 and Chapters 59 and 54, RSMo, plus interest. The required contributions have been made.

ST. CLAIR COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE E – PENSION PLAN - LAGERS

Plan Description

St. Clair County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan that provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and is governed by statute, section RSMo. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

Funding Status

Full-time employees of St. Clair County contribute 4% of their gross pay to the pension plan. The June 30<sup>th</sup> statutorily required contribution rates for 2012 and 2011 are 3.6% (General) and 5.0% (Police), and 3.6% (General) and 5.1% (Police), respectively, of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

Annual Pension Cost (APC) and Net Pension Obligation (NPO)

The subdivision's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$ 75,069
Interest on net pension obligation	138
Adjustment to annual required contribution	(173)
Annual pension cost	75,034
Actual contributions	75,069
Increase (decrease) in NPO	(35)
NPO December 31, 2011	1,900
NPO December 31, 2012	\$ 1,865

ST. CLAIR COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE E – PENSION PLAN – LAGERS (continued)

The annual required contribution (ARC) was determined as part of the February 28, 2010, and February 28, 2011, annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women, and (e) post-retirement mortality based on 105% the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2010, was 13 years for the General division and 16 years for the Police division. The amortization period as of February 28, 2011, was 14 years for the General division and 15 years for the Police division.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 56,670	98.2%	\$ 1,020
6/30/2011	69,888	98.7%	1,900
6/30/2012	75,034	100.0%	1,865

The actuarial valuation revealed the following relating to the financial position of the Plan:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
02/29/12	\$ 2,409,199	\$ 2,180,976	\$ (228,223)	110%	\$ 1,880,672	-

The schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

ST. CLAIR COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE F – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by December 31.

The 2012 and 2011 assessed valuation of the tangible taxable property (excluding railroad and utilities) and the tax levies per \$100 assessed valuation of that property were as follows:

	<u>2012</u>	<u>2011</u>
ASSESSED VALUATION		
Real estate	\$ 78,556,615	\$ 76,863,476
Personal property	<u>25,038,310</u>	<u>23,574,339</u>
	<u><u>\$ 103,594,925</u></u>	<u><u>\$ 100,437,815</u></u>
TAX LEVY		
General Revenue Fund	\$ .3500	\$ .3500
Special Road & Bridge Fund	<u>.2800</u>	<u>.2800</u>
	<u><u>\$ .6300</u></u>	<u><u>\$ .6300</u></u>

The legal debt margin at December 31, 2012 and 2011, is computed as follows:

	<u>2012</u>	<u>2011</u>
Constitutional debt limit	\$ 10,359,493	\$ 10,043,782
General obligation bonds payable	<u>-</u>	<u>-</u>
LEGAL DEBT MARGIN	<u><u>\$ 10,359,493</u></u>	<u><u>\$ 10,043,782</u></u>

Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

ST. CLAIR COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE G – LONG-TERM DEBT

In September 2011, the County entered into a cancelable lease purchase agreement to finance the purchase of 6 Police cars at a total cost of \$96,312. The agreement requires annual payments of \$33,837, which includes interest at 5.50%.

In June 2012, the County entered into a cancelable lease purchase agreement to finance the purchase of 6 Sheriff/Jail trucks at a total cost of \$99,725. The agreement requires annual payments of \$35,036, which includes interest at 5.50%.

In July 2012, the County entered into a cancelable lease purchase agreement to finance the purchase of 2 Jail vans at a total cost of \$31,975. The agreement requires annual payments of \$16,562, which includes interest at 7.45%.

Although the agreements provide for cancellation of the leases if the County should fail to appropriate funds at the annual renewal dates, the County does not foresee exercising its options to cancel.

The annual requirements to amortize the principal of the leases are as follows:

Year Ended December 31,	September 2011 Ford Vehicle Lease	June 2012 Ford Vehicle Lease	July 2012 Ford Van Lease	Total Lease Payments
2013	\$ 33,837	\$ 35,036	\$ 16,562	\$ 85,435
2014	-	35,036	-	35,036
	33,837	70,072	16,562	120,471
Less Portion Representing Interest	1,764	5,383	1,149	8,296
Minimum Future Lease Payments	<u>\$ 32,073</u>	<u>\$ 64,689</u>	<u>\$ 15,413</u>	<u>\$ 112,175</u>

ST. CLAIR COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE G – LONG-TERM DEBT (continued)

The following is the change in long-term debt for the years ended December 31, 2011 and 2012:

	Balance December 31, 2010			Balance December 31, 2011			Balance December 31, 2012	
		Additions	Retirements		Additions	Retirements		
Capital Lease Obligations								
2007 Two John Deere Graders Lease	\$ 13,331	\$ -	\$ 13,331	\$ -	\$ -	\$ -	\$ -	
2007 Two John Deere Graders Lease	43,401	-	43,401	-	-	-	-	
2009 John Deere Grader Lease	24,779	-	24,779	-	-	-	-	
2011 Ford Vehicles Lease	-	96,312	33,837	62,475	-	30,402	32,073	
2012 Ford Vehicles Lease	-	-	-	-	99,725	35,036	64,689	
2012 Ford Vans Lease	-	-	-	-	31,975	16,562	15,413	
	<u>\$ 81,511</u>	<u>\$ 96,312</u>	<u>\$ 115,348</u>	<u>\$ 62,475</u>	<u>\$ 131,700</u>	<u>\$ 82,000</u>	<u>\$ 112,175</u>	

NOTE H – COMPENSATED ABSENCES

County policies include provisions for payment of certain accrued leave to employees upon termination or retirement. Certain unused holidays and comp time accrued are to be paid at the higher of an average of the three preceding years of compensation or at the employee's current rate of pay. An employee of the County may accrue vacation leave up to 160 hours and the County will pay any unused accrued vacation at the individual's current rate of pay upon separation of employment. As of December 31, 2011 and 2012, the County was obligated to pay unused/accrued leave in the amounts of \$174,975 and \$176,082, respectively.

NOTE I – RISK MANAGEMENT

The County is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

ST. CLAIR COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE J – RESTATEMENT OF BEGINNING CASH BALANCES

Beginning cash balances have been restated to remove court accounts no longer considered special revenue funds. The restatement is as follows:

Ending Cash Balance, as previously stated, December 31, 2010	\$ 1,793,654
Law Library Fund	(3,201)
Circuit Clerk Passport and Interest Fund	<u>(57,471)</u>
Cash Balance, as restated, January 1, 2011	<u>\$ 1,732,982</u>

NOTE K – CHANGE IN REPORTING ENTITY

The court accounts previously included within the County reporting entity are no longer considered part of the County reporting entity in accordance with accounting practices prescribed or permitted by Missouri law. In accordance with this consideration, court related accounts should not be included as part of the St. Clair County reporting entity subsequent to December 31, 2010.





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**INDEPENDENT AUDITORS' REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

St. Clair County Commission  
St. Clair County  
Osceola, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of St. Clair County, Missouri, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise St. Clair County, Missouri's financial statements, and have issued our report thereon, dated June 18, 2013. In our report, our opinion was modified because the County prepares its financial statements using accounting practices prescribed or permitted by Missouri law, which differs from accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered St. Clair County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Clair County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Responses to be material weaknesses. They are identified as items 12-1 and 12-2.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether St. Clair County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **St. Clair County, Missouri's Response to Findings and Other Matters**

The County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We noted certain other matters that we have reported to management of the County in a separate letter dated June 18, 2013.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of St. Clair County, Missouri's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Clair County, Missouri's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Davis, Lynn & Moots, PC*

DAVIS, LYNN & MOOTS, P.C.  
June 18, 2013

ST. CLAIR COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended December 31, 2012

12-1 Segregation of Duties

*Condition:* Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

*Criteria:* Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

*Effect:* Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

*Recommendation:* We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

*Response:* The limited number of available personnel prohibits segregation of incompatible duties.

12-2 Wire Transfers

*Condition:* The depository agreements with the County banking institutions do not address by whom and to whom a wire transfer may be made. They also do not include special instructions for wire transfers.

*Criteria:* The County should have written and signed instructions with banking institutions requiring the approval of two authorized individuals before a wire transfer is made and by whom and to whom a wire transfer may be made.

*Effect:* Risk is present that unauthorized wire transfers may be made.

*Recommendation:* The County should include in future depository agreements with its banking institutions, who is authorized to make wire transfers for the County, to whom wire transfers are allowed, and require two authorized signatures for approval.

*Response:* The County will update its depository agreements with its banking institutions to include who is authorized to make wire transfers for the County, to whom wire transfers are allowed, and require two authorized signatures for approval.

ST. CLAIR COUNTY, MISSOURI  
SCHEDULE OF FUNDING PROGRESS  
December 31, 2012

**Missouri Government Employees Retirement System (LAGERS)**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
02/28/09	\$ 1,906,634	\$ 1,916,984	\$ 10,350	99%	\$ 2,011,857	1%
02/28/10	2,134,981	2,039,837	(95,144)	105%	1,984,786	-
02/28/11	2,225,733	2,131,490	(94,243)	104%	1,869,991	-
02/29/12	2,409,199	2,180,976	(228,223)	110%	1,880,672	-

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.



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St. Clair County Commission  
St. Clair County  
Osceola, Missouri

In planning and performing our audit of the basic financial statements of St. Clair County, Missouri, for the years ended December 31, 2012 and 2011, we considered the County's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we identified deficiencies in internal control over financial reporting that we consider to be material weaknesses.

In addition to the material weaknesses discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and suggestions regarding these matters.

1. New Bank Accounts

The County currently does not have a policy in place outlining the procedures required for opening new bank accounts. This policy should address what must be contained in the depository agreement regarding new bank accounts and address the procedures necessary for County officials to perform when opening new bank accounts. This is a necessary internal control procedure to ensure all accounts are properly accounted for by the County Clerk's office. This would also help prevent unauthorized accounts from being opened under the County's identification.

We Recommend:

The County adopt policies addressing the procedures necessary for opening new bank accounts and modify the depository agreements as necessary with its banking institutions.

2. Budgetary Compliance

The County was not in compliance with the budgetary statute, Chapter 50, RSMo, in the current year as actual disbursements exceeded budgeted disbursements in the Law Library Fund (2012), Law Enforcement Training Fund (2012), U.S. Marshall Federal Sharing Fund (2012), Domestic Violence Fund (2012), Prosecuting Attorney Administrative Cost Fund (2011), and H.A.V.A. Fund (2011). Also, the County did not adopt a budget for the St. Clair Co Senior Center Fund (2012), Inmate Security Fund (2012), Local Emergency Planning Commission Fund (2011), Sheriff Records Management System Fund (2011), or the Deputy Sheriff Salary Fund (2011).

We Recommend:

The County adopt a budget for all funds of the County and amend the budget as necessary to ensure a deficit is not budgeted and actual disbursements do not exceed budgeted disbursements.

3. Sheriff's Office

During our audit, we noted several issues within the Sheriff's Department, which included the inability to produce accurate documentation to support the Jail Inmate Fund balances, the untimely payments to the County for the Sheriff's excess commissary funds, and the inability to accurately account for all equipment and inventory.

We Recommend:

The Sheriff continue to implement procedures to maintain the accuracy and accountability over the Jail Inmate Fund balances throughout the year. Also, the Sheriff should have a scheduled transfer of excess commissary funds back to the County Clerk several times throughout the year for the monies that must be accounted for in the County bank account. Finally, the Sheriff's Office should continue to implement procedures to account for all equipment and inventory kept in the Jail/Office or issued to deputies and inmates.

4. Disbursement Procedures

Currently the County does not require two signatures on checks from any of the County's Bank accounts. Coupled with the lack of segregation of duties, this creates an environment in which County assets could be misappropriated and the misappropriation would not be discovered in a timely manner.

We Recommend:

The County institute a policy requiring two signatures on all checks for all County disbursements.

5. Patient Protection and Affordable Care Act

In August 2010, the United States Congress passed H.R. 3590 Patient Protection and Affordable Care Act. The Act affects many sectors of the private-sector economy and government including establishing individual responsibilities regarding health coverage as well as employer responsibilities for providing health coverage. Employer responsibilities include: automatic enrollment for employees of larger employers, employer requirement to inform employees of coverage options, shared responsibilities for employers, reporting of employer health insurance coverage, offering of exchange-participating qualified health plans through cafeteria plans. The effective date for the employer responsibilities section of the Act is for months beginning after December 31, 2013. Due to the many provisions and complexity of the Act, governments may need to obtain outside counsel from its attorney and health insurance provider to determine the steps necessary to properly implement the provisions of this Act.

We Recommend:

Management become familiar with the requirements of the Act and consider obtaining outside counsel to comply with the new Act and avoid potential penalties and unwanted costs associated with this Act.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We appreciate this opportunity to serve as St. Clair County's independent auditor and the courtesies and assistance extended to us by the County's employees.

*Davis, Lynn; Moots, PC*

DAVIS, LYNN & MOOTS, P.C.  
June 18, 2013



DAVIS, LYNN &  
MOOTS, P.C.  
Certified Public  
Accountants

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St. Clair County Commission  
St. Clair County  
Osceola, Missouri

We have audited the financial statements of St. Clair County, Missouri, for the years ended December 31, 2012 and 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 8, 2013. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by St. Clair County, Missouri, are described in Note A to the financial statements. All significant transactions have been recognized in the financial statements in the proper period. No new accounting policies were adopted and the application of existing policies was not changed during the years ended December 31, 2012 or 2011. We noted no transactions entered into by the governmental unit during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper periods.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No material misstatements were detected as a result of audit procedures.



*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated June 18, 2013.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the County Commission and management of St. Clair County, Missouri, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

*Davis, Lynn & Moots, PC*

DAVIS, LYNN & MOOTS, P.C.  
June 18, 2013



# Thomas A. Schweich

Missouri State Auditor

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## Macon County



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August 2013

Report No. 2013-078

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of Macon County

Recorder of Deeds' Accounting Procedures	The Recorder of Deeds does not always issue receipt slips for the full amount received when overpayments are made, so the total amount of receipts cannot be reconciled to the total amount of deposits. The Recorder of Deeds does not reconcile the bank balance to the book balance and does not reconcile the liabilities with the cash balances. At the end of 2012, the bank balance was \$369 short of the book balance, and the cash balance exceeded the list of liabilities by \$657.
Public Administrator's Annual Settlements	The Public Administrator does not always file annual settlements timely. Of the 41 cases managed by the Public Administrator with an annual settlement due in 2012, 9 (22 percent) annual settlements were not filed timely, and one was never filed. The acting Probate Clerk admittedly did not always timely notify the Public Administrator that annual settlements were due, but such failure does not excuse the Public Administrator from making the settlements on time as required by state law.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Macon County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Macon County

We have audited certain operations of Macon County in fulfillment of our duties under Section 29.230, RSMo. In addition, Casey-Beard-Boehmer PC, Certified Public Accountants, has been engaged to audit the financial statements of Macon County for the 2 years ended December 31, 2012. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Macon County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Julie A. Moulden, MBA, CPA
Audit Staff:	Robert Graham
	Andrew Behrens

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# Macon County Management Advisory Report State Auditor's Findings

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## **1. Recorder of Deeds' Accounting Procedures**

Receipt slips are not always issued for the full amount received, and bank reconciliation procedures are not adequate. The Recorder of Deeds processed approximately \$130,000 during the year ended December 31, 2012.

### **1.1 Receipt Slips**

Receipt slips are not always issued for the full amount received. When overpayments are received, receipt slips should be issued for the full amount received, but may be issued only for the amount of the documents recorded. If receipted correctly, overpayments are tracked in the accounting system through an escrow entry. Whether or not overpayments are receipted, the overpayments are included in the deposit. By not issuing receipt slips for the full amount received, the total amount of receipts does not agree to the total amount deposited and the escrow list is not complete.

To ensure all amounts collected are accounted for properly, receipt slips should be issued for the full amount of payments received and detailed records should be maintained of all amounts collected and held in escrow.

### **1.2 Reconciliation Procedures**

The Recorder of Deeds does not reconcile the bank balance to the book balance. In addition, liabilities are not reconciled with cash balances. At December 31, 2012, the book balance of \$13,588, which includes December fees not yet distributed to the state and county along with monies held in escrow, exceeded the bank balance of \$13,219, which included adjustments for outstanding checks and deposits in transit, indicating a shortage in the account of \$369. At January 2, 2013, after making month-end distributions for December 2012, the remaining book balance of \$1,200 exceeded the escrow list (list of liabilities) by \$657.

Adequate bank reconciliations are necessary to ensure receipts and disbursements are accounted for properly. A regular comparison of liabilities to the book balance is necessary to ensure records are in balance and sufficient funds are available for payment of all liabilities. Any differences should be promptly investigated and resolved.

## **Recommendations**

The Recorder of Deeds:

- 1.1 Ensure receipt slips are issued for the full amount of monies received, allowing overpayments to be tracked in the accounting system.
- 1.2 Reconcile book balances to bank statements and lists of liabilities monthly. Any discrepancies between the accounting records and reconciliations should be promptly investigated and resolved.



Macon County  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The Recorder of Deeds provided the following response:*

*I agree with the auditor's recommendations and will implement them immediately.*

---

## 2. Public Administrator's Annual Settlements

The Public Administrator does not always timely file annual settlements in compliance with state law. In addition, the Probate Division does not timely notify the Public Administrator prior to the deadline for the annual settlement or follow up on annual settlements not filed by the required date.

We reviewed the 41 cases managed by the Public Administrator with an annual settlement due during the year ended December 31, 2012. This review noted 9 of 41 (22 percent) cases included an annual settlement which was not filed timely. In addition, one annual settlement was never filed. The Public Administrator indicated she does not prepare annual settlements until she has been notified by the Probate Division. The acting Probate Clerk indicated there were times when she was not able to timely notify the Public Administrator that annual settlements were due or follow up when the settlements were not filed timely because of limited staff and large caseloads.

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual settlement with the court for each ward or estate. In addition, while Sections 473.557 and 475.280, RSMo, require the clerk of the court to notify the conservator or guardian (Public Administrator) of the deadline for the annual settlement, these sections do not excuse the Public Administrator from making the settlement at the time required by law. Timely settlements are necessary for the court to properly oversee the administration of cases and reduce the possibility that errors or misuse of funds will go undetected.

## Recommendation

The Public Administrator ensure annual settlements are timely filed. In addition, the Probate Division should notify the Public Administrator of annual settlement deadlines in a timely manner and follow up on those settlements which are not filed by the required date.

## Auditee's Response

*The Public Administrator and Deputy Circuit Clerks provided the following response:*

*Between August 2010, and October 2012, there were extenuating circumstances in the Circuit Clerk's office that have since been resolved. The former Probate Clerk retired in August 2010, and was not replaced until October 2012. In the interim, the Circuit Civil Clerk handled the probate case load. An additional clerk was hired in October 2012, to handle the probate caseload.*





Macon County  
Management Advisory Report - State Auditor's Findings

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*The Probate Division has timely notified and the Public Administrator has timely filed settlements in 2013. We are aware of the timely filing deadlines and will work to ensure notices and settlements are filed timely in the future.*

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# Macon County

## Organization and Statistical Information

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Macon County is a county-organized, third-class county. The county seat is Macon.

Macon County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 55 full-time employees and 14 part-time employees on December 31, 2012.

In addition, county operations include a Senate Bill 40 Board and a County Park Board.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2013	2012
Alan R. Wyatt, Presiding Commissioner	\$	29,060
Drew Belt, Associate Commissioner		27,060
Jon Dwiggins, Associate Commissioner		27,060
Sherry Muncy, Recorder of Deeds		41,000
Shirley Sims, County Clerk		41,000
Josh Meisner, Prosecuting Attorney		49,000
Robert Dawson, Sheriff		45,000
Krista Bruno, County Treasurer		41,000
Brian Hayes, County Coroner		13,000
Lois Noland, Public Administrator		41,000
Jeanette Ronchetto, County Collector (1), year ended February 28,	42,529	
Alan Spencer, County Assessor , year ended August 31,		41,000
Edward Cleaver, County Surveyor (2)		

(1) Includes \$1,529 of commissions earned for collecting city property taxes.

(2) Compensation on a fee basis.

### Financing Arrangements

In January 2012, a 10 year lease purchase agreement was entered into for the purchase of a Missouri Department of Transportation building located in Macon, Missouri, to encourage economic development and create new jobs. The purchase price of the property was \$1,624,250. The county receives



## Macon County Organization and Statistical Information

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credit toward the purchase price of the property each year by creating new jobs. The value of the new jobs is the annual salary and benefits of each new job. In 2012, the county received a credit of \$804,517 for 35 jobs created by a new business subleasing the property. The remaining purchase price to be paid or job creation credit to be earned for the property over the remaining 9 years of the agreement is \$819,733.



Thomas A. Schweich  
Missouri State Auditor

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# Twenty-Sixth Judicial Circuit

## City of Versailles Municipal Division



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August 2013

Report No. 2013-079

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the Twenty-Sixth Judicial Circuit, City of Versailles Municipal Division

Non-monetary Transactions	There is no independent reconciliation of approved non-monetary transactions, such as judicial order transactions and uncollectible bad debt write-offs, to actual changes made in the computerized case management system. Since the Court Clerk is the only person with access to the computerized system and is also responsible for collecting court receipts, an independent review of non-monetary transactions is needed.
Ticket Accountability	Neither the Police Department nor the municipal division maintains adequate records to account for tickets assigned and issued, and their ultimate disposition. Audit staff reviewed 60 tickets and could not locate 4; the Police Department eventually located 2 of these tickets, but the other 2 could not be located, so it is not possible to determine if they were properly handled.
Receipt Procedures	The municipal division's receipt procedures are not sufficient and do not provide assurance that all monies collected are accounted for properly. The numerical sequence of receipts slips is not accounted for properly. In addition, the composition of receipts (cash, check, or credit card) is not reconciled to the composition of monies transmitted to the city, making it more difficult to ensure all monies have been recorded and transmitted.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Twenty-Sixth Judicial Circuit

## City of Versailles Municipal Division

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Presiding Judge  
Twenty-Sixth Judicial Circuit  
and  
Municipal Judge  
and  
Honorable Mayor  
and  
Members of the Board of Aldermen  
Versailles, Missouri

We have audited certain operations of the City of Versailles Municipal Division of the Twenty-Sixth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's compliance with certain legal provisions.
3. Evaluate the city's compliance with Section 302.341.2, RSMo, which restricts the amount of fines and court costs that may be retained by municipalities from traffic violations occurring on state and federal highways.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no noncompliance with Section 302.341.2, RSMo. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Versailles Municipal Division of the Twenty-Sixth Judicial Circuit.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Lori Bryant
Audit Staff:	Robert Graham



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# Twenty-Sixth Judicial Circuit

## City of Versailles Municipal Division

### Management Advisory Report - State Auditor's Findings

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#### **1. Non-Monetary Transactions**

There is no independent reconciliation of approved non-monetary transactions to actual changes made in the computerized case management system, nor is a system report of such transactions generated. Non-monetary transactions, including judicial order transactions and uncollectible bad debt write-offs, are transactions in which no monies are received; however, a credit is applied to the account or the amount due is changed.

The Judge authorizes non-monetary transactions before they are entered into the computerized case management system by the Court Clerk. He authorizes judicial order transactions during court and authorizes uncollectible bad debt write-offs periodically based on his review of the applicable cases. However, a control weakness still exists because the Court Clerk is the only person with access to the computerized case management system, is responsible for collecting court receipts, and does not generate reports of non-monetary transactions for the Judge to review and approve. At our request, the Court Clerk was able to generate two reports from the case management system that showed the non-monetary transactions for jail time served and community service, which totaled \$628 during 2012. However, she was unable to produce a report which included all non-monetary transactions posted to the system. We contacted the software vendor who indicated the system was unable to provide such a report.

An independent review of non-monetary transactions recorded in the computerized case management system is necessary to ensure such transactions are appropriate and to reduce the risk of errors, theft, or misuse of funds.

#### **Recommendation**

The City of Versailles Municipal Division work with the computer software vendor to develop a report showing all non-monetary transactions. The Municipal Judge should periodically review this report to ensure all non-monetary transactions in the system are appropriate.

#### **Auditee's Response**

*The Municipal Judge and Court Clerk provided the following response:*

*We agree with the recommendation and we have talked to the software provider to develop an enhancement to produce a report of non-monetary transactions. We anticipate this happening sometime this fall. Once this report is developed, the Municipal Judge will review the report periodically.*

---

#### **2. Ticket Accountability**

Neither the Police Department nor the municipal division maintains adequate records to account for tickets assigned and issued, and their ultimate disposition. Ticket books are not assigned to officers in numerical order, a log of ticket books assigned to each officer is not maintained, and officers are not required to turn in used ticket books before new ones are issued.



Twenty-Sixth Judicial Circuit  
City of Versailles Municipal Division  
Management Advisory Report - State Auditor's Findings

Both the Police Department and the municipal division maintain logs to track tickets issued. However, the Police Department log is kept for internal tracking purposes and is not maintained in numerical ticket sequence. In addition, while the municipal division log lists tickets in numerical sequence, the disposition information for some ticket numbers was not recorded. For example, there were no dispositions noted for an entire ticket book of 25 tickets. The Police Department was eventually able to determine that the missing ticket book was in the hands of a reserve police officer and no tickets had been written from the book. However, since ticket books are not assigned to officers in numerical order, it is difficult for the municipal division to know which missing tickets need follow up, which are still unissued and in the possession of officers, and which have not yet been assigned to officers. We noted some 2012 court cases in which the tickets issued were from ticket books purchased from as far back as 2004. In addition, we reviewed 60 tickets and identified 4 individual tickets that could not be located. The Police Department was eventually able to locate two of the tickets during our fieldwork. However, the other two tickets could not be located and it is not possible to determine if these tickets were properly handled.

To ensure all tickets assigned and issued are properly submitted to the municipal division and to reduce the risk of errors, theft, or misuse of funds occurring without detection, a proper accounting for the numerical sequence and ultimate disposition of tickets is necessary.

## Recommendation

The City of Versailles Municipal Division work with the Police Department to account for the numerical sequence of all tickets assigned and issued, and their ultimate disposition.

## Auditee's Response

*The Municipal Judge, Court Clerk, and Police Chief provided the following response:*

*The two missing tickets were voided and then destroyed by the officer assigned that series of tickets. All officers have been readvised of department policy to turn in all voided tickets. The Court Clerk has reformatted her spreadsheet used to track tickets to make it easier to search for missing tickets and is searching for missing tickets at least monthly. The Police Department is now issuing ticket books in order and is tracking which ticket books are assigned to each officer. The Court Clerk is tracking the disposition of tickets in the computerized case management system and will ensure all tickets are in the system based on her search for missing tickets.*

## 3. Receipt Procedures

Receipt procedures are not sufficient and do not provide assurance all monies collected are accounted for properly. The municipal division has two sets of manual receipt slips. One is used for fines and court costs and the



Twenty-Sixth Judicial Circuit  
City of Versailles Municipal Division  
Management Advisory Report - State Auditor's Findings

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other is used for bonds and restitution. Fines and court costs are transmitted to the city for deposit into the city's bank account while bonds and restitution are deposited into the court's bank account.

Numerical sequence

The numerical sequence of receipt slips issued is not accounted for properly. Manual receipt slip numbers are posted to the computerized case management system and a monthly report of receipts is generated. However, there are no procedures or independent reviews in place to ensure all manual receipt slips are entered into the computerized case management system.

Composition

The composition (cash, check, or credit card) of receipts is not reconciled to the composition of transmittals. While copies of the manual receipt slips are turned over to the city along with fine and court cost receipts, city personnel are not reconciling the composition of receipt slips to monies transmitted.

Without ensuring the numerical sequence or composition of receipts, there is less assurance all monies have been recorded and transmitted.

Recommendation

The City of Versailles Municipal Division ensure the numerical sequence of receipt slips is accounted for and the composition of receipts is reconciled to the composition of transmittals.

Auditee's Response

*The Municipal Judge and Court Clerk provided the following response:*

*We have created a form to show composition and receipt slip number of all fines and costs receipts and account for the numerical sequence. The Court Clerk compares this form to the computerized case management system daily reports. Carbon copies of manual receipt slips for bonds and restitution are attached to the carbon copy of the deposit slip and given to the city's Finance Director to review. The Finance Director will account for the numerical sequence during her review.*

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# Twenty-Sixth Judicial Circuit

## City of Versailles Municipal Division

### Organization and Statistical Information

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The City of Versailles Municipal Division is in the Twenty-Sixth Judicial Circuit, which consists of Camden, Laclede, Miller, Moniteau, and Morgan Counties. The Honorable Kenneth M. Hayden serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and court costs are collected at times other than during court and transmitted to the city treasury.

#### Personnel

At December 31, 2012, the municipal division employees were as follows:

Title	Name
Municipal Judge	Kenneth McCutcheon, Jr.
Court Clerk	Jeanie McGinnis
Deputy Court Clerk	Linda Pohl

#### Financial and Caseload Information

	Year Ended December 31, 2012
Receipts	\$45,473
Number of cases filed	576



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Dade County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Dade County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Davis, Lynn & Moots, P.C., Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich".

Thomas A. Schweich  
State Auditor

August 2013  
Report No. 2013-080

**DADE COUNTY, MISSOURI**

**FINANCIAL STATEMENTS**

**Years Ended December 31, 2012 and 2011**

# DADE COUNTY, MISSOURI

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DAVIS, LYNN &  
MOOTS, P.C.  
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## **INDEPENDENT AUDITORS' REPORT**

Dade County Commission  
Dade County  
Greenfield, Missouri

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Dade County, Missouri, which comprise the cash and investment balances of each fund as of December 31, 2012 and 2011, the related receipts, disbursements and budgetary results for each fund for the years then ended and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements prepared using accounting practices prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note A, the financial statements are prepared by Dade County, Missouri, using accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the State of Missouri. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Dade County, Missouri, as of December 31, 2012 and 2011, the changes in its financial position, or, where applicable, its cash flows for the years then ended.

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of Dade County, Missouri, as of December 31, 2012 and 2011, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting as described in Note A.

### **Other Reporting Required by *Government Auditing Standards***

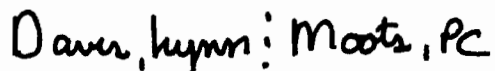
In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2013, on our consideration of Dade County, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dade County, Missouri's internal control over financial reporting and compliance.

Dade County Commission  
Dade County  
Greenfield, Missouri

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dade County, Missouri's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purpose of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Davis, Lynn & Moots, PC". The signature is written in a cursive, slightly slanted style.

DAVIS, LYNN & MOOTS, P.C.  
June 3, 2013

DADE COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
Year Ended December 31, 2012

FUND	Cash and Investment Balance	Receipts	Disbursements	Cash and Investment Balance
	January 1			December 31
General Revenue	\$ 372,030	\$ 879,122	\$ 731,976	\$ 519,176
Special Road and Bridge	227,941	593,772	562,754	258,959
Assessment	30,626	117,337	119,932	28,031
Law Enforcement	5,459	492,331	449,093	48,697
Recorder User Fee	6,308	5,500	1,531	10,277
Law Enforcement Training	1,552	1,708	2,884	376
Sheriff's Revolving	2,066	6,160	7,977	249
Prosecuting Attorney Bad Check	5,833	4,738	1,271	9,300
Prosecuting Attorney Training	1,472	219	671	1,020
Prosecuting Attorney Delinquent Tax	2,215	561	-	2,776
Domestic Violence	175	90	196	69
Tax Maintenance	16,706	11,296	7,807	20,195
Election Services	1,374	1,881	1,647	1,608
TOTAL	<u>\$ 673,757</u>	<u>\$ 2,114,715</u>	<u>\$ 1,887,739</u>	<u>\$ 900,733</u>

See accompanying notes.

DADE COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
Year Ended December 31, 2011

FUND	Cash and Investment Balance	Receipts	Disbursements	Cash and Investment Balance
	January 1			December 31
General Revenue	\$ 245,106	\$ 896,424	\$ 769,500	\$ 372,030
Special Road and Bridge	265,537	1,020,631	1,058,227	227,941
Assessment	18,636	134,246	122,256	30,626
Law Enforcement	35,623	455,256	485,420	5,459
Recorder User Fee	8,539	4,462	6,693	6,308
Law Enforcement Training	504	1,748	700	1,552
Sheriff's Revolving	1,137	4,671	3,742	2,066
Prosecuting Attorney Bad Check	3,417	4,591	2,175	5,833
Prosecuting Attorney Training	1,340	218	86	1,472
Prosecuting Attorney Delinquent Tax	2,215	-	-	2,215
Domestic Violence	40	135	-	175
Tax Maintenance	25,506	11,383	20,183	16,706
Election Services	337	1,431	394	1,374
TOTAL	<u>\$ 607,937</u>	<u>\$ 2,535,196</u>	<u>\$ 2,469,376</u>	<u>\$ 673,757</u>

See accompanying notes.

DADE COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>GENERAL REVENUE FUND</u>						
RECEIPTS						
Property taxes	\$ 135,000	\$ 147,683	\$ 12,683	\$ 135,000	\$ 138,472	\$ 3,472
Sales taxes	253,000	304,465	51,465	250,000	257,539	7,539
Other taxes	64,300	63,988	(312)	56,775	62,690	5,915
Intergovernmental	81,765	81,641	(124)	79,570	82,947	3,377
Charges for services	225,000	254,896	29,896	229,600	255,069	25,469
Interest	5,500	6,232	732	3,500	5,760	2,260
Other	-	8,217	8,217	-	18,475	18,475
Transfers in	12,000	12,000	-	25,000	75,472	50,472
TOTAL RECEIPTS	776,565	879,122	102,557	779,445	896,424	116,979
DISBURSEMENTS						
County Commission	78,230	77,745	485	78,280	77,476	804
County Clerk	58,511	56,716	1,795	58,111	56,550	1,561
Elections	72,460	71,264	1,196	17,108	15,448	1,660
Buildings and grounds	79,885	45,934	33,951	100,735	71,523	29,212
Employee fringe benefits	49,000	45,802	3,198	52,500	43,056	9,444
County Treasurer and Collector	80,823	91,054	(10,231)	77,823	77,207	616
Recorder of Deeds	45,295	44,352	943	46,550	43,622	2,928
Associate Circuit Court	20,990	19,302	1,688	19,640	18,427	1,213
Public Administrator	29,555	28,160	1,395	28,365	28,926	(561)
Insurance	22,000	7,215	14,785	22,000	19,350	2,650
University Extension	12,500	12,500	-	10,500	10,500	-
Local Emergency Planning Commission (LEPC)	4,495	2,552	1,943	10,000	5,982	4,018
Emergency Management	24,400	25,503	(1,103)	24,400	24,869	(469)
Other	141,468	30,377	111,091	137,467	89,064	48,403
Transfers out	180,500	173,500	7,000	188,800	187,500	1,300
Contingency Fund	40,000	-	40,000	40,000	-	40,000
TOTAL DISBURSEMENTS	940,112	731,976	208,136	912,279	769,500	142,779
RECEIPTS OVER (UNDER) DISBURSEMENTS	(163,547)	147,146	310,693	(132,834)	126,924	259,758
CASH AND INVESTMENT						
BALANCE, January 1	372,030	372,030	-	245,106	245,106	-
CASH AND INVESTMENT BALANCE, December 31	\$ 208,483	\$ 519,176	\$ 310,693	\$ 112,272	\$ 372,030	\$ 259,758

See accompanying notes.

DADE COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND  
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –  
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Intergovernmental	\$ 605,000	\$ 586,359	\$ (18,641)	\$ 1,051,226	\$ 1,014,510	\$ (36,716)
Interest	250	3,613	3,363	700	83	(617)
Other	-	3,800	3,800	-	6,038	6,038
TOTAL RECEIPTS	605,250	593,772	(11,478)	1,051,926	1,020,631	(31,295)
DISBURSEMENTS						
Salaries	2,000	3,714	(1,714)	2,000	1,798	202
Employee fringe benefits	675	652	23	475	-	475
Supplies	2,250	888	1,362	6,950	7,476	(526)
Road and bridge materials	105,500	60,334	45,166	80,386	72,021	8,365
Construction, repair, and maintenance	520,000	485,166	34,834	975,000	961,682	13,318
Other	1,000	-	1,000	1,000	250	750
Transfers out	12,000	12,000	-	25,000	15,000	10,000
TOTAL DISBURSEMENTS	643,425	562,754	80,671	1,090,811	1,058,227	32,584
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(38,175)	31,018	69,193	(38,885)	(37,596)	1,289
CASH AND INVESTMENT						
BALANCE, January 1	227,941	227,941	-	265,537	265,537	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 189,766	\$ 258,959	\$ 69,193	\$ 226,652	\$ 227,941	\$ 1,289
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	\$ 84,485	\$ 84,731	\$ 246	\$ 93,710	\$ 88,432	\$ (5,278)
Charges for services	940	1,414	474	930	15,185	14,255
Interest	210	354	144	120	298	178
Other	820	838	18	819	831	12
Transfers in	34,000	30,000	(4,000)	29,500	29,500	-
TOTAL RECEIPTS	120,455	117,337	(3,118)	125,079	134,246	9,167
DISBURSEMENTS						
Assessor	123,975	119,932	4,043	127,694	122,256	5,438
TOTAL DISBURSEMENTS	123,975	119,932	4,043	127,694	122,256	5,438
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(3,520)	(2,595)	925	(2,615)	11,990	14,605
CASH AND INVESTMENT						
BALANCE, January 1	30,626	30,626	-	18,636	18,636	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 27,106	\$ 28,031	\$ 925	\$ 16,021	\$ 30,626	\$ 14,605

See accompanying notes.

DADE COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT FUND</u>						
RECEIPTS						
Sales taxes	\$ 225,000	\$ 230,227	\$ 5,227	\$ 215,000	\$ 228,483	\$ 13,483
Intergovernmental	45,500	45,600	100	45,624	45,528	(96)
Charges for services	39,000	63,650	24,650	40,000	53,328	13,328
Interest	1,000	1,199	199	400	1,482	1,082
Other	10,045	8,155	(1,890)	9,950	8,907	(1,043)
Transfers in	143,500	143,500	-	158,000	117,528	(40,472)
TOTAL RECEIPTS	464,045	492,331	28,286	468,974	455,256	(13,718)
DISBURSEMENTS						
Sheriff	325,313	334,596	(9,283)	319,171	347,132	(27,961)
Prosecuting Attorney	67,080	65,816	1,264	67,650	66,020	1,630
Juvenile Officer	22,709	17,851	4,858	20,871	20,217	654
Coroner	11,975	10,959	1,016	11,975	10,785	1,190
Fringe benefits	40,193	19,871	20,322	44,193	41,266	2,927
TOTAL DISBURSEMENTS	467,270	449,093	18,177	463,860	485,420	(21,560)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(3,225)	43,238	46,463	5,114	(30,164)	(35,278)
CASH AND INVESTMENT						
BALANCE, January 1	5,459	5,459	-	35,623	35,623	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 2,234	\$ 48,697	\$ 46,463	\$ 40,737	\$ 5,459	\$ (35,278)
<u>RECORDER USER FEE FUND</u>						
RECEIPTS						
Charges for services	\$ 4,500	\$ 5,489	\$ 989	\$ 4,000	\$ 4,451	\$ 451
Interest	-	11	11	-	11	11
TOTAL RECEIPTS	4,500	5,500	1,000	4,000	4,462	462
DISBURSEMENTS						
Recorder of Deeds	8,500	1,531	6,969	6,000	6,693	(693)
TOTAL DISBURSEMENTS	8,500	1,531	6,969	6,000	6,693	(693)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(4,000)	3,969	7,969	(2,000)	(2,231)	(231)
CASH AND INVESTMENT						
BALANCE, January 1	6,308	6,308	-	8,539	8,539	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 2,308	\$ 10,277	\$ 7,969	\$ 6,539	\$ 6,308	\$ (231)

See accompanying notes.

DADE COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT</u>						
<u>TRAINING FUND</u>						
RECEIPTS						
Intergovernmental	\$ 1,500	\$ 1,708	\$ 208	\$ 1,600	\$ 1,743	\$ 143
Interest	-	-	-	-	5	5
TOTAL RECEIPTS	1,500	1,708	208	1,600	1,748	148
DISBURSEMENTS						
Sheriff	2,500	2,884	(384)	1,750	700	1,050
TOTAL DISBURSEMENTS	2,500	2,884	(384)	1,750	700	1,050
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(1,000)	(1,176)	(176)	(150)	1,048	1,198
CASH AND INVESTMENT						
BALANCE, January 1	1,552	1,552	-	504	504	-
CASH AND INVESTMENT						
BALANCE, December 31	<u>\$ 552</u>	<u>\$ 376</u>	<u>\$ (176)</u>	<u>\$ 354</u>	<u>\$ 1,552</u>	<u>\$ 1,198</u>
<u>SHERIFF'S REVOLVING FUND</u>						
RECEIPTS						
Charges for services	\$ 2,500	\$ 6,160	\$ 3,660	\$ 3,500	\$ 4,671	\$ 1,171
TOTAL RECEIPTS	2,500	6,160	3,660	3,500	4,671	1,171
DISBURSEMENTS						
Sheriff	2,500	7,977	(5,477)	4,000	3,742	258
TOTAL DISBURSEMENTS	2,500	7,977	(5,477)	4,000	3,742	258
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	-	(1,817)	(1,817)	(500)	929	1,429
CASH AND INVESTMENT						
BALANCE, January 1	2,066	2,066	-	1,137	1,137	-
CASH AND INVESTMENT						
BALANCE, December 31	<u>\$ 2,066</u>	<u>\$ 249</u>	<u>\$ (1,817)</u>	<u>\$ 637</u>	<u>\$ 2,066</u>	<u>\$ 1,429</u>

See accompanying notes.



DADE COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>PROSECUTING ATTORNEY</u>						
<u>BAD CHECK FUND</u>						
RECEIPTS						
Charges for services	\$ 3,500	\$ 4,568	\$ 1,068	\$ 5,600	\$ 4,591	\$ (1,009)
Interest	-	170	170	-	-	-
TOTAL RECEIPTS	3,500	4,738	1,238	5,600	4,591	(1,009)
DISBURSEMENTS						
Prosecuting Attorney	3,000	1,271	1,729	3,000	2,175	825
TOTAL DISBURSEMENTS	3,000	1,271	1,729	3,000	2,175	825
RECEIPTS OVER DISBURSEMENTS	500	3,467	2,967	2,600	2,416	(184)
CASH AND INVESTMENT BALANCE, January 1	5,833	5,833	-	3,417	3,417	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 6,333</u>	<u>\$ 9,300</u>	<u>\$ 2,967</u>	<u>\$ 6,017</u>	<u>\$ 5,833</u>	<u>\$ (184)</u>
<u>PROSECUTING ATTORNEY</u>						
<u>TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 200	\$ 218	\$ 18	\$ 225	\$ 217	\$ (8)
Interest	-	1	1	-	1	1
TOTAL RECEIPTS	200	219	19	225	218	(7)
DISBURSEMENTS						
Prosecuting Attorney	1,500	671	829	1,200	86	1,114
TOTAL DISBURSEMENTS	1,500	671	829	1,200	86	1,114
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,300)	(452)	848	(975)	132	1,107
CASH AND INVESTMENT BALANCE, January 1	1,472	1,472	-	1,340	1,340	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 172</u>	<u>\$ 1,020</u>	<u>\$ 848</u>	<u>\$ 365</u>	<u>\$ 1,472</u>	<u>\$ 1,107</u>

See accompanying notes.

DADE COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>PROSECUTING ATTORNEY</u>						
<u>DELINQUENT TAX FUND</u>						
RECEIPTS						
Other	\$ -	\$ 561	\$ 561	\$ -	\$ -	\$ -
TOTAL RECEIPTS	-	561	561	-	-	-
DISBURSEMENTS						
Delinquent Tax Expenses	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-
RECEIPTS OVER DISBURSEMENTS	-	561	561	-	-	-
CASH AND INVESTMENT BALANCE, January 1	2,215	2,215	-	2,215	2,215	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 2,215</u>	<u>\$ 2,776</u>	<u>\$ 561</u>	<u>\$ 2,215</u>	<u>\$ 2,215</u>	<u>\$ -</u>
<u>DOMESTIC VIOLENCE FUND</u>						
RECEIPTS						
Charges for services	\$ 50	\$ 90	\$ 40	\$ 75	\$ 135	\$ 60
TOTAL RECEIPTS	50	90	40	75	135	60
DISBURSEMENTS						
Domestic violence shelter	135	196	(61)	75	-	75
TOTAL DISBURSEMENTS	135	196	(61)	75	-	75
RECEIPTS OVER (UNDER) DISBURSEMENTS	(85)	(106)	(21)	-	135	135
CASH AND INVESTMENT BALANCE, January 1	175	175	-	40	40	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 90</u>	<u>\$ 69</u>	<u>\$ (21)</u>	<u>\$ 40</u>	<u>\$ 175</u>	<u>\$ 135</u>

See accompanying notes.

DADE COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>TAX MAINTENANCE FUND</u>						
RECEIPTS						
Charges for services	\$ -	\$ 11,296	\$ 11,296	\$ -	\$ 11,383	\$ 11,383
Interest income	-	-	-	-	-	-
TOTAL RECEIPTS	-	11,296	11,296	-	11,383	11,383
DISBURSEMENTS						
Collector	-	7,807	(7,807)	-	183	(183)
Transfers out	-	-	-	-	20,000	(20,000)
TOTAL DISBURSEMENTS	-	7,807	(7,807)	-	20,183	(20,183)
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	3,489	3,489	-	(8,800)	(8,800)
CASH AND INVESTMENT BALANCE, January 1	16,706	16,706	-	25,506	25,506	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 16,706</u>	<u>\$ 20,195</u>	<u>\$ 3,489</u>	<u>\$ 25,506</u>	<u>\$ 16,706</u>	<u>\$ (8,800)</u>
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Intergovernmental	\$ -	\$ 1,881	\$ 1,881	\$ -	\$ 1,431	\$ 1,431
TOTAL RECEIPTS	-	1,881	1,881	-	1,431	1,431
DISBURSEMENTS						
Elections	-	1,647	(1,647)	-	394	(394)
TOTAL DISBURSEMENTS	-	1,647	(1,647)	-	394	(394)
RECEIPTS OVER DISBURSEMENTS	-	234	234	-	1,037	1,037
CASH AND INVESTMENT BALANCE, January 1	1,374	1,374	-	337	337	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 1,374</u>	<u>\$ 1,608</u>	<u>\$ 234</u>	<u>\$ 337</u>	<u>\$ 1,374</u>	<u>\$ 1,037</u>

See accompanying notes.

DADE COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

December 31, 2012

	Tax Sale Surplus Fund	Loanable School Fund	Intangible Tax Fund	Collector of Revenue Fund	Recorder's Fund	Prosecuting Attorney's Restitution Fund	Clerk's Special Election Fund	Total
ASSETS								
Cash and investments	\$ 1,937	\$ 31,419	\$ 10	\$ 3,962,141	\$ 4,450	\$ 303	\$ 308	\$ 4,000,568
TOTAL ASSETS	<u>\$ 1,937</u>	<u>\$ 31,419</u>	<u>\$ 10</u>	<u>\$ 3,962,141</u>	<u>\$ 4,450</u>	<u>\$ 303</u>	<u>\$ 308</u>	<u>\$ 4,000,568</u>
LIABILITIES								
Due to other governments	\$ 1,937	\$ 31,419	\$ 10	\$ 3,962,141	\$ 4,450	\$ 303	\$ 308	\$ 4,000,568
TOTAL LIABILITIES	<u>\$ 1,937</u>	<u>\$ 31,419</u>	<u>\$ 10</u>	<u>\$ 3,962,141</u>	<u>\$ 4,450</u>	<u>\$ 303</u>	<u>\$ 308</u>	<u>\$ 4,000,568</u>

See accompanying notes.

DADE COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

December 31, 2011

	Tax Sale Surplus Fund	Loanable School Fund	Intangible Tax Fund	Collector of Revenue Fund	Protested Tax Account Fund
ASSETS					
Cash and investments	\$ 955	\$ 20,707	\$ 8,765	\$ 3,873,821	\$ 7,122
TOTAL ASSETS	<u>\$ 955</u>	<u>\$ 20,707</u>	<u>\$ 8,765</u>	<u>\$ 3,873,821</u>	<u>\$ 7,122</u>
LIABILITIES					
Due to others	\$ -	\$ -	\$ -	\$ -	\$ 7,122
Due to other governments	955	20,707	8,765	3,873,821	-
TOTAL LIABILITIES	<u>\$ 955</u>	<u>\$ 20,707</u>	<u>\$ 8,765</u>	<u>\$ 3,873,821</u>	<u>\$ 7,122</u>

See accompanying notes.

DADE COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

(continued)

December 31, 2011

	Sheriff's Office Fee Account Fund	Sheriff's Office Bond Fund	Recorder's Fund	Prosecuting Attorney's Restitution Fund	Clerk's Special Election Fund	Total
ASSETS						
Cash and investments	\$ 3,163	\$ 1,060	\$ 5,036	\$ 951	\$ 435	\$ 3,922,015
TOTAL ASSETS	<u>\$ 3,163</u>	<u>\$ 1,060</u>	<u>\$ 5,036</u>	<u>\$ 951</u>	<u>\$ 435</u>	<u>\$ 3,922,015</u>
LIABILITIES						
Due to others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,122
Due to other governments	<u>3,163</u>	<u>1,060</u>	<u>5,036</u>	<u>951</u>	<u>435</u>	<u>3,914,893</u>
TOTAL LIABILITIES	<u>\$ 3,163</u>	<u>\$ 1,060</u>	<u>\$ 5,036</u>	<u>\$ 951</u>	<u>\$ 435</u>	<u>\$ 3,922,015</u>

See accompanying notes

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Dade County, Missouri, (“County”) is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Recorder, Coroner, Collector, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note A, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

### Reporting Entity

The County’s operations include tax assessments and collections, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Dade County, Missouri, which consists of all funds, organizations, agencies, departments, and offices that comprise the County’s legal entity.

### Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statements of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following funds are used by the County:

**Governmental Funds** – Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds.

**Fiduciary Funds** – Fiduciary funds (agency funds) are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector and other officeholders.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measureable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County adopts a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Adjustments made during the year were not significant and are reflected in the budget information in the financial statements. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.
8. Budgets are prepared and adopted on the cash basis of accounting.



DADE COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Although adoption of a formal budget is required by law, the County did not adopt a formal budget for the following funds:
  - a. Tax Maintenance Fund
  - b. Election Services Fund
10. Section 50.740, RSMo, prohibits expenditures in excess of the approved budgets. For the year ended December 31, 2011, actual disbursements exceeded budgeted disbursements for the Law Enforcement Fund and Recorder User Fee Fund. For the year ended December 31, 2012, actual disbursements exceeded budgeted disbursements in the Law Enforcement Training, Sheriff's Revolving, and Domestic Violence Funds.

Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund are readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2012 and 2011, all bank balances on deposit are entirely insured or collateralized with securities.

NOTE B – INVESTMENTS

The County's investments at December 31, 2011, are as follows:

Investment Type	Maturity	Amount
Certificate of Deposit	3/12/2012	\$ 219,359
Certificate of Deposit	4/3/2012	178,280
		<u>\$ 397,639</u>

DADE COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE B – INVESTMENTS (continued)

The County's investments at December 31, 2012, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificate of Deposit	3/12/2013	\$ 220,148
Certificate of Deposit	4/3/2013	179,421
		<u>\$ 399,569</u>

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the County's deposits be collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2012 and 2011, all certificates of deposit are entirely insured or collateralized with securities.

The County does not have a policy on interest rate risk.

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2012 and 2011, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

NOTE D – PENSION PLAN – CERF

*STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND*

Plan Description

Dade County participates in the County Employees' Retirement Fund (CERF), a cost-sharing multiple-employer pension plan. CERF is a defined benefit pension plan which provides retirement and death benefits to plan members and beneficiaries. CERF was created and is governed by state statute, RSMo. 50.1000 to 50.1300. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The County Employees' Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101 or by calling 1-800-357-8557.

Funding Policy

Dade County's full-time employees hired before February 25, 2002, are required by state statute to contribute 2% of annual payroll to the pension plan. Dade County's full-time employees hired after February 25, 2002, are required by state statute to contribute 6% of annual covered payroll to the pension plan. The County is required by state statute to remit the fees collected under RSMo. Sections 52.290, 150.150, 137.280, 137.345 and Chapters 59 and 54, RSMo, plus interest. The required contributions have been made.

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by December 31.

DADE COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN (continued)

The 2012 and 2011 assessed valuation of the tangible taxable property (excluding railroad and utilities) and the tax levies per \$100 assessed valuation of that property were as follows:

	<u>2012</u>	<u>2011</u>
ASSESSED VALUATION		
Real estate	\$ 63,020,910	\$ 62,203,830
Personal property	<u>38,423,800</u>	<u>35,997,111</u>
	<u>\$ 101,444,710</u>	<u>\$ 98,200,941</u>
TAX LEVY		
General Revenue Fund	<u>\$ .1400</u>	<u>\$ .1400</u>

The legal debt margin at December 31, 2012 and December 31, 2011, is computed as follows:

	<u>2012</u>	<u>2011</u>
Constitutional debt limit	\$ 10,144,471	\$ 9,820,094
General obligation bonds payable	<u>-</u>	<u>-</u>
LEGAL DEBT MARGIN	<u>\$ 10,144,471</u>	<u>\$ 9,820,094</u>

Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

NOTE F – RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

DADE COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE G – LONG-TERM DEBT

The following is the changes in long-term debt for the years ended December 31, 2012 and 2011:

	Balance December 31, 2010	Additions	Retirements	Balance December 31, 2011	Additions	Retirements	Balance December 31, 2012
Capital Lease Obligations							
Real Property	\$ 27,471	\$ -	\$ 27,471	\$ -	\$ -	\$ -	\$ -
2008 Ford Explorers	17,779	-	17,779	-	-	-	-
	<u>\$ 45,250</u>	<u>\$ -</u>	<u>\$ 45,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE H – INTERFUND TRANSFERS

Interfund transfers for the years ended December 31, 2012 and 2011, consisted of the following:

	Transfers In (Out)	
	2012	2011
General Revenue Fund	\$ (161,500)	\$ (112,028)
Special Road and Bridge Fund	(12,000)	(15,000)
Assessment Fund	30,000	29,500
Law Enforcement Fund	143,500	117,528
Tax Maintenance Fund	-	(20,000)
	<u>\$ -</u>	<u>\$ -</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.



DAVIS, LYNN &  
MOOTS, P.C.  
Certified Public  
Accountants

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**INDEPENDENT AUDITORS' REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Dade County Commission  
Dade County  
Greenfield, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Dade County, Missouri, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise Dade County, Missouri's financial statements, and have issued our report thereon, dated June 3, 2013. In our report, our opinion was modified because the County prepares its financial statements using accounting practices prescribed or permitted by Missouri law, which differs from accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Dade County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dade County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. They are identified as items 12-1 and 12-2.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Dade County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Dade County, Missouri's Response to Findings and Other Matters**

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We noted certain other matters that we have reported to management of the County in a separate letter dated June 3, 2013.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Dade County, Missouri's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dade County, Missouri's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Davis, Lynn & Moots, PC*

DAVIS, LYNN & MOOTS, P.C.  
June 3, 2013



DAVIS, LYNN &  
MOOTS, P.C.  
Certified Public  
Accountants

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Dade County Commission  
Dade County  
Greenfield, Missouri

**Compliance**

We have audited Dade County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the County's major federal program for the years ended December 31, 2012 and 2011. Dade County, Missouri's major federal program is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the Dade County, Missouri's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.



We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination on the Dade County, Missouri's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the Dade County, Missouri complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the years ended December 31, 2012 and 2011.

### **Internal Control over Compliance**

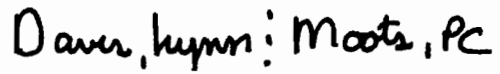
Management of the Dade County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

County Commission  
Dade County  
Greenfield, Missouri

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Davis, Lynn; Moots, PC". The signature is written in a cursive, slightly slanted style.

DAVIS, LYNN & MOOTS, P.C.  
June 3, 2013

DADE COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Years Ended December 31, 2012 and 2011

Federal Grantor	Federal		Federal Expenditures	
Pass Through Grantor/ Program Title	CFDA Number	Pass-through Grantor's Number	Year Ended December 31, 2012	2011
<u>U.S. DEPARTMENT OF DEFENSE</u>				
Direct				
Cooperative Agreement	12.000	N/A	\$ 45,600	\$ 45,528
TOTAL U.S. DEPARTMENT OF DEFENSE			45,600	45,528
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Missouri Deparment of Social Services				
ARRA - Homeless Prevention and Rapid Rehousing Grant	14.257	ER16410015A	-	5,875
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			-	5,875
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Missouri Department of Transportation				
Highway Planning and Construction	20.205	BRO-029(8)	-	449,574
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			-	449,574
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Department of Public Safety				
Emergency Management Performance Grant	97.042	N/A	3,296	11,556
State Emergency Management Agency				
Disaster Grant - Public Assistance	97.036	FEMA 1961	-	27,059
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			3,296	38,615
<u>ELECTION ASSISTANCE COMMISSION</u>				
Secretary of the State				
Help America Vote Act Requirement Payments	90.401	N/A	1,398	-
TOTAL ELECTION ASSISTANCE COMMISSION			1,398	-
<u>GENERAL SERVICES ADMINISTRATION</u>				
Secretary of the State				
Federal Voting Equipment Maintenance and Security Grant	39.011	N/A	3,078	-
TOTAL GENERAL SERVICES ADMINISTRATION			3,078	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 53,372	\$ 539,592

N/A - Not Applicable

DADE COUNTY, MISSOURI  
NOTES TO THE SUPPLEMENTARY SCHEDULE  
Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Dade County, Missouri.

B Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistance* means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

*Federal award* means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

2. Subrecipients

None

DADE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Years ended December 31, 2012 and 2011

**Summary of Auditor's Results**

Financial Statements

Type of auditors' report issued:

Unmodified on the Basis of  
Accounting described in Note A

Internal control over financial reporting:

Material weaknesses identified?

  X   Yes             No

Significant deficiencies identified that are  
not considered to be material weaknesses?

       Yes        X   None reported

Noncompliance material to the financial  
statements noted?

       Yes        X   No

Federal Awards

Internal control over major programs:

Material weaknesses identified?

       Yes        X   No

Significant deficiencies identified that are  
not considered to be material weaknesses?

       Yes        X   None reported

Type of auditors' report issued on compliance  
for major program(s):

Unmodified

Any audit findings disclosed that are required  
to be reported in accordance with  
Section 510(a) of OMB Circular A-133?

       Yes        X   No

Identification of major program(s):

CFDA or Other

Identifying Number      Program Title

20.205                      Highway Planning and Construction

Dollar threshold used to distinguish between Type A and  
and Type B program:

  \$ 300,000  

Auditee qualified as a low -risk auditee?

       Yes        X   No

DADE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Years ended December 31, 2012 and 2011

**Financial Statement Findings**

12-1 Segregation of Duties

*Condition:* Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

*Criteria:* Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

*Effect:* Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

*Recommendation:* We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

*Response:* The limited number of available personnel prohibits segregation of incompatible duties.

12-2 Investment Activity

*Condition:* Certificates of deposit are being held for various funds which are not included in the County's accounting software.

*Criteria:* The County should include all cash and investment accounts held with banking institutions in the County's accounting software.

*Effect:* Incomplete financial data is displayed monthly.

*Recommendation:* The County should account for all investment activity with its banking institutions in the County's software.

*Response:* The County will include investment activity held with its banking institutions for its various funds within the accounting software.

DADE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Years ended December 31, 2012 and 2011

**Federal Award Findings and Questioned Costs**

None

DADE COUNTY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
IN ACCORDANCE WITH OMB CIRCULAR A-133

There were no prior year audit findings.





DAVIS, LYNN &  
MOOTS, P.C.  
Certified Public  
Accountants

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Dade County Commission  
Dade County  
Greenfield, Missouri

In planning and performing our audit of the basic financial statements of Dade County, Missouri for the years ended December 31, 2012 and 2011, we considered the County's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we identified deficiencies in internal control over financial reporting that we consider to be material weaknesses.

In addition to the material weaknesses discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and suggestions regarding these matters.

1. Special Revenue Funds of the County

The County currently maintains an Election Services Fund and a Tax Maintenance Fund for the benefit of the various offices of the County. Although the monies are to be used for the benefit of the various offices, these monies represent County funds. Therefore the same policies of the County regarding budgeting, receipts, and disbursements should be followed for these funds as with other funds of the County.

We Recommend:

The County require these funds to be deposited with the County treasurer in their respective funds. Expenditures from these funds should be budgeted and the approval process for expenditures out of these funds should follow the same procedures as with other County expenditures.

2. Budgetary Compliance

The County was not in compliance with the budgetary statute, Chapter 50, RSMo, in the current year as actual disbursements exceeded budgeted disbursements in the Law Enforcement Training Fund, Sheriff Revolving Fund, and Domestic Violence Fund. The County was not in compliance with the budgetary statute, Chapter 50, RSMo, in 2011 as actual disbursements exceeded budgeted disbursements in the Law Enforcement Fund and the Recorder User Fee Fund. The budgetary statute prohibits actual disbursements exceeding budgeted disbursements.

We Recommend:

The County review expenditures during the year and amend the budget as necessary to ensure compliance with the budgetary statute (Chapter 50, RSMo).

3. Patient Protection and Affordable Care Act

In August 2010, the United States Congress passed H.R. 3590 Patient Protection and Affordable Care Act. The Act affects many sectors of the private-sector economy and government including establishing individual responsibilities regarding health coverage as well as employer responsibilities for providing health coverage. Employer responsibilities include: automatic enrollment for employees of larger employers, employer requirement to inform employees of coverage options, shared responsibilities for employers, reporting of employer health insurance coverage, offering of exchange-participating qualified health plans through cafeteria plans. The effective date for the employer responsibilities section of the Act is for months beginning after December 31, 2013. Due to the many provisions and complexity of the Act, governments may need to obtain outside counsel from its attorney and health insurance provider to determine the steps necessary to properly implement the provisions of this Act.

We Recommend:

Management become familiar with the requirements of the Act and consider obtaining outside counsel to comply with the new Act and avoid potential penalties and unwanted costs associated with this Act.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We appreciate this opportunity to serve as Dade County's independent auditor and the courtesies and assistance extended to us by the County's employees.

*Davis, Lynn; Moots, PC*



DAVIS, LYNN &  
MOOTS, P.C.  
Certified Public  
Accountants

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Dade County Commission  
Dade County  
Greenfield, Missouri

We have audited the basic financial statements of Dade County, Missouri, for the years ended December 31, 2011 and 2012, and have issued our report thereon dated June 3, 2013. Professional standards require that we provide you with the following information related to our audit.

#### Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated April 22, 2013, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

#### Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated April 22, 2013.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Dade County, Missouri, are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2011 or 2012.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.

The disclosures in the financial statements are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Material misstatements detected as a result of audit procedures were corrected by management for the following:

- Unrecorded Cash and Investment Activity

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated June 3, 2013.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

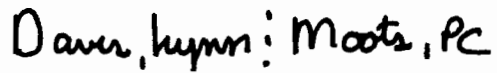
*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Dade County Commission  
Dade County  
Greenfield, Missouri  
Page Three

This report is intended solely for the use of the County Commission and management of Dade County, Missouri, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Davis, Lynn & Moots, PC". The signature is written in a cursive, slightly informal style.

DAVIS, LYNN & MOOTS, P.C.  
June 3, 2013



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Webster County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Webster County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Davis, Lynn & Moots, P.C., Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is written in a cursive style with a large, stylized "S" at the end.

Thomas A. Schweich  
State Auditor

August 2013  
Report No. 2013-081

**WEBSTER COUNTY, MISSOURI**  
**FINANCIAL STATEMENTS**  
**Years Ended December 31, 2012 and 2011**

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## **INDEPENDENT AUDITORS' REPORT**

Webster County Commission  
Webster County  
Marshfield, Missouri

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Webster County, Missouri, which comprise the cash and investment balances of each fund as of December 31, 2012 and 2011, and the related receipts, disbursements and budgetary results for each fund for the years then ended and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Webster County Commission  
Webster County  
Marshfield, Missouri

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note A, the financial statements are prepared by Webster County, Missouri, on the basis of accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between this regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Webster County, Missouri, as of December 31, 2012 and 2011, the changes in its financial position, or, where applicable, its cash flows for the years then ended.

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of Webster County, Missouri, as of December 31, 2012 and 2011, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting as described in Note A.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2013, on our consideration of Webster County, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Webster County, Missouri's internal control over financial reporting and compliance.

*Davis, Lynn; Moots, PC*

DAVIS, LYNN & MOOTS, P.C.  
June 21, 2013

## WEBSTER COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS

Year Ended December 31, 2012

FUND	Cash and Investment Balance	Receipts	Disbursements	Cash and Investment Balance
	January 1			December 31
General Revenue	\$ 774,685	\$ 3,949,952	\$ 3,335,670	\$ 1,388,967
Special Road and Bridge	111,158	1,670,640	1,627,347	154,451
Assessment	1,179	357,749	328,007	30,921
Law Enforcement Restitution	5,505	2,880	-	8,385
Sheriff	52,591	52,693	36,726	68,558
Sheriff Revolving	20,131	26,570	29,636	17,065
Law Enforcement Training -				
Prosecuting Attorney	711	815	1,244	282
Local Emergency Planning Committee	9,219	63,573	31,892	40,900
Recorder's Fee	85,763	15,432	7,160	94,035
Law Enforcement Training - Sheriff	253	3,212	2,450	1,015
Election Services	10,985	13,180	9,920	14,245
Capital Improvement	299,805	1,614,654	1,680,946	233,513
Road and Bridge Sales Tax	1,481,519	423,025	99,547	1,804,997
POST	-	1,534	1,534	-
Prosecuting Attorney Delinquent Tax Fee	4,714	12,013	15,526	1,201
DARE	2,953	3,377	5,294	1,036
Recorder's Equipment	17,141	7,897	5,625	19,413
Tax Maintenance	35,190	36,850	64,415	7,625
Children's Trust	1,534	1,191	600	2,125
Prosecuting Attorney Bad Check Fee	91	40,820	39,985	926
Senior Citizens Services	29,584	185,498	157,839	57,243
Paving	-	-	-	-
Homelessness Prevention Grant	1,471	1,141	2,612	-
Lunar Lane Cemetery	859	-	-	859
Developmentally Disabled Board	63,840	277,425	266,148	75,117
Sweetbriar NID	-	66,409	65,349	1,060
Sweetbriar NID Reserve	-	5,000	-	5,000
TOTAL	<u>\$ 3,010,881</u>	<u>\$ 8,833,530</u>	<u>\$ 7,815,472</u>	<u>\$ 4,028,939</u>

See accompanying notes.

## WEBSTER COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS

Year Ended December 31, 2011

FUND	Cash and Investment Balance	Receipts	Disbursements	Cash and Investment Balance
	January 1			December 31
General Revenue	\$ 514,696	\$ 3,536,357	\$ 3,276,368	\$ 774,685
Special Road and Bridge	25,573	1,841,604	1,756,019	111,158
Assessment	23,149	337,092	359,062	1,179
Law Enforcement Restitution	3,826	1,679	-	5,505
Sheriff	56,832	50,902	55,143	52,591
Sheriff Revolving	32,179	20,567	32,615	20,131
Law Enforcement Training -				
Prosecuting Attorney	112	876	277	711
Local Emergency Planning Committee	8,623	8,092	7,496	9,219
Recorder's Fee	85,679	13,921	13,837	85,763
Law Enforcement Training - Sheriff	1,953	5,430	7,130	253
Election Services	8,003	22,129	19,147	10,985
Capital Improvement	236,799	1,671,858	1,608,852	299,805
Road and Bridge Sales Tax	1,343,095	455,509	317,085	1,481,519
POST	-	3,804	3,804	-
Prosecuting Attorney Delinquent Tax Fee	5,666	3,057	4,009	4,714
DARE	1,590	3,794	2,431	2,953
Recorder's Equipment	51,879	7,187	41,925	17,141
Tax Maintenance	36,146	39,325	40,281	35,190
Children's Trust	1,787	1,247	1,500	1,534
Prosecuting Attorney Bad Check Fee	875	37,597	38,381	91
Senior Citizens Services	67,621	174,824	212,861	29,584
Paving	-	1,950	1,950	-
Homelessness Prevention Grant	1,204	25,151	24,884	1,471
Lunar Lane Cemetery	859	-	-	859
Developmentally Disabled Board	129,581	259,702	325,443	63,840
Sweetbriar NID	-	-	-	-
Sweetbriar NID Reserve	-	-	-	-
TOTAL	<u>\$ 2,637,727</u>	<u>\$ 8,523,654</u>	<u>\$ 8,150,500</u>	<u>\$ 3,010,881</u>

See accompanying notes.

WEBSTER COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<b>GENERAL REVENUE FUND</b>						
<b>RECEIPTS</b>						
Sales taxes	\$ 2,237,077	\$ 2,210,495	\$ (26,582)	\$ 2,237,077	\$ 2,237,077	\$ -
Property taxes	27,637	34,698	7,061	27,900	28,621	721
Charges for services	640,933	677,096	36,163	595,366	654,387	59,021
Intergovernmental	387,597	341,609	(45,988)	629,243	531,386	(97,857)
Interest	17,750	21,250	3,500	18,000	17,384	(616)
Other	20,321	655,857	635,536	33,100	44,537	11,437
Transfers in	1,000	8,947	7,947	24,331	22,965	(1,366)
<b>TOTAL RECEIPTS</b>	<b>3,332,315</b>	<b>3,949,952</b>	<b>617,637</b>	<b>3,565,017</b>	<b>3,536,357</b>	<b>(28,660)</b>
<b>DISBURSEMENTS</b>						
Collector of Revenue	120,249	107,100	13,149	119,795	110,327	9,468
Treasurer	55,200	55,050	150	55,732	55,709	23
Recorder of Deeds	110,031	108,723	1,308	109,023	107,988	1,035
County Commission	110,860	108,081	2,779	110,860	106,221	4,639
Emergency Management	125,077	91,747	33,330	163,697	147,657	16,040
Public Administrator	52,247	55,534	(3,287)	82,136	81,191	945
Election and Voter Registration	176,265	218,477	(42,212)	123,225	122,133	1,092
County Clerk	119,662	119,706	(44)	122,286	119,355	2,931
Building and Grounds	140,628	141,238	(610)	163,193	145,412	17,781
Drug Court	22,200	17,637	4,563	22,235	19,203	3,032
Associate Circuit Court	67,274	51,092	16,182	66,174	59,922	6,252
Court Administration	103,741	83,411	20,330	120,389	68,859	51,530
Circuit Clerk	87,500	60,062	27,438	86,200	61,013	25,187
Coroner	31,027	36,500	(5,473)	31,027	30,254	773
Prosecuting Attorney	313,077	302,821	10,256	286,449	317,945	(31,496)
Sheriff	901,221	1,059,524	(158,303)	949,496	954,999	(5,503)
Jail	455,063	429,025	26,038	472,243	463,297	8,946
Surveyor	6,440	2,850	3,590	3,440	3,200	240
Other General County Government	267,951	231,429	36,522	403,664	229,558	174,106
Transfers out	61,700	55,663	6,037	73,545	72,125	1,420
<b>TOTAL DISBURSEMENTS</b>	<b>3,327,413</b>	<b>3,335,670</b>	<b>(8,257)</b>	<b>3,564,809</b>	<b>3,276,368</b>	<b>288,441</b>
<b>RECEIPTS OVER DISBURSEMENTS</b>	<b>4,902</b>	<b>614,282</b>	<b>609,380</b>	<b>208</b>	<b>259,989</b>	<b>259,781</b>
<b>CASH AND INVESTMENT BALANCE, January 1</b>	<b>774,685</b>	<b>774,685</b>	<b>-</b>	<b>514,696</b>	<b>514,696</b>	<b>-</b>
<b>CASH AND INVESTMENT BALANCE, December 31</b>	<b>\$ 779,587</b>	<b>\$ 1,388,967</b>	<b>\$ 609,380</b>	<b>\$ 514,904</b>	<b>\$ 774,685</b>	<b>\$ 259,781</b>

See accompanying notes.

WEBSTER COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<b><u>SPECIAL ROAD AND BRIDGE FUND</u></b>						
<b>RECEIPTS</b>						
Sales taxes	\$ 869,393	\$ 885,539	\$ 16,146	\$ 864,940	\$ 870,556	\$ 5,616
Property taxes	594,158	618,712	24,554	571,377	580,499	9,122
Intergovernmental	185,142	152,657	(32,485)	291,300	182,250	(109,050)
Interest	2,250	4,839	2,589	4,000	2,671	(1,329)
Other	32,400	8,893	(23,507)	40,200	32,705	(7,495)
Transfers in	10,000	-	(10,000)	180,000	172,923	(7,077)
<b>TOTAL RECEIPTS</b>	<b>1,693,343</b>	<b>1,670,640</b>	<b>(22,703)</b>	<b>1,951,817</b>	<b>1,841,604</b>	<b>(110,213)</b>
<b>DISBURSEMENTS</b>						
Salaries	622,779	604,331	18,448	689,450	647,002	42,448
Employee fringe benefits	161,342	145,138	16,204	178,800	156,346	22,454
Repairs and maintenance	129,950	156,426	(26,476)	142,500	116,609	25,891
Road and bridge construction	150,000	160,007	(10,007)	162,500	185,071	(22,571)
Road and bridge materials	51,500	24,704	26,796	101,600	79,888	21,712
Highways and roads	136,500	126,721	9,779	136,500	136,574	(74)
Insurance	35,000	15,876	19,124	35,000	33,568	1,432
Supplies	378,600	376,835	1,765	424,650	381,216	43,434
Other	17,370	17,309	61	18,200	19,445	(1,245)
Transfers out	-	-	-	-	300	(300)
<b>TOTAL DISBURSEMENTS</b>	<b>1,683,041</b>	<b>1,627,347</b>	<b>55,694</b>	<b>1,889,200</b>	<b>1,756,019</b>	<b>133,181</b>
<b>RECEIPTS OVER DISBURSEMENTS</b>	<b>10,302</b>	<b>43,293</b>	<b>32,991</b>	<b>62,617</b>	<b>85,585</b>	<b>22,968</b>
<b>CASH AND INVESTMENT BALANCE, January 1</b>	<b>111,158</b>	<b>111,158</b>	<b>-</b>	<b>25,573</b>	<b>25,573</b>	<b>-</b>
<b>CASH AND INVESTMENT BALANCE, December 31</b>	<b>\$ 121,460</b>	<b>\$ 154,451</b>	<b>\$ 32,991</b>	<b>\$ 88,190</b>	<b>\$ 111,158</b>	<b>\$ 22,968</b>

See accompanying notes.

WEBSTER COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Charges for services	\$ 215,500	\$ 227,680	\$ 12,180	\$ 227,000	\$ 214,992	\$ (12,008)
Intergovernmental	64,961	57,150	(7,811)	73,148	64,960	(8,188)
Interest	1,000	1,016	16	-	848	848
Other	10,500	25,903	15,403	1,500	12,547	11,047
Transfers in	46,000	46,000	-	43,745	43,745	-
TOTAL RECEIPTS	337,961	357,749	19,788	345,393	337,092	(8,301)
DISBURSEMENTS						
Assessor	337,372	328,007	9,365	359,893	359,062	831
TOTAL DISBURSEMENTS	337,372	328,007	9,365	359,893	359,062	831
RECEIPTS OVER (UNDER) DISBURSEMENTS	589	29,742	29,153	(14,500)	(21,970)	(7,470)
CASH AND INVESTMENT BALANCE, January 1	1,179	1,179	-	23,149	23,149	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 1,768</u>	<u>\$ 30,921</u>	<u>\$ 29,153</u>	<u>\$ 8,649</u>	<u>\$ 1,179</u>	<u>\$ (7,470)</u>
<u>LAW ENFORCEMENT</u>						
<u>RESTITUTION FUND</u>						
RECEIPTS						
Charges for services	\$ -	\$ 2,789	\$ 2,789	\$ 2,500	\$ 1,625	\$ (875)
Interest	-	91	91	100	54	(46)
TOTAL RECEIPTS	-	2,880	2,880	2,600	1,679	(921)
DISBURSEMENTS						
Sheriff	-	-	-	2,500	-	2,500
TOTAL DISBURSEMENTS	-	-	-	2,500	-	2,500
RECEIPTS OVER DISBURSEMENTS	-	2,880	2,880	100	1,679	1,579
CASH AND INVESTMENT BALANCE, January 1	5,505	5,505	-	3,826	3,826	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 5,505</u>	<u>\$ 8,385</u>	<u>\$ 2,880</u>	<u>\$ 3,926</u>	<u>\$ 5,505</u>	<u>\$ 1,579</u>

See accompanying notes.

WEBSTER COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SHERIFF FUND</u>						
RECEIPTS						
Intergovernmental	\$ 50,000	\$ 51,635	\$ 1,635	\$ 50,000	\$ 50,000	\$ -
Interest	750	863	113	902	902	-
Other	-	195	195	-	-	-
TOTAL RECEIPTS	50,750	52,693	1,943	50,902	50,902	-
DISBURSEMENTS						
Sheriff	50,450	36,726	13,724	61,500	55,143	6,357
TOTAL DISBURSEMENTS	50,450	36,726	13,724	61,500	55,143	6,357
RECEIPTS OVER (UNDER) DISBURSEMENTS	300	15,967	15,667	(10,598)	(4,241)	6,357
CASH AND INVESTMENT BALANCE, January 1	52,591	52,591	-	56,832	56,832	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 52,891</u>	<u>\$ 68,558</u>	<u>\$ 15,667</u>	<u>\$ 46,234</u>	<u>\$ 52,591</u>	<u>\$ 6,357</u>
<u>SHERIFF REVOLVING FUND</u>						
RECEIPTS						
Charges for services	\$ 20,000	\$ 26,195	\$ 6,195	\$ 12,000	\$ 20,091	\$ 8,091
Intergovernmental	10,000	-	(10,000)	-	-	-
Interest	500	375	(125)	500	476	(24)
TOTAL RECEIPTS	30,500	26,570	(3,930)	12,500	20,567	8,067
DISBURSEMENTS						
Sheriff	30,000	29,636	364	12,500	10,784	1,716
Transfers out	-	-	-	21,831	21,831	-
TOTAL DISBURSEMENTS	30,000	29,636	364	34,331	32,615	1,716
RECEIPTS OVER (UNDER) DISBURSEMENTS	500	(3,066)	(3,566)	(21,831)	(12,048)	9,783
CASH AND INVESTMENT BALANCE, January 1	20,131	20,131	-	32,179	32,179	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 20,631</u>	<u>\$ 17,065</u>	<u>\$ (3,566)</u>	<u>\$ 10,348</u>	<u>\$ 20,131</u>	<u>\$ 9,783</u>

See accompanying notes.



WEBSTER COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT TRAINING - PROSECUTING ATTORNEY FUND</u>						
RECEIPTS						
Charges for services	\$ 800	\$ 806	\$ 6	\$ 1,250	\$ 871	\$ (379)
Interest	-	9	9	100	5	(95)
Other	1,000	-	(1,000)	100	-	(100)
TOTAL RECEIPTS	1,800	815	(985)	1,450	876	(574)
DISBURSEMENTS						
Prosecuting Attorney	1,800	1,244	556	1,000	277	723
TOTAL DISBURSEMENTS	1,800	1,244	556	1,000	277	723
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(429)	(429)	450	599	149
CASH AND INVESTMENT BALANCE, January 1	711	711	-	112	112	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 711</u>	<u>\$ 282</u>	<u>\$ (429)</u>	<u>\$ 562</u>	<u>\$ 711</u>	<u>\$ 149</u>
<u>LOCAL EMERGENCY PLANNING COMMITTEE FUND</u>						
RECEIPTS						
Intergovernmental	\$ 34,000	\$ 63,324	\$ 29,324	\$ 4,100	\$ 7,995	\$ 3,895
Interest	86	245	159	-	97	97
Other	-	4	4	-	-	-
TOTAL RECEIPTS	34,086	63,573	29,487	4,100	8,092	3,992
DISBURSEMENTS						
Emergency management	40,445	31,892	8,553	12,650	7,496	5,154
TOTAL DISBURSEMENTS	40,445	31,892	8,553	12,650	7,496	5,154
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,359)	31,681	38,040	(8,550)	596	9,146
CASH AND INVESTMENT BALANCE, January 1	9,219	9,219	-	8,623	8,623	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 2,860</u>	<u>\$ 40,900</u>	<u>\$ 38,040</u>	<u>\$ 73</u>	<u>\$ 9,219</u>	<u>\$ 9,146</u>

See accompanying notes.

WEBSTER COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>RECORDER'S FEE FUND</u>						
RECEIPTS						
Charges for services	\$ 12,700	\$ 14,196	\$ 1,496	\$ 16,000	\$ 12,812	\$ (3,188)
Interest	1,000	1,236	236	500	1,109	609
TOTAL RECEIPTS	13,700	15,432	1,732	16,500	13,921	(2,579)
DISBURSEMENTS						
Recorder of Deeds	10,426	7,160	3,266	32,150	13,837	18,313
TOTAL DISBURSEMENTS	10,426	7,160	3,266	32,150	13,837	18,313
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	3,274	8,272	4,998	(15,650)	84	15,734
CASH AND INVESTMENT						
BALANCE, January 1	85,763	85,763	-	85,679	85,679	-
CASH AND INVESTMENT						
BALANCE, December 31	<u>\$ 89,037</u>	<u>\$ 94,035</u>	<u>\$ 4,998</u>	<u>\$ 70,029</u>	<u>\$ 85,763</u>	<u>\$ 15,734</u>
<u>LAW ENFORCEMENT TRAINING - SHERIFF FUND</u>						
RECEIPTS						
Charges for services	\$ 3,500	\$ 3,205	\$ (295)	\$ 4,286	\$ 3,482	\$ (804)
Interest	25	7	(18)	-	30	30
Transfers in	-	-	-	2,500	1,918	(582)
TOTAL RECEIPTS	3,525	3,212	(313)	6,786	5,430	(1,356)
DISBURSEMENTS						
Sheriff	3,525	2,450	1,075	7,786	7,130	656
TOTAL DISBURSEMENTS	3,525	2,450	1,075	7,786	7,130	656
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	-	762	762	(1,000)	(1,700)	(700)
CASH AND INVESTMENT						
BALANCE, January 1	253	253	-	1,953	1,953	-
CASH AND INVESTMENT						
BALANCE, December 31	<u>\$ 253</u>	<u>\$ 1,015</u>	<u>\$ 762</u>	<u>\$ 953</u>	<u>\$ 253</u>	<u>\$ (700)</u>

See accompanying notes.

WEBSTER COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Charges for services	\$ 11,400	\$ 4,438	\$ (6,962)	\$ 5,150	\$ 6,027	\$ 877
Intergovernmental	1,700	1,902	202	15,838	15,718	(120)
Interest	100	143	43	50	121	71
Other	-	334	334	250	183	(67)
Transfers in	2,400	6,363	3,963	-	80	80
TOTAL RECEIPTS	15,600	13,180	(2,420)	21,288	22,129	841
DISBURSEMENTS						
Elections	15,990	9,920	6,070	21,638	19,147	2,491
TOTAL DISBURSEMENTS	15,990	9,920	6,070	21,638	19,147	2,491
RECEIPTS OVER (UNDER) DISBURSEMENTS	(390)	3,260	3,650	(350)	2,982	3,332
CASH AND INVESTMENT BALANCE, January 1	10,985	10,985	-	8,003	8,003	-
CASH AND INVESTMENT BALANCE, December 31	\$ 10,595	\$ 14,245	\$ 3,650	\$ 7,653	\$ 10,985	\$ 3,332
<u>CAPITAL IMPROVEMENT FUND</u>						
RECEIPTS						
Sales taxes	\$ 1,316,133	\$ 1,300,462	\$ (15,671)	\$ 1,316,143	\$ 1,316,133	\$ (10)
Intergovernmental	545,000	156,680	(388,320)	183,675	306,398	122,723
Interest	6,250	5,110	(1,140)	6,250	6,177	(73)
Other	118,000	152,402	34,402	47,500	43,150	(4,350)
TOTAL RECEIPTS	1,985,383	1,614,654	(370,729)	1,553,568	1,671,858	118,290
DISBURSEMENTS						
Capital outlay	2,193,493	1,680,946	512,547	1,460,601	1,484,183	(23,582)
Transfers out	-	-	-	145,000	124,669	20,331
TOTAL DISBURSEMENTS	2,193,493	1,680,946	512,547	1,605,601	1,608,852	(3,251)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(208,110)	(66,292)	141,818	(52,033)	63,006	115,039
CASH AND INVESTMENT BALANCE, January 1	299,805	299,805	-	236,799	236,799	-
CASH AND INVESTMENT BALANCE, December 31	\$ 91,695	\$ 233,513	\$ 141,818	\$ 184,766	\$ 299,805	\$ 115,039

See accompanying notes.

WEBSTER COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>ROAD AND BRIDGE</u>						
<u>SALES TAX FUND</u>						
RECEIPTS						
Sales taxes	\$ 394,690	\$ 390,015	\$ (4,675)	\$ 394,690	\$ 394,690	\$ -
Charges for services	3,200	3,555	355	4,600	3,162	(1,438)
Intergovernmental	12,186	-	(12,186)	46,000	31,461	(14,539)
Interest	26,500	28,675	2,175	26,500	26,196	(304)
Other	-	780	780	-	-	-
TOTAL RECEIPTS	436,576	423,025	(13,551)	471,790	455,509	(16,281)
DISBURSEMENTS						
Capital outlay	105,872	99,547	6,325	298,038	293,831	4,207
Transfers out	-	-	-	25,000	23,254	1,746
TOTAL DISBURSEMENTS	105,872	99,547	6,325	323,038	317,085	5,953
RECEIPTS OVER DISBURSEMENTS	330,704	323,478	(7,226)	148,752	138,424	(10,328)
CASH AND INVESTMENT BALANCE, January 1	1,481,519	1,481,519	-	1,343,095	1,343,095	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 1,812,223</u>	<u>\$ 1,804,997</u>	<u>\$ (7,226)</u>	<u>\$ 1,491,847</u>	<u>\$ 1,481,519</u>	<u>\$ (10,328)</u>
<u>POST FUND</u>						
RECEIPTS						
Intergovernmental	\$ -	\$ 1,534	\$ 1,534	\$ -	\$ 3,804	\$ 3,804
TOTAL RECEIPTS	-	1,534	1,534	-	3,804	3,804
DISBURSEMENTS						
Sheriff	-	1,534	(1,534)	-	1,886	(1,886)
Transfers out	-	-	-	-	1,918	(1,918)
TOTAL DISBURSEMENTS	-	1,534	(1,534)	-	3,804	(3,804)
RECEIPTS OVER DISBURSEMENTS	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, January 1	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

WEBSTER COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>PROSECUTING ATTORNEY</u>						
<u>DELINQUENT TAX FEE FUND</u>						
RECEIPTS						
Intergovernmental	\$ 21,950	\$ 11,952	\$ (9,998)	\$ 4,250	\$ 3,002	\$ (1,248)
Interest	50	61	11	-	55	55
TOTAL RECEIPTS	22,000	12,013	(9,987)	4,250	3,057	(1,193)
DISBURSEMENTS						
Prosecuting Attorney	22,000	7,826	14,174	1,750	1,555	195
Transfers out	-	7,700	(7,700)	2,500	2,454	46
TOTAL DISBURSEMENTS	22,000	15,526	6,474	4,250	4,009	241
RECEIPTS (UNDER)						
DISBURSEMENTS	-	(3,513)	(3,513)	-	(952)	(952)
CASH AND INVESTMENT						
BALANCE, January 1	4,714	4,714	-	5,666	5,666	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 4,714	\$ 1,201	\$ (3,513)	\$ 5,666	\$ 4,714	\$ (952)
<u>DARE FUND</u>						
RECEIPTS						
Interest	\$ 15	\$ 27	\$ 12	\$ 30	\$ 14	\$ (16)
Other	4,000	50	(3,950)	250	480	230
Transfers in	3,300	3,300	-	3,300	3,300	-
TOTAL RECEIPTS	7,315	3,377	(3,938)	3,580	3,794	214
DISBURSEMENTS						
Sheriff	7,300	5,294	2,006	3,300	2,431	869
TOTAL DISBURSEMENTS	7,300	5,294	2,006	3,300	2,431	869
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	15	(1,917)	(1,932)	280	1,363	1,083
CASH AND INVESTMENT						
BALANCE, January 1	2,953	2,953	-	1,590	1,590	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 2,968	\$ 1,036	\$ (1,932)	\$ 1,870	\$ 2,953	\$ 1,083

See accompanying notes.

WEBSTER COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>RECORDER'S EQUIPMENT FUND</u>						
RECEIPTS						
Charges for services	\$ 6,800	\$ 7,643	\$ 843	\$ 7,000	\$ 6,792	\$ (208)
Interest	400	254	(146)	500	395	(105)
TOTAL RECEIPTS	7,200	7,897	697	7,500	7,187	(313)
DISBURSEMENTS						
Recorder of Deeds	10,000	5,625	4,375	45,000	41,925	3,075
TOTAL DISBURSEMENTS	10,000	5,625	4,375	45,000	41,925	3,075
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,800)	2,272	5,072	(37,500)	(34,738)	2,762
CASH AND INVESTMENT BALANCE, January 1	17,141	17,141	-	51,879	51,879	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 14,341</u>	<u>\$ 19,413</u>	<u>\$ 5,072</u>	<u>\$ 14,379</u>	<u>\$ 17,141</u>	<u>\$ 2,762</u>
<u>TAX MAINTENANCE FUND</u>						
RECEIPTS						
Charges for services	\$ 54,000	\$ 36,665	\$ (17,335)	\$ 36,000	\$ 38,940	\$ 2,940
Interest	-	185	185	-	385	385
TOTAL RECEIPTS	54,000	36,850	(17,150)	36,000	39,325	3,325
DISBURSEMENTS						
Collector	72,300	64,415	7,885	39,523	40,281	(758)
TOTAL DISBURSEMENTS	72,300	64,415	7,885	39,523	40,281	(758)
RECEIPTS (UNDER) DISBURSEMENTS	(18,300)	(27,565)	(9,265)	(3,523)	(956)	2,567
CASH AND INVESTMENT BALANCE, January 1	35,190	35,190	-	36,146	36,146	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 16,890</u>	<u>\$ 7,625</u>	<u>\$ (9,265)</u>	<u>\$ 32,623</u>	<u>\$ 35,190</u>	<u>\$ 2,567</u>

See accompanying notes.

WEBSTER COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>CHILDREN'S TRUST FUND</u>						
RECEIPTS						
Charges for services	\$ 1,000	\$ 1,170	\$ 170	\$ 1,000	\$ 1,235	\$ 235
Interest	18	21	3	25	12	(13)
TOTAL RECEIPTS	1,018	1,191	173	1,025	1,247	222
DISBURSEMENTS						
Other	600	600	-	1,500	1,500	-
TOTAL DISBURSEMENTS	600	600	-	1,500	1,500	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	418	591	173	(475)	(253)	222
CASH AND INVESTMENT BALANCE, January 1	1,534	1,534	-	1,787	1,787	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 1,952</u>	<u>\$ 2,125</u>	<u>\$ 173</u>	<u>\$ 1,312</u>	<u>\$ 1,534</u>	<u>\$ 222</u>
<u>PROSECUTING ATTORNEY</u>						
<u>BAD CHECK FEE FUND</u>						
RECEIPTS						
Charges for services	\$ 117,500	\$ 26,991	\$ (90,509)	\$ 40,000	\$ 29,333	\$ (10,667)
Intergovernmental	6,000	5,297	(703)	5,075	5,532	457
Interest	15	398	383	100	18	(82)
Other	-	434	434	-	260	260
Transfers in	-	7,700	7,700	-	2,454	2,454
TOTAL RECEIPTS	123,515	40,820	(82,695)	45,175	37,597	(7,578)
DISBURSEMENTS						
Prosecuting Attorney	121,000	32,910	88,090	27,925	37,381	(9,456)
Transfers out	2,500	7,075	(4,575)	14,000	1,000	13,000
TOTAL DISBURSEMENTS	123,500	39,985	83,515	41,925	38,381	3,544
RECEIPTS OVER (UNDER) DISBURSEMENTS	15	835	820	3,250	(784)	(4,034)
CASH AND INVESTMENT BALANCE, January 1	91	91	-	875	875	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 106</u>	<u>\$ 926</u>	<u>\$ 820</u>	<u>\$ 4,125</u>	<u>\$ 91</u>	<u>\$ (4,034)</u>

See accompanying notes.

WEBSTER COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SENIOR CITIZENS SERVICES FUND</u>						
RECEIPTS						
Property taxes	\$ 168,600	\$ 177,091	\$ 8,491	\$ 170,300	\$ 165,599	\$ (4,701)
Interest	1,500	1,496	(4)	3,200	1,382	(1,818)
Other	5,000	6,911	1,911	1,500	7,843	6,343
TOTAL RECEIPTS	175,100	185,498	10,398	175,000	174,824	(176)
DISBURSEMENTS						
Senior services	191,840	157,839	34,001	226,320	212,861	13,459
TOTAL DISBURSEMENTS	191,840	157,839	34,001	226,320	212,861	13,459
RECEIPTS OVER (UNDER) DISBURSEMENTS	(16,740)	27,659	44,399	(51,320)	(38,037)	13,283
CASH AND INVESTMENT BALANCE, January 1	29,584	29,584	-	67,621	67,621	-
CASH AND INVESTMENT BALANCE, December 31	\$ 12,844	\$ 57,243	\$ 44,399	\$ 16,301	\$ 29,584	\$ 13,283
<u>PAVING FUND</u>						
RECEIPTS						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 1,650	\$ 1,650
Transfers in	-	-	-	-	300	300
TOTAL RECEIPTS	-	-	-	-	1,950	1,950
DISBURSEMENTS						
Paving	-	-	-	-	1,950	(1,950)
TOTAL DISBURSEMENTS	-	-	-	-	1,950	(1,950)
RECEIPTS OVER DISBURSEMENTS	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, January 1	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes.



WEBSTER COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>HOMELESSNESS PREVENTION</u>						
<u>GRANT FUND</u>						
RECEIPTS						
Intergovernmental	\$ -	\$ 1,141	\$ 1,141	\$ -	\$ 25,151	\$ 25,151
TOTAL RECEIPTS	-	1,141	1,141	-	25,151	25,151
DISBURSEMENTS						
Other	-	740	(740)	-	24,750	(24,750)
Transfers out	-	1,872	(1,872)	-	134	(134)
TOTAL DISBURSEMENTS	-	2,612	(2,612)	-	24,884	(24,884)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	-	(1,471)	(1,471)	-	267	267
CASH AND INVESTMENT						
BALANCE, January 1	1,471	1,471	-	1,204	1,204	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 1,471	\$ -	\$ (1,471)	\$ 1,204	\$ 1,471	\$ 267
<u>LUNAR LANE</u>						
<u>CEMETERY FUND</u>						
RECEIPTS						
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL RECEIPTS	-	-	-	-	-	-
DISBURSEMENTS						
Cemetery	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-
RECEIPTS OVER						
DISBURSEMENTS	-	-	-	-	-	-
CASH AND INVESTMENT						
BALANCE, January 1	859	859	-	859	859	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 859	\$ 859	\$ -	\$ 859	\$ 859	\$ -

See accompanying notes.

WEBSTER COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>DEVELOPMENTALLY DISABLED</u>						
<u>BOARD FUND</u>						
RECEIPTS						
Property taxes	\$ 263,785	\$ 276,007	\$ 12,222	\$ 259,265	\$ 257,388	\$ (1,877)
Interest	1,500	1,418	(82)	2,100	2,314	214
TOTAL RECEIPTS	265,285	277,425	12,140	261,365	259,702	(1,663)
DISBURSEMENTS						
Developmentally disabled	295,475	266,148	29,327	350,971	325,443	25,528
TOTAL DISBURSEMENTS	295,475	266,148	29,327	350,971	325,443	25,528
RECEIPTS OVER (UNDER) DISBURSEMENTS	(30,190)	11,277	41,467	(89,606)	(65,741)	23,865
CASH AND INVESTMENT BALANCE, January 1	63,840	63,840	-	129,581	129,581	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 33,650</u>	<u>\$ 75,117</u>	<u>\$ 41,467</u>	<u>\$ 39,975</u>	<u>\$ 63,840</u>	<u>\$ 23,865</u>
<u>SWEETBRIAR NID FUND</u>						
RECEIPTS						
Taxes	\$ -	\$ 11,409	\$ 11,409	\$ -	\$ -	\$ -
Bond proceeds	-	55,000	55,000	-	-	-
TOTAL RECEIPTS	-	66,409	66,409	-	-	-
DISBURSEMENTS						
Capital outlay	-	54,761	(54,761)	-	-	-
Debt service	-	10,588	(10,588)	-	-	-
TOTAL DISBURSEMENTS	-	65,349	(65,349)	-	-	-
RECEIPTS OVER DISBURSEMENTS	-	1,060	1,060	-	-	-
CASH AND INVESTMENT BALANCE, January 1	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ -</u>	<u>\$ 1,060</u>	<u>\$ 1,060</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

WEBSTER COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SWEETBRIAR NID</u>						
<u>RESERVE FUND</u>						
RECEIPTS						
Bond proceeds	\$ -	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -
TOTAL RECEIPTS	-	5,000	5,000	-	-	-
DISBURSEMENTS						
Debt service	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-
RECEIPTS OVER DISBURSEMENTS	-	5,000	5,000	-	-	-
CASH AND INVESTMENT BALANCE, January 1	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	\$ -	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -

See accompanying notes.

## WEBSTER COUNTY, MISSOURI

## STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

December 31, 2012

	Collector of Revenue Fund	Recorder Fund	Sheriff's Office Bond Fund	Sheriff's Office CCW Fund	Sheriff's Office Civil Fee Fund	Unclaimed Fund	Fines Fund	Excess Land Fund	Total
ASSETS									
Cash and cash equivalents	\$ 6,944,710	\$ 26,659	\$ 9	\$ 2,436	\$ 9,831	\$ 23,356	\$ 27,308	\$ 18,674	\$ 7,052,983
TOTAL ASSETS	<u>\$ 6,944,710</u>	<u>\$ 26,659</u>	<u>\$ 9</u>	<u>\$ 2,436</u>	<u>\$ 9,831</u>	<u>\$ 23,356</u>	<u>\$ 27,308</u>	<u>\$ 18,674</u>	<u>\$ 7,052,983</u>
LIABILITIES									
Due to other funds	\$ 497,221	\$ 21,823	\$ 9	\$ 2,436	\$ 9,791	\$ -	\$ -	\$ -	\$ 531,280
Due to other governments	6,446,221	4,836	-	-	-	-	-	-	6,451,057
Due to schools	-	-	-	-	-	-	27,308	18,674	45,982
Due to others	1,268	-	-	-	40	23,356	-	-	24,664
TOTAL LIABILITIES	<u>\$ 6,944,710</u>	<u>\$ 26,659</u>	<u>\$ 9</u>	<u>\$ 2,436</u>	<u>\$ 9,831</u>	<u>\$ 23,356</u>	<u>\$ 27,308</u>	<u>\$ 18,674</u>	<u>\$ 7,052,983</u>

See accompanying notes.

WEBSTER COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

December 31, 2011

	Collector of Revenue Fund	Recorder Fund	Sheriff's Office Bond Fund	Sheriff's Office CCW Fund	Prosecuting Attorney Bad Check Fund	Prosecuting Attorney Delinquent Tax Fund
ASSETS						
Cash and cash equivalents	\$ 9,193,015	\$ 21,865	\$ 6	\$ 1,941	\$ 19,883	\$ 7,099
TOTAL ASSETS	<u>\$ 9,193,015</u>	<u>\$ 21,865</u>	<u>\$ 6</u>	<u>\$ 1,941</u>	<u>\$ 19,883</u>	<u>\$ 7,099</u>
LIABILITIES						
Due to other funds	\$ 651,442	\$ 18,118	\$ 6	\$ 1,941	\$ 5,816	\$ 7,099
Due to other governments	8,527,961	3,747	-	-	-	-
Due to schools	-	-	-	-	-	-
Due to others	13,612	-	-	-	14,067	-
TOTAL LIABILITIES	<u>\$ 9,193,015</u>	<u>\$ 21,865</u>	<u>\$ 6</u>	<u>\$ 1,941</u>	<u>\$ 19,883</u>	<u>\$ 7,099</u>

See accompanying notes.

## WEBSTER COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS  
(CONTINUED)

December 31, 2011

	Prosecuting Attorney Restitution Fund	Sheriff's Office Civil Fee Fund	Unclaimed Fund	Fines Fund	Excess Land Fund	Total
ASSETS						
Cash and cash equivalents	\$ 3,090	\$ 10,317	\$ 7,249	\$ 36,700	\$ 7,700	\$ 9,308,865
TOTAL ASSETS	<u>\$ 3,090</u>	<u>\$ 10,317</u>	<u>\$ 7,249</u>	<u>\$ 36,700</u>	<u>\$ 7,700</u>	<u>\$ 9,308,865</u>
LIABILITIES						
Due to other funds	\$ 2,129	\$ 10,269	\$ -	\$ -	\$ -	\$ 696,820
Due to other governments	-	48	-	-	-	8,531,756
Due to schools	-	-	-	36,700	7,700	44,400
Due to others	961	-	7,249	-	-	35,889
TOTAL LIABILITIES	<u>\$ 3,090</u>	<u>\$ 10,317</u>	<u>\$ 7,249</u>	<u>\$ 36,700</u>	<u>\$ 7,700</u>	<u>\$ 9,308,865</u>

See accompanying notes.

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Webster County, Missouri, (“County”) is governed by a three-member board of commissioners. In addition to the three Commissioners, there are ten elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder, Coroner, Collector, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note A, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

### Reporting Entity

The County’s operations include tax assessments and collections, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Webster County, Missouri, which consists of all funds, organizations, agencies, departments, and offices that comprise the County’s legal entity.

### Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statements of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following funds are used by the County:

Governmental Funds – Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds (agency funds) are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector and other officeholders.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measureable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County adopts a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Adjustments made during the year were not significant and are reflected in the budget information in the financial statements. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.



WEBSTER COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Budgets are prepared and adopted on the cash basis of accounting.
9. Although adoption of a formal budget is required by law, the County did not adopt a formal budget for the following funds:
  - a. POST Fund
  - b. Paving Fund
  - c. Homelessness Prevention Grant Fund
  - d. Lunar Lane Cemetery Fund
  - e. Sweetbriar NID Fund
  - f. Sweetbriar NID Reserve Fund
10. Section 50.740 RSMo, prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts in the Capital Improvement Fund and Tax Maintenance Fund in 2011 and the General Revenue Fund in 2012.

Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund are readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2012 and 2011, all bank balances on deposit are entirely insured or collateralized with securities.

NOTE B – INVESTMENTS

The County's investments at December 31, 2012, are as follows:

Investment Type	Maturity	Amount
Certificate of Deposit	8/10/2013	\$ 715,954
Certificate of Deposit	8/10/2013	1,483,047
		<u>\$ 2,199,001</u>

WEBSTER COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE B – CASH AND INVESTMENTS (continued)

The County's investments at December 31, 2011, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificate of Deposit	8/10/2013	\$ 703,176
Certificate of Deposit	8/10/2013	1,456,579
		<u>\$ 2,159,755</u>

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the County's deposits be collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2012 and 2011, all certificates are entirely insured or collateralized with securities.

The County does not have a policy on interest rate risk.

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2012 and 2011, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

WEBSTER COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE D – PENSION PLAN – CERF

*STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND*

Plan Description

Webster County participates in the County Employees' Retirement Fund (CERF), a cost-sharing multiple-employer pension plan. CERF is a defined benefit pension plan which provides retirement and death benefits to plan members and beneficiaries. CERF was created and is governed by state statute, RSMo. 50.1000 to 50.1300. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The County Employees' Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to CERF Plan Administrator, 2121 Schotthill Woods Drive, Jefferson City, MO 65101.

Funding Policy

Webster County's full-time employees hired before February 25, 2002, are required by state statute to contribute 2% of annual payroll to the pension plan. Webster County's full-time employees hired after February 25, 2002, are required by state statute to contribute 6% of annual covered payroll to the pension plan. The County is required by state statute to remit the fees collected under RSMo. Sections 52.290, 150.150, 137.280, 137.345 and Chapters 59 and 54, RSMo, plus interest. The required contributions have been made.

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by December 31.

WEBSTER COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN (continued)

The 2012 and 2011 assessed valuation of the tangible taxable property (excluding railroad and utilities) and the tax levies per \$100 assessed valuation of that property were as follows:

	<u>2012</u>	<u>2011</u>
ASSESSED VALUATION		
Real estate	\$ 259,611,950	\$ 252,521,300
Personal property	<u>67,455,094</u>	<u>62,960,022</u>
	<u>\$ 327,067,044</u>	<u>\$ 315,481,322</u>
TAX LEVY		
Special Road and Bridge	\$ .1874	\$ .1860
Developmentally Disabled Board	.0789	.0783
Senior Citizens Services	<u>.0500</u>	<u>.0499</u>
	<u>\$ .3163</u>	<u>\$ .3142</u>

The legal debt margin at December 31, 2012 and December 31, 2011, is computed as follows:

	<u>2012</u>	<u>2011</u>
Constitutional debt limit	\$ 32,706,704	\$ 31,548,132
General obligation bonds payable	<u>-</u>	<u>-</u>
LEGAL DEBT MARGIN	<u>\$ 32,706,704</u>	<u>\$ 31,548,132</u>

Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

WEBSTER COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE F – RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

NOTE G– INTERFUND TRANSFERS

Interfund transfers for the years ended December 31, 2012 and 2011, consisted of the following:

	Transfers In (Out)	
	2012	2011
General Revenue Fund	\$ (46,716)	\$ (49,160)
Special Road and Bridge Fund	-	172,623
Assessment Fund	46,000	43,745
Sheriff Revolving Fund	-	(21,831)
Law Enforcement Training - Sheriff Fund	-	1,918
Election Services Fund	6,363	80
Capital Improvement Fund	-	(124,669)
Road and Bridge Sales Tax Fund	-	(23,254)
POST Fund	-	(1,918)
Prosecuting Attorney Delinquent Tax Fee Fund	(7,700)	(2,454)
DARE Fund	3,300	3,300
Prosecuting Attorney Bad Check Fee Fund	625	1,454
Paving Fund	-	300
Homelessness Prevention Grant Fund	(1,872)	(134)
	<u>\$ -</u>	<u>\$ -</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

WEBSTER COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE H – LONG-TERM DEBT

In August 2012, the County issued \$60,000 in Neighborhood Improvement District Bonds, Series 2012, for the purpose of constructing certain road improvements within Sweetbriar Drive. The revenue bonds shall bear interest at the rate of 2.99%. Principal and interest payments are due annually on March 1 of each year. Annual debt service requirements to amortize the principal on the 2012 NID bonds outstanding at December 31, 2012, are as follows:

Year Ended December 31,	Principal	Interest	Total
2013	\$ 4,941	\$ 837	\$ 5,778
2014	4,941	1,348	6,289
2015	4,941	1,198	6,139
2016	4,941	1,051	5,992
2017	4,941	899	5,840
2018	4,941	749	5,690
2019	4,941	599	5,540
2020	4,941	451	5,392
2021	4,941	300	5,241
2022	4,943	150	5,093
	<u>\$ 49,412</u>	<u>\$ 7,582</u>	<u>\$ 56,994</u>

The following is the changes in long-term debt for the years ended December 31, 2012 and 2011:

	Balance December 31, 2010			Balance December 31, 2011			Balance December 31, 2012	
		Additions	Retirements		Additions	Retirements		
Capital Lease Obligations								
2009 Road Grader Lease	\$ 93,896	\$ -	\$ 93,896	\$ -	\$ -	\$ -	\$ -	
2009 Road Grader Lease	93,896	-	93,896	-	-	-	-	
NID Bonds, Series 2012	-	-	-	-	60,000	10,588	49,412	
Compensated Absences	87,815	9,521	-	97,336	4,786	-	102,122	
	<u>\$ 275,607</u>	<u>\$ 9,521</u>	<u>\$ 187,792</u>	<u>\$ 97,336</u>	<u>\$ 64,786</u>	<u>\$ 10,588</u>	<u>\$ 151,534</u>	

WEBSTER COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE I – RESTATEMENT OF BEGINNING CASH AND INVESTMENT BALANCES

Beginning cash and investment balances have been restated to remove the Drug Court account that is no longer considered a special revenue fund, and to include the Local Emergency Planning Committee Fund, Tax Maintenance Fund, Homelessness Prevention Grant Fund, and Lunar Lane Cemetery Fund, which should have been included as special revenue funds in the prior year. Cash and investment balances have also been restated to remove the 911 Emergency Services board, which is considered a separate political subdivision. The restatement is as follows:

Cash and Investment Balance , as previously stated, December 31, 2010	\$ 3,021,699
Drug Court Fund	(21,565)
Local Emergency Planning Committee Fund	8,623
Tax Maintenance Fund	36,146
Homelessness Prevention Grant Fund	1,204
Lunar Lane Cemetery Fund	859
Emergency 911 Fund	<u>(409,239)</u>
Cash and Investment Balance , as restated, January 1, 2011	<u><u>\$ 2,637,727</u></u>

## **SUPPLEMENTARY SCHEDULES**





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**INDEPENDENT AUDITORS' REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Webster County Commission  
Webster County  
Marshfield, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Webster County, Missouri, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise Webster County, Missouri's financial statements, and have issued our report thereon, dated June 21, 2013. In our report, our opinion was modified because the County prepares its financial statements using accounting practices prescribed or permitted by Missouri law, which differs from accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Webster County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Webster County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. They are identified as items 12-1 and 12-2.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Webster County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Webster County, Missouri's Response to Findings and Other Matters**

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We noted certain other matters that we have reported to management of the County in a separate letter dated June 21, 2013.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Webster County, Missouri's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Webster County, Missouri's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Davis, Lynn & Moots, PC*

DAVIS, LYNN & MOOTS, P.C.  
June 21, 2013

WEBSTER COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
Year ended December 31, 2012

12-1 Segregation of Duties

*Condition:* Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

*Criteria:* Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

*Effect:* Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

*Recommendation:* We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

*Response:* The limited number of available personnel prohibits segregation of incompatible duties.

12-2 Wire Transfers

*Condition:* The depository agreements with the County banking institutions do not address by whom and to whom a wire transfer may be made. They also do not include special instructions for wire transfers.

*Criteria:* The County should have written and signed instructions with banking institutions requiring the approval of two authorized individuals before a wire transfer is made and by whom and to whom a wire transfer may be made.

*Effect:* Risk is present that unauthorized wire transfers may be made.

*Recommendation:* The County should include in future depository agreements with its banking institutions, who is authorized to make wire transfers for the County, to whom wire transfers are allowed, and require two authorized signatures for approval.

*Response:* The County will update its depository agreements with its banking institutions to include who is authorized to make wire transfers for the County, to whom wire transfers are allowed, and require two authorized signatures for approval.



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MOOTS, P.C.  
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Webster County Commission  
Webster County  
Marshfield, Missouri

In planning and performing our audit of the basic financial statements of Webster County, Missouri for the years ended December 31, 2012 and 2011, we considered the County's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we identified deficiencies in internal control over financial reporting that we consider to be material weaknesses.

In addition to the material weaknesses discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and suggestions regarding these matters.

1. Budgetary Compliance

The County was not in compliance with the budgetary statute, Chapter 50, RSMo, in 2011 and 2012 as the County did not adopt budgets for the POST Fund, Paving Fund, Homelessness Prevention Grant Fund, Lunar Lane Cemetery Fund, Sweetbriar NID Fund, and Sweetbriar NID Reserve Fund. Actual disbursements exceeded budgeted disbursements in 2011 in the Capital Improvement Fund and Tax Maintenance Fund. In 2012, actual disbursements exceeded budgeted disbursements in the General Revenue Fund.

We Recommend:

The County adopt a budget for all funds, review expenditures during the year and amend the budget as necessary to ensure compliance with the budgetary statute (Chapter 50, RSMo).

2. Bank Depository Agreements

As a custodian of public monies, we believe the County should review certain elements of depository agreements with the County's banking institutions to ensure proper controls are in place regarding the deposits and bank wires. The County has a responsibility for the safety of County monies and the depository agreements are often not reviewed and updated appropriately.

We Recommend:

- a. The County determine that the depository agreement with the banking institution has instructions regarding when a check is valid and may be honored by the institution. If more than one signature is required on checks, then the depository agreement should reflect that requirement.
- b. The County determine that the depository agreement specify the persons authorized to make wire transfers and to whom they may be made. This is necessary to prevent unauthorized wire transfers of County funds.
- c. The County determine that the depository agreement has procedures for opening new accounts in order to prevent unauthorized accounts from being opened under the County's name.

3. Disbursement Procedures

Currently the County does not require two signatures on checks from some of the County's Bank accounts. Coupled with the lack of segregation of duties, this creates an environment in which County assets could be misappropriated and the misappropriation would not be discovered in a timely manner.

We Recommend:

The County institute a policy requiring two signatures on all checks for all County disbursements.

4. Bank Statement Review

Currently, the Treasurer has access to all phases of certain transactions and prepares the bank reconciliations for the County's main checking account.

We Recommend:

The County appoint someone other than the Treasurer review the bank statements and bank reconciliations on a monthly basis.

5. Payroll Processing

The County utilizes direct deposit to employees for all payroll disbursements and the payroll is processed by one person who does the direct deposit without having someone not involved in the process review the direct deposit listing.

We Recommend:

The County assign someone not involved in the payroll process to review the listing for direct deposit payroll and initial the listing prior to the disbursement of funds. The approved listing should be retained to indicate the approval of the disbursement of funds.

6. Patient Protection and Affordable Care Act

In August 2010, the United States Congress passed H.R. 3590 Patient Protection and Affordable Care Act. The Act affects many sectors of the private-sector economy and government including establishing individual responsibilities regarding health coverage as well as employer responsibilities for providing health coverage. Employer responsibilities include: automatic enrollment for employees of larger employers, employer requirement to inform employees of coverage options, shared responsibilities for employers, reporting of employer health insurance coverage, offering of exchange-participating qualified health plans through cafeteria plans. The effective date for the employer responsibilities section of the Act is for months beginning after December 31, 2013. Due to the many provisions and complexity of the Act, governments may need to obtain outside counsel from its attorney and health insurance provider to determine the steps necessary to properly implement the provisions of this Act.

We Recommend:

Management become familiar with the requirements of the Act and consider obtaining outside counsel to comply with the new Act and avoid potential penalties and unwanted costs associated with this Act.

7. Tax Maintenance Fund

The County currently maintains a Tax Maintenance Fund for the benefit of the Collector's Office. Although the monies are to be used for the benefit of the Collector's office, these monies represent County funds. Therefore the same policies of the County regarding budgeting, receipts, and disbursements should be followed for these funds as with other funds of the County.

We Recommend:

The County require receipts and disbursements from these funds to be budgeted and the approval process for receipts and disbursements out of these funds should follow the same procedures as with other County funds.

8. Prosecuting Attorney Bad Check Fund

During the audit process, we noted that during 2012, the Prosecuting Attorney closed the Bad Check and Restitution bank accounts and relinquished the payment to agencies responsibility to the County Treasurer. The collection of the paid bad checks along with the fees are processed by the Prosecuting Attorney's office and then delivered to the County Treasurer to be recorded in the general ledger and deposited into the bank account. The Treasurer distributes the bad checks paid to the victim and the fees to other funds and agencies. The County Treasurer is recording the entire amount received as revenues and the amounts paid out as expenditures in the County Prosecuting Attorney Bad Check Fund. Amounts collected as restitution and fees to other agencies are not County revenue, nor County expenditures. Also, RSMo Chapter 570.120 requires that the amount collected as Prosecuting Attorney fees be deposited into a separate interest-bearing fund to be used as directed by the Prosecuting Attorney.

We Recommend:

The County Treasurer create two funds for the Prosecuting Attorney's bad check collections. One agency-type fund shall be used to collect the restitution and other agency (pass-thru) moneys that are not County revenues. The other special revenue-type fund shall be used for the collection of Prosecuting Attorney fees which are County revenues, and can thus be expended by the Prosecuting Attorney in accordance with RSMo Chapter 570.120. This will prevent the inflation of revenues and expenditures recorded by the County Treasurer and will also provide for a better reconciliation process to be sure all restitution and fees have been paid appropriately.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We appreciate this opportunity to serve as Webster County's independent auditor and the courtesies and assistance extended to us by the County's employees.

*Davis, Lynn; Moots, PC*

DAVIS, LYNN & MOOTS, P.C.  
June 21, 2013



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Webster County Commission  
Webster County  
Marshfield, Missouri

We have audited the financial statements of Webster County, Missouri, for the years ended December 31, 2012 and 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 23, 2013. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Webster County, Missouri, are described in Note A to the financial statements. All significant transactions have been recognized in the financial statements in the proper period. The County converted from the modified cash basis of accounting to the regulatory basis of accounting during the years ended December 31, 2012 and 2011. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

- Investments
- Fund Balance



*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated June 21, 2013.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the County Commission and management of Webster County, Missouri, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Davis, Lynn; Moots, PC*

DAVIS, LYNN & MOOTS, P.C.  
June 21, 2013



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Gentry County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Gentry County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the year ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Davis, Lynn & Moots, P.C., Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Thomas A. Schweich  
State Auditor

August 2013  
Report No. 2013-082

**GENTRY COUNTY, MISSOURI**

**FINANCIAL STATEMENTS**

**Year Ended December 31, 2012**

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DAVIS, LYNN &  
MOOTS, P.C.  
Certified Public  
Accountants

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## **INDEPENDENT AUDITORS' REPORT**

Gentry County Commission  
Gentry County  
Albany, Missouri

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Gentry County, Missouri, which comprise the cash balances of each fund as of December 31, 2012, the related receipts, disbursements and budgetary results for each fund for the year then ended and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements prepared using accounting practices prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note A, the financial statements are prepared by Gentry County, Missouri, using accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the State of Missouri. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Gentry County, Missouri, as of December 31, 2012, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of Gentry County, Missouri, as of December 31, 2012, and the receipts, disbursements and budgetary results of the governmental funds for the year then ended, on the basis of accounting as described in Note A.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2013, on our consideration of Gentry County, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gentry County, Missouri's internal control over financial reporting and compliance.

*Davis, Lynn & Moats, PC*

DAVIS, LYNN & MOOTS, P.C.  
June 14, 2013

GENTRY COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – ALL  
GOVERNMENTAL FUNDS – REGULATORY BASIS  
Year Ended December 31, 2012

FUND	Cash Balance	Receipts	Disbursements	Cash Balance
	January 1			December 31
General Revenue	\$ 1,037,319	\$ 1,325,593	\$ 1,139,057	\$ 1,223,855
Special Road and Bridge	115,673	553,742	617,099	52,316
Assessment	66,075	134,501	120,427	80,149
Emergency Management Preparedness	10,646	5,993	15,163	1,476
Bad Check	32,069	4,155	10,242	25,982
Prosecuting Attorney Training	1,455	131	-	1,586
Law Enforcement Training	379	516	626	269
Children's Trust	55	310	325	40
Prosecuting Attorney Tax Collection	6,320	-	-	6,320
Post Commission	182	500	662	20
Emergency	311,464	40,000	-	351,464
Sheriff's Civil Fees	24,509	14,937	1,924	37,522
Recorder User Fee	14,764	2,839	-	17,603
County Clerk's Election	3,547	2,928	616	5,859
Recorder Technology	7,318	1,644	5,996	2,966
Special Election	-	29,553	29,553	-
Tax Maintenance	48,233	14,660	9,685	53,208
Sheriff's Revolving	4,578	3,100	1,422	6,256
Law Library	1,967	3,656	3,817	1,806
Law Enforcement Restitution	28,644	11,704	14,440	25,908
War Memorial	1,949	20	-	1,969
Senior Citizen's Services	9,322	42,223	43,597	7,948
Levee Restoration	2,136	21	-	2,157
Local Emergency Planning Committee	3,881	-	1,158	2,723
CDBG	202	2	-	204
TOTAL	<u>\$ 1,732,687</u>	<u>\$ 2,192,728</u>	<u>\$ 2,015,809</u>	<u>\$ 1,909,606</u>

See accompanying notes.

GENTRY COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS

Year Ended December 31, 2012

	Budget	Actual	Variance With Final Budget
<u>GENERAL REVENUE FUND</u>			
RECEIPTS			
Property taxes	\$ 433,200	\$ 472,473	\$ 39,273
Sales taxes	300,000	329,730	29,730
Intergovernmental	163,973	187,260	23,287
Charges for services	255,806	257,617	1,811
Interest	12,000	20,121	8,121
Other	48,175	58,392	10,217
TOTAL RECEIPTS	1,213,154	1,325,593	112,439
DISBURSEMENTS			
Treasurer	73,598	70,382	3,216
County Commission	84,320	83,675	645
Public Administrator	36,793	37,344	(551)
Election and Voter Registration	49,750	39,380	10,370
County Clerk	117,036	111,031	6,005
Fringe Benefits	141,500	133,655	7,845
Building and Grounds	101,275	99,207	2,068
Probate Judge	6,700	3,879	2,821
Circuit Clerk	18,471	9,875	8,596
Coroner	15,994	16,739	(745)
Juvenile	9,000	8,424	576
Prosecuting Attorney	75,438	74,820	618
Sheriff	288,558	254,225	34,333
Other General County Government	166,682	154,001	12,681
Transfers out	42,640	42,420	220
TOTAL DISBURSEMENTS	1,227,755	1,139,057	88,698
RECEIPTS OVER (UNDER) DISBURSEMENTS	(14,601)	186,536	201,137
CASH BALANCE, January 1	1,037,319	1,037,319	-
CASH BALANCE, December 31	\$ 1,022,718	\$ 1,223,855	\$ 201,137

See accompanying notes.



GENTRY COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

Year Ended December 31, 2012

	Budget	Actual	Variance With Final Budget
<u>SPECIAL ROAD AND BRIDGE FUND</u>			
RECEIPTS			
Property taxes	\$ 15,500	\$ 15,353	\$ (147)
Sales taxes	488,604	491,428	2,824
Intergovernmental	355,000	4,216	(350,784)
Interest	600	1,349	749
Other	35,000	41,396	6,396
TOTAL RECEIPTS	894,704	553,742	(340,962)
DISBURSEMENTS			
Salaries	149,600	150,125	(525)
Employee fringe benefits	42,964	41,404	1,560
Supplies	34,500	65,482	(30,982)
Road and bridge materials	160,000	133,194	26,806
Equipment repairs	8,000	4,223	3,777
Equipment purchases	20,000	19,098	902
Construction, repair, and maintenance	373,000	19,766	353,234
Distributions to townships and road districts	190,800	183,508	7,292
Other	2,588	299	2,289
TOTAL DISBURSEMENTS	981,452	617,099	364,353
RECEIPTS (UNDER) DISBURSEMENTS	(86,748)	(63,357)	23,391
CASH BALANCE, January 1	115,673	115,673	-
CASH BALANCE, December 31	\$ 28,925	\$ 52,316	\$ 23,391
<u>ASSESSMENT FUND</u>			
RECEIPTS			
Intergovernmental	\$ 32,000	\$ 36,958	\$ 4,958
Charges for services	86,000	96,492	10,492
Interest	800	1,051	251
TOTAL RECEIPTS	118,800	134,501	15,701
DISBURSEMENTS			
Assessor	133,003	120,427	12,576
TOTAL DISBURSEMENTS	133,003	120,427	12,576
RECEIPTS OVER (UNDER) DISBURSEMENTS	(14,203)	14,074	28,277
CASH BALANCE, January 1	66,075	66,075	-
CASH BALANCE, December 31	\$ 51,872	\$ 80,149	\$ 28,277

See accompanying notes.

GENTRY COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

Year Ended December 31, 2012

	Budget	Actual	Variance With Final Budget
<u>EMERGENCY MANAGEMENT</u>			
<u>PREPAREDNESS FUND</u>			
RECEIPTS			
Intergovernmental	\$ 8,540	\$ 3,573	\$ (4,967)
Transfers in	2,640	2,420	(220)
TOTAL RECEIPTS	11,180	5,993	(5,187)
DISBURSEMENTS			
Emergency management	16,239	15,163	1,076
TOTAL DISBURSEMENTS	16,239	15,163	1,076
RECEIPTS (UNDER) DISBURSEMENTS	(5,059)	(9,170)	(4,111)
CASH BALANCE, January 1	10,646	10,646	-
CASH BALANCE, December 31	<u>\$ 5,587</u>	<u>\$ 1,476</u>	<u>\$ (4,111)</u>
<u>BAD CHECK FUND</u>			
RECEIPTS			
Charges for services	\$ 8,000	\$ 4,155	\$ (3,845)
TOTAL RECEIPTS	8,000	4,155	(3,845)
DISBURSEMENTS			
Prosecuting attorney	9,100	10,242	(1,142)
TOTAL DISBURSEMENTS	9,100	10,242	(1,142)
RECEIPTS (UNDER) DISBURSEMENTS	(1,100)	(6,087)	(4,987)
CASH BALANCE, January 1	32,069	32,069	-
CASH BALANCE, December 31	<u>\$ 30,969</u>	<u>\$ 25,982</u>	<u>\$ (4,987)</u>

See accompanying notes.

GENTRY COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

Year Ended December 31, 2012

	Budget	Actual	Variance With Final Budget
<u>PROSECUTING ATTORNEY</u>			
<u>TRAINING FUND</u>			
RECEIPTS			
Charges for services	\$ 150	\$ 131	\$ (19)
TOTAL RECEIPTS	150	131	(19)
DISBURSEMENTS			
Prosecuting Attorney	400	-	400
TOTAL DISBURSEMENTS	400	-	400
RECEIPTS OVER (UNDER) DISBURSEMENTS	(250)	131	381
CASH BALANCE, January 1	1,455	1,455	-
CASH BALANCE, December 31	\$ 1,205	\$ 1,586	\$ 381
<u>LAW ENFORCEMENT</u>			
<u>TRAINING FUND</u>			
RECEIPTS			
Charges for services	\$ 700	\$ 516	\$ (184)
TOTAL RECEIPTS	700	516	(184)
DISBURSEMENTS			
Sheriff	700	626	74
TOTAL DISBURSEMENTS	700	626	74
RECEIPTS (UNDER) DISBURSEMENTS	-	(110)	(110)
CASH BALANCE, January 1	379	379	-
CASH BALANCE, December 31	\$ 379	\$ 269	\$ (110)

See accompanying notes.

GENTRY COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

Year Ended December 31, 2012

	Budget	Actual	Variance With Final Budget
<u>CHILDREN'S TRUST FUND</u>			
RECEIPTS			
Charges for services	\$ 325	\$ 310	\$ (15)
TOTAL RECEIPTS	325	310	(15)
DISBURSEMENTS			
Other	330	325	5
TOTAL DISBURSEMENTS	330	325	5
RECEIPTS (UNDER) DISBURSEMENTS	(5)	(15)	(10)
CASH BALANCE, January 1	55	55	-
CASH BALANCE, December 31	<u>\$ 50</u>	<u>\$ 40</u>	<u>\$ (10)</u>
<u>PROSECUTING ATTORNEY</u>			
<u>TAX COLLECTION FUND</u>			
RECEIPTS			
Taxes	\$ -	\$ -	\$ -
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
Prosecuting Attorney	-	-	-
TOTAL DISBURSEMENTS	-	-	-
RECEIPTS OVER DISBURSEMENTS	-	-	-
CASH BALANCE, January 1	6,320	6,320	-
CASH BALANCE, December 31	<u>\$ 6,320</u>	<u>\$ 6,320</u>	<u>\$ -</u>

See accompanying notes.

GENTRY COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

Year Ended December 31, 2012

	Budget	Actual	Variance With Final Budget
<u>POST COMMISSION FUND</u>			
RECEIPTS			
Intergovernmental	\$ 500	\$ 500	\$ -
TOTAL RECEIPTS	500	500	-
DISBURSEMENTS			
Other	675	662	13
TOTAL DISBURSEMENTS	675	662	13
RECEIPTS (UNDER) DISBURSEMENTS	(175)	(162)	13
CASH BALANCE, January 1	182	182	-
CASH BALANCE, December 31	<u>\$ 7</u>	<u>\$ 20</u>	<u>\$ 13</u>
<u>EMERGENCY FUND</u>			
RECEIPTS			
Transfers in	\$ 40,000	\$ 40,000	\$ -
TOTAL RECEIPTS	40,000	40,000	-
DISBURSEMENTS			
Other	200,000	-	200,000
TOTAL DISBURSEMENTS	200,000	-	200,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	(160,000)	40,000	200,000
CASH BALANCE, January 1	311,464	311,464	-
CASH BALANCE, December 31	<u>\$ 151,464</u>	<u>\$ 351,464</u>	<u>\$ 200,000</u>

See accompanying notes.

GENTRY COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

Year Ended December 31, 2012

	Budget	Actual	Variance With Final Budget
<u>SHERIFF'S CIVIL FEES FUND</u>			
RECEIPTS			
Charges for services	\$ 14,000	\$ 14,937	\$ 937
TOTAL RECEIPTS	14,000	14,937	937
DISBURSEMENTS			
Sheriff	10,100	1,924	8,176
TOTAL DISBURSEMENTS	10,100	1,924	8,176
RECEIPTS OVER DISBURSEMENTS	3,900	13,013	9,113
CASH BALANCE, January 1	24,509	24,509	-
CASH BALANCE, December 31	\$ 28,409	\$ 37,522	\$ 9,113
<u>RECORDER USER FEE FUND</u>			
RECEIPTS			
Charges for services	\$ 2,500	\$ 2,839	\$ 339
TOTAL RECEIPTS	2,500	2,839	339
DISBURSEMENTS			
Recorder of Deeds	5,000	-	5,000
TOTAL DISBURSEMENTS	5,000	-	5,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,500)	2,839	5,339
CASH BALANCE, January 1	14,764	14,764	-
CASH BALANCE, December 31	\$ 12,264	\$ 17,603	\$ 5,339

See accompanying notes.

GENTRY COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

Year Ended December 31, 2012

	Budget	Actual	Variance With Final Budget
<u>COUNTY CLERK'S ELECTION FUND</u>			
RECEIPTS			
Charges for services	\$ 1,000	\$ 730	\$ (270)
Interest	20	35	15
Other	600	-	(600)
Transfers in	-	2,163	2,163
TOTAL RECEIPTS	1,620	2,928	1,308
DISBURSEMENTS			
Elections	1,600	616	984
TOTAL DISBURSEMENTS	1,600	616	984
RECEIPTS OVER DISBURSEMENTS	20	2,312	2,292
CASH BALANCE, January 1	3,547	3,547	-
CASH BALANCE, December 31	\$ 3,567	\$ 5,859	\$ 2,292
<u>RECORDER TECHNOLOGY FUND</u>			
RECEIPTS			
Charges for services	\$ 1,400	\$ 1,644	\$ 244
TOTAL RECEIPTS	1,400	1,644	244
DISBURSEMENTS			
Recorder of Deeds	6,250	5,996	254
TOTAL DISBURSEMENTS	6,250	5,996	254
RECEIPTS (UNDER) DISBURSEMENTS	(4,850)	(4,352)	498
CASH BALANCE, January 1	7,318	7,318	-
CASH BALANCE, December 31	\$ 2,468	\$ 2,966	\$ 498

See accompanying notes.

GENTRY COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

Year Ended December 31, 2012

	Budget	Actual	Variance With Final Budget
<u>SPECIAL ELECTION FUND</u>			
RECEIPTS			
Intergovernmental	\$ 15,000	\$ 14,901	\$ (99)
Charges for services	17,000	14,652	(2,348)
TOTAL RECEIPTS	32,000	29,553	(2,447)
DISBURSEMENTS			
Elections	29,000	27,390	1,610
Transfers out	3,000	2,163	837
TOTAL DISBURSEMENTS	32,000	29,553	2,447
RECEIPTS OVER DISBURSEMENTS	-	-	-
CASH BALANCE, January 1	-	-	-
CASH BALANCE, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>TAX MAINTENANCE FUND</u>			
RECEIPTS			
Charges for services	\$ 12,400	\$ 14,660	\$ 2,260
TOTAL RECEIPTS	12,400	14,660	2,260
DISBURSEMENTS			
Collector	22,650	9,685	12,965
TOTAL DISBURSEMENTS	22,650	9,685	12,965
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,250)	4,975	15,225
CASH BALANCE, January 1	48,233	48,233	-
CASH BALANCE, December 31	<u>\$ 37,983</u>	<u>\$ 53,208</u>	<u>\$ 15,225</u>

See accompanying notes.



GENTRY COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

Year Ended December 31, 2012

	Budget	Actual	Variance With Final Budget
<u>SHERIFF'S REVOLVING FUND</u>			
RECEIPTS			
Charges for services	\$ 2,000	\$ 3,100	\$ 1,100
TOTAL RECEIPTS	2,000	3,100	1,100
DISBURSEMENTS			
Sheriff	2,000	1,422	578
TOTAL DISBURSEMENTS	2,000	1,422	578
RECEIPTS OVER DISBURSEMENTS	-	1,678	1,678
CASH BALANCE, January 1	4,578	4,578	-
CASH BALANCE, December 31	<u>\$ 4,578</u>	<u>\$ 6,256</u>	<u>\$ 1,678</u>
<u>LAW LIBRARY FUND</u>			
RECEIPTS			
Intergovernmental	\$ 3,500	\$ 3,645	\$ 145
Interest	-	11	11
TOTAL RECEIPTS	3,500	3,656	156
DISBURSEMENTS			
Prosecuting attorney	5,400	3,817	1,583
TOTAL DISBURSEMENTS	5,400	3,817	1,583
RECEIPTS (UNDER) DISBURSEMENTS	(1,900)	(161)	1,739
CASH BALANCE, January 1	1,967	1,967	-
CASH BALANCE, December 31	<u>\$ 67</u>	<u>\$ 1,806</u>	<u>\$ 1,739</u>

See accompanying notes.

GENTRY COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

Year Ended December 31, 2012

	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT</u>			
<u>RESTITUTION FUND</u>			
RECEIPTS			
Charges for services	\$ 9,000	\$ 11,704	\$ 2,704
TOTAL RECEIPTS	9,000	11,704	2,704
DISBURSEMENTS			
Sheriff	23,600	14,440	9,160
TOTAL DISBURSEMENTS	23,600	14,440	9,160
RECEIPTS (UNDER) DISBURSEMENTS	(14,600)	(2,736)	11,864
CASH BALANCE, January 1	28,644	28,644	-
CASH BALANCE, December 31	<u>\$ 14,044</u>	<u>\$ 25,908</u>	<u>\$ 11,864</u>
<u>WAR MEMORIAL FUND</u>			
RECEIPTS			
Interest	\$ 19	\$ 20	\$ 1
TOTAL RECEIPTS	19	20	1
DISBURSEMENTS			
Other	1,000	-	1,000
TOTAL DISBURSEMENTS	1,000	-	1,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	(981)	20	1,001
CASH BALANCE, January 1	1,949	1,949	-
CASH BALANCE, December 31	<u>\$ 968</u>	<u>\$ 1,969</u>	<u>\$ 1,001</u>

See accompanying notes.

GENTRY COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

Year Ended December 31, 2012

	Budget	Actual	Variance With Final Budget
<u>SENIOR CITIZEN'S SERVICES FUND</u>			
RECEIPTS			
Property taxes	\$ 46,150	\$ 42,105	\$ (4,045)
Interest	100	118	18
TOTAL RECEIPTS	46,250	42,223	(4,027)
DISBURSEMENTS			
Senior services	46,250	43,597	2,653
TOTAL DISBURSEMENTS	46,250	43,597	2,653
RECEIPTS (UNDER) DISBURSEMENTS	-	(1,374)	(1,374)
CASH BALANCE, January 1	9,322	9,322	-
CASH BALANCE, December 31	<u>\$ 9,322</u>	<u>\$ 7,948</u>	<u>\$ (1,374)</u>
<u>LEVEE RESTORATION FUND</u>			
RECEIPTS			
Interest	\$ -	\$ 21	\$ 21
TOTAL RECEIPTS	-	21	21
DISBURSEMENTS			
Other	2,136	-	2,136
TOTAL DISBURSEMENTS	2,136	-	2,136
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,136)	21	2,157
CASH BALANCE, January 1	2,136	2,136	-
CASH BALANCE, December 31	<u>\$ -</u>	<u>\$ 2,157</u>	<u>\$ 2,157</u>

See accompanying notes.

GENTRY COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET  
AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

Year Ended December 31, 2012

	Budget	Actual	VarianceWith Final Budget
<u>LOCAL EMERGENCY</u>			
<u>PLANNING COMMITTEE FUND</u>			
RECEIPTS			
Intergovernmental	\$ 2,500	\$ -	\$ (2,500)
TOTAL RECEIPTS	2,500	-	(2,500)
DISBURSEMENTS			
Other	3,423	1,158	2,265
TOTAL DISBURSEMENTS	3,423	1,158	2,265
RECEIPTS (UNDER) DISBURSEMENTS	(923)	(1,158)	(235)
CASH BALANCE, January 1	3,881	3,881	-
CASH BALANCE, December 31	\$ 2,958	\$ 2,723	\$ (235)
<u>CDBG FUND</u>			
RECEIPTS			
Interest	\$ -	\$ 2	\$ 2
TOTAL RECEIPTS	-	2	2
DISBURSEMENTS			
Grants	-	-	-
TOTAL DISBURSEMENTS	-	-	-
RECEIPTS OVER DISBURSEMENTS	-	2	2
CASH BALANCE, January 1	202	202	-
CASH BALANCE, December 31	\$ 202	\$ 204	\$ 2

See accompanying notes.

GENTRY COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH AND INVESTMENT TRANSACTIONS – AGENCY FUNDS –  
REGULATORY BASIS

December 31, 2012

	Collector of Revenue Fund	School Fund	Depriest Cemetery Fund	Sheriff Water Rescue Fund	Medical Reimbursement Fund	Surplus Tax Fund	Victim's Fund	Unclaimed Fee Fund	Total
ASSETS									
Cash	\$ 5,275,036	\$ 32,652	\$ 835	\$ 1,986	\$ 1,391	\$ 637	\$ 2,393	\$ 2	\$ 5,314,932
Investments	-	-	1,000	-	-	-	-	-	1,000
TOTAL ASSETS	<u>\$ 5,275,036</u>	<u>\$ 32,652</u>	<u>\$ 1,835</u>	<u>\$ 1,986</u>	<u>\$ 1,391</u>	<u>\$ 637</u>	<u>\$ 2,393</u>	<u>\$ 2</u>	<u>\$ 5,315,932</u>
LIABILITIES									
Due to other governments	\$ 5,275,036	\$ 32,652	\$ -	\$ -	\$ -	\$ 637	\$ -	\$ -	\$ 5,308,325
Due to others	-	-	1,835	1,986	1,391	-	2,393	2	7,607
TOTAL LIABILITIES	<u>\$ 5,275,036</u>	<u>\$ 32,652</u>	<u>\$ 1,835</u>	<u>\$ 1,986</u>	<u>\$ 1,391</u>	<u>\$ 637</u>	<u>\$ 2,393</u>	<u>\$ 2</u>	<u>\$ 5,315,932</u>

See accompanying notes.

GENTRY COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Gentry County, Missouri, (“County”) is governed by a three-member board of commissioners. In addition to the three Commissioners, there are eight elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk/Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer/Collector.

As discussed further in Note A, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

The County’s operations include tax assessments and collections, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Gentry County, Missouri, which consists of all funds, organizations, agencies, departments, and offices that comprise the County’s legal entity.

Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statements of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash and Investment Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following funds are used by the County:

Governmental Funds – Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds (agency funds) are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector and other officeholders.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measureable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County adopts a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Adjustments made during the year were not significant and are reflected in the budget information in the financial statements. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

GENTRY COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Budgets are prepared and adopted on the cash basis of accounting.
9. Section 50.740 RSMo, prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts in the Bad Check Fund.

Cash

The County pools cash resources of various funds in the County Treasurer's office in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements.

NOTE B – CASH

The County maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is displayed as "Cash". In addition, cash is separately held by several of the County's funds. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2012, all bank balances are entirely insured or collateralized with securities.

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2012, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.



GENTRY COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE D – PENSION PLAN – CERF

*STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND*

Plan Description

Gentry County participates in the County Employees' Retirement Fund (CERF), a cost-sharing multiple-employer pension plan. CERF is a defined benefit pension plan which provides retirement and death benefits to plan members and beneficiaries. CERF was created and is governed by state statute, RSMo. 50.1000 to 50.1300. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The County Employees' Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to CERF Plan Administrator, 2121 Schotthill Woods Drive, Jefferson City, MO 65101.

Funding Policy

Gentry County's full-time employees hired before February 25, 2002, are required by state statute to contribute 2% of annual payroll to the pension plan. Gentry County's full-time employees hired after February 25, 2002, are required by state statute to contribute 6% of annual covered payroll to the pension plan. The County is required by state statute to remit the fees collected under RSMo. Sections 52.290, 150.150, 137.280, 137.345 and Chapters 59 and 54, RSMo, plus interest. The required contributions have been made.

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by December 31.

GENTRY COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN (continued)

The assessed valuation of the tangible taxable property (excluding railroad and utilities) and the tax levies per \$100 assessed valuation of that property were as follows:

	<u>2012</u>
ASSESSED VALUATION	
Real estate	\$ 59,781,320
Personal property	<u>25,928,047</u>
	<u><u>\$ 85,709,367</u></u>
TAX LEVY	
General Revenue	\$ .5405
Senior Citizen's Services	<u>.0500</u>
	<u><u>\$ .5905</u></u>

The legal debt margin at December 31, 2012, is computed as follows:

	<u>2012</u>
Constitutional debt limit	\$ 8,570,937
General obligation bonds payable	<u>-</u>
LEGAL DEBT MARGIN	<u><u>\$ 8,570,937</u></u>

Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

NOTE F – RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

GENTRY COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE G – INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2012, consisted of the following:

	<u>Transfers In (Out)</u>
General Revenue Fund	\$ (42,420)
Emergency Management Preparedness Fund	2,420
Emergency Fund	40,000
County Clerk's Election Fund	2,163
Special Election Fund	<u>(2,163)</u>
	<u>\$ -</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE H – COMPENSATED ABSENCES PAYABLE

Compensated absences payable consists of unused vacation time and unused accumulated comp time up to 240 hours for employees. The balance at December 31, 2012, totaled \$19,980.

## **SUPPLEMENTARY SCHEDULES**



DAVIS, LYNN &  
MOOTS, P.C.  
Certified Public  
Accountants

LARRY M. BROWN, CPA  
LAWRENCE W. DAVIS, CPA  
ANTHONY D. LYNN, CPA  
RANDALL G. MOOTS, CPA  
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**INDEPENDENT AUDITORS' REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Gentry County Commission  
Gentry County  
Albany, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Gentry County, Missouri, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Gentry County, Missouri's financial statements, and have issued our report thereon, dated June 14, 2013. In our report, our opinion was modified because the County prepares its financial statements using accounting practices prescribed or permitted by Missouri law, which differs from accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Gentry County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gentry County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness. It is identified as item 12-1.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Gentry County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Gentry County, Missouri's Response to Findings and Other Matters**

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We noted certain other matters that we have reported to management of the County in a separate letter dated June 14, 2013.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Gentry County, Missouri's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gentry County, Missouri's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Davis, Lynn & Moots, PC*

DAVIS, LYNN & MOOTS, P.C.  
June 14, 2013

GENTRY COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
Year ended December 31, 2012

12-1 Segregation of Duties

*Condition:* Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

*Criteria:* Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

*Effect:* Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

*Recommendation:* We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

*Response:* The limited number of available personnel prohibits segregation of incompatible duties.



DAVIS, LYNN &  
MOOTS, P.C.  
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Gentry County Commission  
Gentry County  
Albany, Missouri

In planning and performing our audit of the basic financial statements of Gentry County, Missouri for the year ended December 31, 2012, we considered the County's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

In addition to the material weakness discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and suggestions regarding these matters.

1. Budgetary Compliance

During our audit, we noted the County was not in compliance with the budgetary statute, Chapter 50, RSMo, as actual disbursements exceeded budgeted disbursements in the Bad Check Fund.

We Recommend:

The County review expenditures during the year and amend the budget as necessary to ensure compliance with the budgetary statute (Chapter 50, RSMo).



2. Disbursement Procedures

Currently the County does not require two signatures on checks from some of the County's Bank accounts. Coupled with the lack of segregation of duties, this creates an environment in which County assets could be misappropriated and the misappropriation would not be discovered in a timely manner.

We Recommend:

The County institute a policy requiring two signatures on all checks for all County disbursements.

3. Patient Protection and Affordable Care Act

In August 2010, the United States Congress passed H.R. 3590 Patient Protection and Affordable Care Act. The Act affects many sectors of the private-sector economy and government including establishing individual responsibilities regarding health coverage as well as employer responsibilities for providing health coverage. Employer responsibilities include: automatic enrollment for employees of larger employers, employer requirement to inform employees of coverage options, shared responsibilities for employers, reporting of employer health insurance coverage, offering of exchange-participating qualified health plans through cafeteria plans. The effective date for the employer responsibilities section of the Act is for months beginning after December 31, 2013. Due to the many provisions and complexity of the Act, governments may need to obtain outside counsel from its attorney and health insurance provider to determine the steps necessary to properly implement the provisions of this Act.

We Recommend:

Management become familiar with the requirements of the Act and consider obtaining outside counsel to comply with the new Act and avoid potential penalties and unwanted costs associated with this Act.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We appreciate this opportunity to serve as Gentry County's independent auditor and the courtesies and assistance extended to us by the County's employees.

*Davis, Lynn & Moots, PC*

DAVIS, LYNN & MOOTS, P.C.  
June 14, 2013



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MOOTS, P.C.  
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Gentry County Commission  
Gentry County  
Albany, Missouri

We have audited the financial statements of Gentry County, Missouri, for the year ended December 31, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 25, 2013. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Gentry County, Missouri, are described in Note A to the financial statements. All significant transactions have been recognized in the financial statements in the proper period. No new accounting policies were adopted and the application of existing policies was not changed during 2012. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

- Cash
- Fund Balance

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated June 14, 2013.

*Management Consultations with Other Independent Accountants*

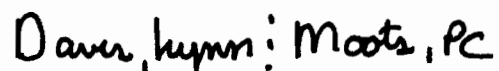
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the County Commission and management of Gentry County, Missouri, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Davis, Lynn & Moots, PC". The signature is written in a cursive, slightly informal style.

DAVIS, LYNN & MOOTS, P.C.  
June 14, 2013



Thomas A. Schweich  
Missouri State Auditor

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## HIGHER EDUCATION

### Crowder College



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August 2013

Report No. 2013-083

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

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## Findings in the audit of the Department of Higher Education, Crowder College

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Bookstore Controls and Procedures	The bookstore lacks adequate controls, and detailed bookstore financial information is not independently reviewed. The bookstore does not adequately document physical inventories, and the value of books purchased from students is not reconciled to the amounts credited to student accounts. The college does not adequately segregate duties regarding the billing for and receipt of monies related to textbooks returned/resold to vendors. Audit staff reviewed four return invoices totaling \$49,000 for which the college received refund checks totaling only \$34,000, with no documentation to support the \$15,000 difference. The bookstore software system does not maintain an adequate audit trail of all transaction numbers, and audit staff identified several unexplained discrepancies. The bookstore does not have written agreements with vendors establishing commissions earned when textbooks are resold by the vendor.
Cashier's Office Controls and Procedures	The main campus cashier's office needs to improve its controls over receipts and deposits. The cashier's office does not account for the numerical sequence of receipt numbers assigned by the computerized accounting system, does not adequately reconcile the main depository bank account, and does not reconcile the composition of receipts to the composition of deposits. The college could improve the segregation of duties within the cashier's office and should better control departmental deposit forms used to document the remittance of receipts to the cashier's office.
Satellite Campus Receipting and Depositing Controls and Procedures	Neither the satellite locations nor the main accounting office properly ensure monies collected at the satellite locations are deposited. Satellite locations do not always issue receipt slips, numerous receipt slips were missing or not retained, deposit reports were not always complete or accurate, and monies were not always deposited timely and intact.
Alliance for Business Controls and Procedures	The Alliance is a joint venture between Crowder College and Missouri Southern State University with Crowder College handling the accounting functions of the Alliance. The college has not adequately segregated duties related to billing clients and receiving payments, the Alliance employee does not record the receipt of payments, and the Alliance has not entered into a written agreement with an individual for training and consulting services on efficient manufacturing techniques provided to area businesses.
Procurement Policies and Expenditures	The college has not updated its procurement policy in years, and the existing policy does not adequately address all aspects of procurement. The college did not bid several purchases and did not solicit competitive proposals for several types of professional services, including grant consulting services totaling \$69,991, and security services totaling \$75,627. The college failed to include prevailing wage requirements in its request for proposals and paid a contractor \$6,186 more than the bid amount to construct a parking lot. The college has not established policies concerning procurement cards, processed some payments without the payment request forms required by college policy, and lacks a comprehensive policy related to food purchases.

The college allows students to pay with personal credit cards, but does not charge a convenience fee to offset related costs to the college. In the two years ended June 30, 2012, the college paid approximately \$82,000 in credit card fees.

Salary Procedures	Salaries of some employees do not agree to college salary schedules, and the college does not always document extra duty compensation (overload payments) in written agreements. The college paid \$259,105 and \$230,479 in overload payments for the spring and fall 2012 semesters, respectively, and a department chairperson approved his own overload salary agreement for \$2,400 for the summer semester of 2012.
Vehicle Usage and Fuel Logs	The college has 68 vehicles, trailers, and all-terrain vehicles but does not maintain documentation of trip purpose and vehicle mileage, making it difficult to determine if all college vehicles are being utilized. In addition, the college uses fuel cards but does not record mileage when fueling, and fuel used is not reconciled to fuel purchased.
Information Security	The college has not developed an adequate formal disaster recovery plan to ensure the college can promptly restore computer operations in the event of a disaster. The college did not perform background checks prior to employing some information technology employees.
Closed Meeting Minutes	The college did not prepare minutes for closed session meetings of the Board of Trustees, as required by state law.
Foundation Subsidization	The college subsidizes certain operating expenses of its foundation, which may violate the Missouri Constitution. The college's Director of Development and Grants performs work for both the college and the foundation but is paid entirely with college funds, the college provides office space to the foundation, and the foundation is a named insured on the college's property and general liability insurance coverage.

In the areas audited, the overall performance of this entity was **Fair**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	Crowder College was awarded \$4,910,566 in Federal Stimulus funds, \$2,640,929 of which had been received and expended as of June 30, 2012. Details of these awards are contained within the audit report.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our website: <http://auditor.mo.gov>**

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# Crowder College

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## **THOMAS A. SCHWEICH**

### **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon  
and  
Board of Trustees of Crowder College  
and  
Dr. Kent A. Farnsworth, President  
Crowder College  
Neosho, Missouri

We have audited certain operations of Crowder College in fulfillment of our duties under Chapter 29, RSMo. The college engaged Mense, Churchwell & Mense, P.C., Certified Public Accountants (CPAs), to audit the college's financial statements for the year ended June 30, 2011. The college engaged Davis, Lynn & Moots, P.C., Certified Public Accountants (CPAs) to audit the college's financial statements for the year ended June 30, 2012. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm for the year ended June 30, 2011, since the year ended June 30, 2012, audit had not been completed at the time we started our audit. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2011 and 2012. The objectives of our audit were to:

1. Evaluate the college's internal controls over significant management and financial functions.
2. Evaluate the college's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.
4. Evaluate selected records and activities of the Crowder College Foundation.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the college, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that



risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the college's management and was not subjected to the procedures applied in our audit of the college.

For the areas audited, we identified (1) deficiencies in internal control, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) weaknesses with the procedures of the college's foundation. The accompanying Management Advisory Report presents our findings arising from our audit of Crowder College.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkmeyer, CPA
Audit Manager:	Donna Christian, CPA, CGFM
In-Charge Auditor:	Ted Fugitt, CPA
Audit Staff:	David Olson
	Joshua Allen, CPA, CFE

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# Crowder College

## Management Advisory Report

### State Auditor's Findings

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#### **1. Bookstore Controls and Procedures**

Accountability over bookstore receipts is not adequate, and controls related to the bookstore inventory and return or sale of unused books need improvement. Additionally the software system used by the bookstore does not provide an adequate audit trail and duties are not adequately segregated.

The college operates a bookstore on the main campus in Neosho and also operates smaller bookstores on each of its three satellite campuses in Cassville, Nevada, and Webb City. Bookstore receipts total more than \$3 million annually.

##### **1.1 Financial monitoring**

An independent review of detailed bookstore financial information is not performed, and controls are not in place to ensure total sales reported by the bookstore reconciles to the amount recorded in the college's accounting records.

The financial statements generated from the college's accounting system and used by college administrators to monitor bookstore activity are not complete and accurate. The monthly budget to actual financial statement generated from the accounting system and provided to the College President, Chief Financial Officer (CFO) and the Board of Trustees does not contain detail financial information related to bookstore operations, but reflects only a single total for bookstore sales revenue and a total for bookstore expenditures. Detailed financial information such as the cost of goods sold, profit margin, or a detailed listing of bookstore expenditures is not generated and provided to college administrators for review.

Additionally, the college financial statement reported bookstore sales revenue for the year ended June 30, 2012, as \$2.5 million while the sales reports maintained internally by the bookstore manager reported total sales of \$3.2 million. The reports maintained by the bookstore manager represent an accumulation of the computerized daily sales reports from the cash registers. These reports are used to prepare monthly sales tax returns submitted to the Missouri Department of Revenue. According to the CFO, the sales revenue reported on the college's financial statement had been reduced for sales tax payments, textbook buybacks, and other credits to student accounts. However, after considering these adjustments, sales revenue on the college's financial statement exceeded the amount reported on the bookstore manager's sales spreadsheet by \$312,150. The CFO stated that the financial statement prepared from the college's accounting system and the spreadsheets prepared by the bookstore manager are not reconciled. After audit fieldwork ended the CFO made additional attempts to reconcile these two records and indicated that he is now able to more closely reconcile the two sales amounts.

Further, the bookstore expenditures total reported on the college's financial statement prepared for the year ended June 30, 2012, did not include some



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expenses associated with the bookstore. For example, utility costs and some fringe benefits for bookstore employees were not included. As a result, the amount of bookstore expenditures was understated.

College management needs complete, accurate, detailed financial information to maintain proper oversight of bookstore operations.

## 1.2 Inventory controls

Controls over bookstore inventory totaling more than \$900,000 are not adequate.

- Bookstore personnel do not document a comparison between perpetual inventory records and physical inventories. The bookstore manager indicated physical inventories are conducted in March and September, before books are ordered for the upcoming semester, and also at the end of the fiscal year, in June, for inclusion on the college's balance sheet. However, no documentation is maintained of the difference between perpetual inventory records and the physical counts. As a result, there is no documented analysis by management of any loss or shrinkage in inventory or other differences between physical inventory counts and perpetual inventory records.

Documentation of differences between perpetual inventory records and physical counts should be maintained to ensure inventory shrinkage, including the possibility of theft, is properly analyzed. The amount of inventory shrinkage could be compared to a benchmark, such as the national average for similar retail operations.

- The value of books purchased from students is not reconciled to the amounts credited against student accounts. Twice a year the bookstore buys used textbooks back from students and gives the students credit on their individual student accounts that can be used for the next semester or the student can access the funds on their school identification card/debit card. Annual credits to student accounts for textbooks purchased from students total approximately \$580,000.

To ensure credits issued to student accounts are proper and to reduce the risk of theft of textbook inventory, the value of used textbooks purchased from students should be compared to the total credits posted to student accounts.

## 1.3 Book returns

The college has not established adequate segregation of duties regarding the billing for and receipt of monies related to textbooks returned/resold to vendors. During the 2 years ended June 30, 2012, the bookstore manager sent invoices totaling approximately \$480,000 to vendors for the return of books, and also received refund checks and credit memos associated with these invoices.



## Crowder College Management Advisory Report - State Auditor's Findings

Additionally, the numerical sequence of invoices was not accounted for properly. There were 447 invoice numbers used during the 2 years ended June 30, 2012; however, documentation of only 420 invoices could be located. The bookstore manager believes the computer system may not be tracking the numbers associated with incomplete invoices; however, the exact reason for the missing invoice numbers could not be determined.

Differences between the amount of refunds or credit memos received from the vendors and the amounts invoiced were not always investigated and adequately documented. For example, we reviewed four return invoices totaling approximately \$49,000 for which the college received refund checks totaling only approximately \$34,000. No documentation to support the \$15,000 difference was available. The bookstore manager stated some invoices were inaccurate and showed more books than actual were returned to the vendor.

To safeguard against possible loss, theft, or misuse of funds and provide adequate oversight, the college accounting department should receive refund checks/credit memos and procedures should be put in place to account for all invoice numbers and to investigate and document the reasons for the differences between amounts invoiced and amounts received.

### 1.4 Bookstore software

The software system used by the bookstore does not provide an adequate audit trail of all transaction numbers and several unexplained discrepancies were identified in transaction amounts.

All of the bookstore locations operate the same computerized accounting software system, a system specifically made for college bookstores. The bookstore has been using this particular computerized software system for approximately 7 years. The software is used for the cash register system, perpetual inventory, and invoicing vendors for returned books and also has a book buyback feature. The software provider went out of business in 2012, leaving the bookstore without technical support for the program.

#### Transaction numbers

The numerical sequence of transaction numbers assigned by the bookstore computerized accounting system is not accounted for properly.

Bookstore transactions are assigned a sequential number, but one numerical sequence is used among all the campuses for receipt transactions rather than a unique sequence at each individual bookstore. Personnel of the main campus bookstore or the accounting department do not ensure all transaction numbers are accounted for when bookstore receipts are deposited. We attempted to account for the numerical sequence of 921 bookstore transactions for a 2 day period and noted 109 missing transaction numbers, or 11.8 percent of the transactions reviewed. Prior to our inquiry the bookstore manager had not attempted to account for receipt numbers and



## Crowder College Management Advisory Report - State Auditor's Findings

an audit trail of missing transactions could not be located on the computer system.

To ensure all monies received are properly recorded and deposited and reduce the risk of loss, theft, or misuse of funds, the college should ensure adequate controls are put in place that allow for the accountability of the numerical sequence of all transaction numbers.

### Transaction discrepancies

Several discrepancies were noted within the cash register system function of the software, some of which could not be explained by the bookstore manager.

We compared six cash register close out tapes, known as z-tapes, (which represented each of the main campus bookstore's three cash registers, over a 2 day period) to daily sales amounts generated from the same software system, and noted differences for three of the six reviewed. While these differences were generally less than \$5 each, this indicates errors within the system which the bookstore manager was aware of, but could not explain and the software provider is no longer available to provide support.

In addition to the six z-tapes we reviewed, the bookstore manager indicated there were three additional z-tapes from satellite bookstores over the 2 day test period which also had system errors related to them. While the amounts noted in our limited review represent small dollar amounts they raise questions about the overall reliability of the computer system as well as concern about oversight of accounting functions.

A reliable accounting and financial reporting system for the bookstore that has adequate technical support would help ensure efficient operation of an auxiliary operation that is a significant revenue source of the college.

### 1.5 Commissions

According to the bookstore manager the bookstore does not have written agreements with vendors that establish the amount of commissions earned when textbooks are occasionally resold by the vendor.

Written agreements are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions be in writing.

### 1.6 Segregation of duties

Duties related to purchasing, receiving, sales, physical inventories, and accounts receivable are not adequately segregated. The bookstore manager is ultimately responsible for all of these duties without adequate oversight by college administrators or personnel in the accounting department. Additionally, as noted above, numerous significant weaknesses exist in the bookstores computer system, inventory control, and financial monitoring that further justify the need for the college to implement substantial changes in bookstore operations.



## Crowder College Management Advisory Report - State Auditor's Findings

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. The current procedures do not provide for independent checks and balances. If duties cannot be adequately segregated, adequate oversight procedures should be put into place.

### Recommendations

The Board of Trustees:

- 1.1 Ensure detailed financial information of bookstore operations is prepared, reviewed by independent management personnel and reconciled to the college's accounting system.
- 1.2 Ensure differences between perpetual inventory records and physical counts are properly investigated and adequate documentation is maintained; and reconcile the value of textbooks purchased from students to credits issued to student accounts.
- 1.3 Adequately segregate the duties of preparing bookstore return invoices from receiving refund checks, establish procedures to account for the numerical sequence of invoice numbers, and investigate and maintain documentation to support differences between amounts invoiced and amounts received for book returns.
- 1.4 Implement a reliable bookstore computerized accounting system that includes technical support and ensures transactions are accounted for properly.
- 1.5 Enter into written contracts with vendors that establish the amount of commissions earned when textbooks are resold by the vendor.
- 1.6 Adequately segregate bookstore duties related to purchasing, receiving, sales, physical inventories, and accounts receivable. If this is not possible, at a minimum, college administrators should perform and document adequate oversight procedures.

### Auditee's Response

*The College is pleased that during the State Auditor's review, your office found there to be no questions of impropriety or misappropriation of funds. The Board of Trustees greatly appreciates the auditor's recommendations and is confident that they will assist us in improving internal controls. Crowder College will begin immediately to implement your recommendations as indicated below to help strengthen internal business practices.*



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Management Advisory Report - State Auditor's Findings

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- 1.1 *The Vice President (VP) of Finance and the President review the net income of the Bookstore prior to the Board of Trustees' meeting each month. The College will review procedures in place to determine if the preparation and review of detailed bookstore records should be better documented. In addition, analytics will be performed periodically by the VP of Finance office to check for reasonableness. Examples would include cost of goods sold, actual-to-perpetual inventory reconciliation, and book buyback amounts.*
- 1.2 *Bookstore personnel have examined discrepancies in inventory counts in the past, but have not kept adequate documentation of these reviews. In the future, actual-to-perpetual differences will be documented and retained, a dollar amount will be applied to the differences, and an analysis of the reasonableness of differences will be performed. This procedure has already been implemented during our annual inventory count for the year-end.*
- A method of reconciling and documenting textbook credits to student records will be established and reviewed periodically by College personnel independent of the transactions.*
- 1.3 *There are two types of invoices prepared by the Bookstore. One is designed to adjust inventory. For example, a coffee cup for resale breaks. The Bookstore creates an "invoice" to remove the cup from inventory. The second type of invoice example would be billing a school or vendor for textbooks sold. In order to account for all invoices, the Bookstore will begin sending a copy of all invoices created, in sequential order, to the Cashier's Office and the Director of Budgeting. Payments will then be received by the Cashier's Office who will match up and clear the outstanding invoice. Invoices designed to correct inventory will be kept to verify the sequence. This will allow the Cashier's Office to periodically review which invoices are outstanding and initiate follow up or collections as appropriate.*
- 1.4 *The College has engaged technical support for the bookstore software. A past employee of the software vendor has been retained to help program the changes recommended by this audit. Some changes have already occurred such as creating a new code to properly denote book buybacks from book refunds in the students' accounts. Completely replacing the bookstore software and moving to a new company is a substantial expenditure that is not considered necessary as long as the existing software can do what the College needs it to do. The College will undertake efforts to improve the reconciliation of bookstore software to the accounting software.*



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Management Advisory Report - State Auditor's Findings

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- 1.5 *Even though no evidence of impropriety exists, we agree with your recommendation and records of commission contracts will be requested and retained from vendors.*
- 1.6 *The College Chief Financial Officer (CFO) and President presently monitor bookstore activity through review of the financial statements on a monthly basis. Those reviews will be better documented moving forward. Increasing personnel is not economically feasible for a college and bookstore of our size. In light of the three person staff in the bookstore, the College will work to better oversee the bookstore with management personnel, the Cashier's Office and the Director of Budgeting.*

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## **2. Cashier's Office Controls and Procedures**

Control weaknesses exist related to accounting for receipts and deposits in the cashier's office of the main campus. This office processed transactions totaling approximately \$11.9 million during the year ended June 30, 2012.

### **2.1 Receipt numbers**

The cashier's office on the main campus in Neosho does not account for the numerical sequence of receipt numbers assigned by the computerized accounting system.

The computerized accounting system sequentially assigns a receipt number for all monies received through the cashier's office; however, receipt numbers can be deleted without an audit trail and receipt information can be edited after the receipt slip has been printed. In addition, the cashier's office was not aware that edited receipt information remained in the system and could be accessed. As a result, the cashier's office has not established procedures to review edited receipt information to investigate the propriety of changes.

We reviewed the numerical sequence of receipts recorded in the system from January 1 through June 20, 2012, and determined 153 receipt numbers were missing and 73 receipts had been edited. The college was unable to provide any documentation or explanation for the 153 missing receipt numbers or the reason why the receipt information needed to be edited. Of the 73 edited receipts, one receipt amount was reduced by \$330 and the method of payment (cash or check) appeared to be edited for several other receipts.

To ensure all monies received are properly recorded and deposited and reduce the risk of loss, theft, or misuse of funds, the college should work with the computer software vendor to ensure adequate controls are in place to allow the college to account for the numerical sequence of receipt numbers and prevent editing receipt information after the receipt is printed.





## Crowder College Management Advisory Report - State Auditor's Findings

### 2.2 Bank reconciliations

The college does not adequately reconcile the main depository bank account, and we identified a significant difference between the bank and book balances.

The college maintains a bank account for the deposit of all monies received, including credit card deposits. Credit card statements and bank statements are not properly compared to identify differences between credit card deposits and credit card receipts. As a result, significant differences between the bank account balance and the book balance are not identified during monthly bank reconciliations.

For example, the February 2012 bank reconciliation prepared by the college showed an unidentified difference of \$25,274. According to the Director of Accounting, the unreconciled amount varies each month and is due to credit card transactions for which she lacks the sufficient detailed information needed to further reconcile the balances. Our review of the February 2012 bank reconciliation identified items such as credit card refunds and disbursements that were not properly included on the bank reconciliation. After adjusting for these corrections, the reconciled bank balance totaled \$579,507 while the college's book balance was \$549,664 or a difference of \$29,843.

Approximately \$10 million is deposited into this account annually, and without adequate and accurate bank reconciliations and credit card reconciliations the college cannot ensure receipts and disbursements are accounted for properly.

### 2.3 Reconciliation of receipts to deposits

The cashier's office does not reconcile the composition of receipts to the composition of deposits.

The college allows individuals to cash personal checks or receive cash for credit card transactions up to \$10 per day for students and \$20 per day for employees, and allows employees to cash paychecks at the cashier's office. The computerized accounting system does not document when these cash disbursement transactions occur. As a result, the difference between the composition of receipts and the composition of deposits is not explained and documented. For example, on December 19, 2011, a deposit for \$9,465 included \$50 more in credit card receipts and \$50 less in cash receipts than recorded. The difference appears to be caused by individuals receiving cash for a credit card transaction, but it is not adequately documented by the cashier's office.

To ensure all receipts are accounted for properly and deposited intact, the composition of receipts should be reconciled to the composition of the bank deposits, and when cash is disbursed to students and employees, these disbursement transactions should be documented and included in the reconciliation of receipts to deposits.



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Management Advisory Report - State Auditor's Findings

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## 2.4 Segregation of duties

The college could improve the segregation of duties within the cashier's office. The Accounts Receivable Manager, who is the supervisor of the cashier's office, makes adjustments to student accounts and also occasionally receives payments. Further, employees in the cashier's office who receive payments also have the ability to make adjustments to student accounts, such as reducing application fees, and posting scholarships and other non-monetary transactions.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory or independent reviews of the records should be performed and documented.

## 2.5 Deposit forms

The college does not adequately control departmental deposit forms used by college departments to document the remittance of receipts to the cashier's office for deposit.

Various college departments collect some student fees or other payments and subsequently remit these monies to the main campus cashier's office along with a departmental deposit form documenting the deposit date, amount, revenue classification, and signature of the depositor. These forms are not pre-numbered to provide accountability over the remittance of monies to the cashier's office.

To ensure all receipts are properly transmitted and deposited, these forms should be pre-numbered and the numerical sequence accounted for properly.

## Recommendations

The Board of Trustees:

- 2.1 Work with the computer software vendor to ensure adequate controls are in place to account for the numerical sequence of receipt numbers assigned by the college's computerized accounting system, including deleted receipts, and prevent the editing of receipt transaction information after the receipt slip has been printed.
- 2.2 Ensure bank reconciliations are properly performed.
- 2.3 Ensure the composition of receipts is reconciled to the composition of the bank deposits.
- 2.4 Segregate accounting duties in the cashier's office to the extent possible. If proper segregation of duties cannot be achieved, an independent review of the work performed is necessary.



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- 2.5 Ensure departmental deposit forms are pre-numbered and the numerical sequence is accounted for properly.

## Auditee's Response

- 2.1 *The College shares this concern which is reflective of a shortcoming in the computer management system used by the college. For example, when a credit card payment is automatically received by the system it creates a receipt without any student identifier. When the Cashier's Office matches the payment with the appropriate student and enters the student information, a new receipt is created that replaces the initial receipt. Only deep within the database is the original receipt even noted.*

*It appears that the newest release of the Accounts Receivable module from the College's vendor will correct this matter and allow for a clean audit trail. In addition, the College's Head Cashier has agreed to serve on the vendor's advisory committee for this module. The College will work to strengthen the inherent control weaknesses caused by the software program.*

- 2.2 *The College has already changed this process. The credit card processor is now reporting each individual credit card transaction so that reconciliation can be done at the individual transaction level rather than the batch level. The CFO will monitor this until properly reconciled.*

- 2.3 *We acknowledge and appreciate that all audit tests of deposits performed by the State Auditor's Office were found to be deposited correctly. The reason for the difference in composition of the deposits and receipts results from check cashing that occurs in the Cashier's Office. The visiting auditor reports that this is a common occurrence in college cashier's offices and had no problem with the practice of cashing checks; many of which are college-issued. The College will implement a procedure by which a reconciling slip will be placed with the deposit that notates the dollar amount of checks that were cashed, thus reconciling the difference between the receipts cash and the deposit cash.*

- 2.4 *The Cashier's Office attempts always to have one of the two cashiers in the office, including staggering lunch breaks so that the Head Cashier does not have to work the window. However, with only three in the office, it does occasionally occur that the Head Cashier will process a student payment. In order to be more involved because of the inherent problem of a small staff, the CFO will periodically review the work of the Cashier's Office. In addition, although not a specific recommendation, the two cashiers*



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*who take student payments are no longer able to make adjustments to student accounts.*

- 2.5 *The College recognizes and understands the concerns addressed by this recommendation. The complexity of the College and the decentralization of some departments make this a challenging endeavor. However, the College will work with all departments to establish better deposit controls.*

### **3. Satellite Campus Receipting and Depositing Controls and Procedures**

Weaknesses exist in receipting, depositing, and cash handling procedures at college satellite locations.

Crowder College has satellite campuses in Webb City, Cassville, and Nevada. The college also has sites, although not officially considered campuses, in Mt. Vernon and Monett. These satellite locations collect monies for various things such as books, class fees, tuition, and supplies. These satellite locations collected approximately \$667,000 and \$548,000 for the years ended June 30, 2012 and 2011, respectively.

Monies received at satellite locations are deposited by personnel of these campuses into a local bank. A deposit report listing receipts included in the deposit, along with copies of the receipt slips, is forwarded to the main campus accounting office for posting to the college's accounting system. Our audit found numerous weaknesses in the receipting and depositing process.

- Satellite locations did not issue receipt slips for some monies received, and some receipt slips issued were not dated or issued in numerical sequence. Multiple receipt books with varying sequences are used simultaneously and new receipt books do not always begin in numerical sequence with the previously used receipt book. We also observed numerous undated receipt slips issued, including large cash receipts for \$727 and \$430.
- Numerous receipt slips were missing or not retained by some satellite locations. For example, the Cassville campus destroyed receipt books prior to January 27, 2012, and other satellite locations were missing numerous individual receipts as well as complete receipt books.
- Satellite locations submitted deposit reports to the accounting office that were not always complete or accurate, and copies of receipt slips were not always included with the reports. For example, a deposit report from the Cassville campus totaling \$1,679 was manually changed to \$1,579 with no documentation to explain the change.



## Crowder College Management Advisory Report - State Auditor's Findings

- Satellite locations did not always deposit monies received timely and intact. For example, a deposit made by the Cassville campus on January 27, 2012, for \$1,549, (\$1,019 of which was cash) included monies received 8 days prior to the deposit. Additionally, \$3,429 (including \$2,605 cash) deposited by the Nevada location on January 17, 2012, included receipts dating back to January 5, 2012; however, three other deposits were made between these dates.

Because of the lack of receipt records and the poor receipting procedures at satellite locations, the college cannot demonstrate that monies received were accounted for properly. To adequately safeguard receipts and reduce the risk of loss or misuse of funds, receipt slips should be issued in numerical order for all monies received which include the date issued, and the receipt books should be retained to ensure the validity of transactions and provide an audit trail. Depositing receipts timely and intact is necessary to properly safeguard receipts. Additionally, reconciling receipt slip amounts to deposits helps ensure all receipts are accounted for properly.

## Recommendations

The Board of Trustees implement procedures at satellite locations requiring receipt slips to be issued for all monies received and personnel to reconcile the composition of receipt slips to the composition of deposits, and ensure monies collected by satellite locations are deposited timely and intact.

## Auditee's Response

*The CFO will prepare a uniform deposit template to be used by all satellite locations to ensure consistent reporting of deposits. Renewed efforts will be made to require deposits to be made daily and to ensure that the pre-numbered, sequential deposit books given to them are used in the proper order.*

## 4. Alliance for Business Controls and Procedures

Control weaknesses exist in receipting, depositing, and cash handling procedures related to the Alliance for Business (Alliance).

The Alliance is a joint venture between Crowder College and Missouri Southern State University to provide a large range of training, assessment, and consulting services to local businesses located in the nine county area served by the college. Accounting functions of the Alliance are handled by Crowder College. The Alliance received and transmitted to the college \$79,634 and \$322,602 for the years ended June 30, 2011 and 2012, respectively.

### 4.1 Segregation of duties

The college has not adequately segregated duties related to billing clients and receiving payments, and invoices sent to clients are not pre-numbered. An Alliance employee bills clients for services provided and receives payments from the clients. Further, invoices sent to clients are not filed with the cashier's office, where payment is recorded in the college's accounting system.



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Properly segregating the duties of billing clients from receiving payments helps ensure all transactions are accounted for properly and assets are adequately safeguarded. To ensure all invoices are accounted for properly, these forms should be pre-numbered and should be filed with the cashier's office.

#### 4.2 Receipt record

The Alliance employee does not record the receipt of payments. A record of the receipt is prepared by the main campus accounting office after it has been forwarded by the Alliance along with a departmental deposit form.

To adequately account for all monies received by the Alliance, official pre-numbered receipt slips should be recorded at the time of receipt.

#### 4.3 Written agreement

The Alliance has not entered into a written agreement with an individual for training and consulting services on efficient manufacturing techniques provided to area businesses. Payments to the consultant totaled approximately \$38,000 during the 2 years ended June 30, 2012.

A formal agreement is necessary to ensure the college and the consultant are aware of their duties and responsibilities and to provide protection to both parties.

### Recommendations

The Board of Trustees require the Alliance for Business:

- 4.1 Properly segregate the duties of preparing client billings from receiving payments and ensure invoices are pre-numbered.
- 4.2 Issue pre-numbered receipt slips at the time of receipt.
- 4.3 Enter into a written agreement with the Alliance consultant.

### Auditee's Response

- 4.1 *The Alliance will send copies of all pre-numbered invoices to the Cashier's Office. The Cashier's Office will match up deposits when received. A periodic review of open invoices will allow the Head Cashier to follow up on outstanding invoices. In addition, a periodic review by the Associate Vice President (VP) of Academic Affairs, matching the invoices held by the Cashier's Office with the past and current jobs performed by the Alliance, will verify the completeness of the invoices in the Cashier's possession.*
- 4.2 *The College plans to require that all payments for services by the Alliance be made to the Cashier's Office. This will mean that the Alliance will not have to handle payments. The sequential receipting would then be handled by the Cashier's Office, which will have pre-numbered deposit slips.*



## 5. Procurement Policies and Expenditures

### 5.1 Procurement policy

#### Lack of bidding

4.3 *The College will implement contracts for part-time trainers that are similar to our adjunct teacher contracts. These contracts will list the requirements and duties for each training project.*

The college's procurement policy does not provide adequate guidance to employees, the policy is not always followed and many purchases are not bid. In addition, improvements need to be made with regard to procurement card procedures, payment processing, and food purchases.

The college's procurement policy has not been updated in many years and does not adequately address all aspects of procurement. The policy does not address how bids are to be solicited or when sealed bids are to be used, or distinguish the handling of professional service from other purchases. Our audit identified several examples of poor procurement procedures.

The college did not bid several purchases.

- Travel arrangements for college sponsored trips are made exclusively through a local travel agency. College personnel indicated the college does not bid the travel expenditures or do any price comparisons because it prefers to use local vendors when possible. The college paid approximately \$70,000 to the travel agent for travel costs related to trips to France and Costa Rica during the 2 years ended June 30, 2012.
- The college has not solicited bids for electrical services in more than 5 years, but has continued to use the same individual. Approximately \$37,000 was paid to the electrical contractor during the 2 years ended June 30, 2012.
- The college contracted with an individual to provide construction labor for the remodel of the college bookstore which led to additional on-campus projects. The college did not solicit bids for the remodel of the bookstore or additional construction services totaling approximately \$17,000.
- The college did not solicit bids for a copy machine costing \$5,577. College personnel indicated the vendor was selected because the vendor services other machines on campus.

A comprehensive procurement policy addressing how bids are to be solicited would provide a more effective framework for economic management of college resources. Competitive bidding not only ensures the college is complying with its policies, but also helps ensure the Board has made every effort to receive the best and lowest bid, ensures all parties are given an equal opportunity to participate in college business and provides



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for economic management of college resources. Documentation of bids should always be retained as evidence the established purchasing procedures are being followed and to support decisions made. Documentation of bids should include, at a minimum, a listing of vendors from whom bids were requested, a copy of the request for proposal, a newspaper publication notice where applicable, a copy of all bids received, a summary of the basis and justification for awarding the bid, and documentation of all discussions with vendors.

### Professional services

The college did not solicit competitive proposals for several types of professional services.

- The college paid a grant consultant \$69,991 during the 2 years ended June 30, 2012, without soliciting proposals. College personnel indicated the vendor was chosen based on the vendor's previous success with grant awards.
- During the 2 years ended June 30, 2012, the college paid a security company \$75,627 to supplement college security personnel during weekends and holiday periods without soliciting proposals. The contract with the vendor has been in place since 2005.
- Proposals have not been solicited since 2006 for legal services. Amounts paid to the firm totaled \$53,309 during the 2 years ended June 30, 2012.

A more comprehensive procurement policy addressing the solicitation and consideration of proposals for professional services would provide a more effective framework for economic management of college resources. While professional services, such as consultants and attorneys, may not be subject to standard bidding procedures, the college should solicit proposals for professional services to the extent practicable. Soliciting proposals and subjecting such services to a competitive selection process does not preclude the college from selecting the vendor or individual best suited to provide the service required. Such practices help provide a range of possible choices and allow the college to make a better-informed decision to ensure necessary services are obtained after taking expertise, experience, and cost into consideration.

### 5.2 Prevailing wage requirements

The college did not include prevailing wage requirements in its request for proposals, and as a result, paid a contractor \$6,186 more than the bid amount to construct a parking lot. According to bid documentation a company bid \$55,103 to construct a parking lot at the Nevada campus; however, the college paid the contractor \$61,289. College personnel indicated the amount paid was greater than the accepted bid price because the vendor was not aware of the requirement to pay prevailing wages, and the college failed to include this requirement in the bid specifications.





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It is not clear from the bid documentation whether or not contractors included prevailing wage requirements in their bid calculations. As a result, there is no assurance the lowest and best bidder was awarded the contract. To ensure all bidders are on a level playing field the requests for proposals should include all applicable specifications, including prevailing wage requirements.

### 5.3 Procurement cards

The college has not established policies concerning procurement cards. During the 2 years ended June 30, 2012, procurement card purchases totaled approximately \$540,000.

Procurement cards are official VISA and MasterCard credit cards designed to provide a more convenient procurement method than the purchase order system. The college has issued approximately 65 procurement cards to employees with monthly credit limits ranging from \$500 to \$17,000. College personnel indicated informal guidelines are provided to some, but not all card holders. To adequately control the use of procurement cards, college policies should provide guidance concerning the issuance, handling, usage, and reconciliation procedures for college issued purchase cards.

### 5.4 Payment processing

The college processed some payments without the payment request forms required by college policy.

College policy requires payment request forms to accompany invoices submitted for payment. The form documents supervisory approvals, coding information, and description information, and requires the requestor to indicate if the purchase was bid or an explanation of why bids were not obtained. The Accounting/Finance Department and Physical Plant Department submitted invoices that were processed without the use of payment request forms. While supervisors documented supervisory approval and coding information directly on the invoice, documentation regarding the bidding process was not included.

To ensure all payments are processed in accordance with college policy, payment request forms should be used as required.

### 5.5 Food purchases

The college does not have a comprehensive policy related to food purchases and does not adequately track the cost of food purchases.

While the college often purchases food for employee luncheons, department meetings, and other employee or Board of Trustee events, the only food policies maintained by the college relate to employee travel. Additionally, the college is unable to determine total food costs, because food purchases are posted to a variety of financial statement accounts, such as "travel" and "other". Some purchases are posted to inappropriate accounts. For example, a \$118 food purchase from a fast food restaurant was posted to "office



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supplies." We searched the accounting records for disbursements related to food purchases and identified approximately \$42,000 spent during the year ended June 30, 2012.

To ensure food purchases are properly monitored, the college should ensure food purchases can be tracked in total and expenditures are accurately identified in the college's accounting system. In addition, a comprehensive policy regarding food purchases would also help to further control or reduce expenditures in this area.

### 5.6 Credit card convenience fees

The college allows student accounts to be paid with personal credit cards; however, credit card users are not charged a convenience fee to offset the related costs to the college. Currently, credit card fees are absorbed by the college. The college paid approximately \$82,000 in related credit card fees during the 2 years ended June 30, 2012.

According to college personnel, accepting credit cards as a method of payment is worth absorbing the related fees since the college receives the payments and does not have to try to collect later through debt collections. In addition, college personnel indicated it was the decision of the college not to burden students with additional fees.

Considering the costs of credit card fees paid by the college, the college should reconsider if absorbing these costs outweighs the benefits of not charging credit card convenience fees.

## Recommendations

The Board of Trustees:

- 5.1 Revise college procurement policies to include adequate guidance on the method of soliciting bids, including when sealed bids are to be used, the solicitation and consideration of proposals for professional services, and required bidding documentation.
- 5.2 Ensure requests for proposals include all specifications, such as prevailing wage requirements.
- 5.3 Establish policies to provide guidance concerning the issuance, handling, usage, and reconciliation procedures for college issued procurement cards.
- 5.4 Ensure payment request forms are prepared for all payments processed.
- 5.5 Monitor the cost of and develop a comprehensive policy regarding food purchases.



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5.6 Reconsider the decision to absorb credit card fees.

## Auditee's Response

5.1 *The College appreciates this recommendation and is undertaking a review of all policies and procedures related to billing and procurement this year, including the dollar amounts that items must be bid and advertised for bids.*

*The College would like to clarify a few of the items related to vendors:*

1) *The amount paid to the travel agent included the cost of flight tickets, accommodations, transportation, etc. The travel agent only charged the College a small, per-ticket fee for the booking. Neosho only has one travel agent and the rates charged are minimal. The actual charges to the college for services would not exceed our bidding minimum.*

2) *From 2004-2006 a different grant-writing firm was paid \$17,320 and did not write one successful grant. In November 2009, a grant-writing consultant was brought back in to discuss before College Council what they could do. The grant consultant was then selected based upon qualifications. They were contracted on a contingency basis. Since 2010 the College has received \$964,000 in Title III grants and the consultant has received nothing if grants are not obtained.*

3) *The security company used allows the College to provide part-time security at satellite locations without having the added costs of employee benefits. A periodic calculation is done to make sure that this arrangement is in the best interest of the College. Going forward, the rates charged by the company will be periodically bid.*

4) *The board will implement a policy in accordance with Missouri statutes to seek bids for legal services as required.*

5.2 *The College issues many requests for proposals and it was determined that one failed to mention the prevailing wage requirement. The College will continue to make sure that all future solicitations include the prevailing wage language.*

5.3 *The College will review and update, where necessary, policies for the use of procurement cards. The College will periodically ask its external auditors to perform certain agreed upon procedures to the*



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*procurement practices being followed to verify the implementation and integrity of stated procedures.*

- 5.4 *The College will continue to use its required payment request forms and feels that controls over the accounts payable process are strong. Some departments (example: Maintenance) send through invoices directly for payment after the purchase has taken place. This is due to the time sensitive nature of the items the department needs. For example, when a sewer line backs up in the residence halls, it must be repaired immediately. In these instances, all invoices are approved by the department head and the appropriate VP before a check is issued. If questions arise as to why a product was ordered or a vendor used, the matter is dealt with immediately because all invoices are reviewed.*
- 5.5 *The College is a cost-conscious institution that monitors the cost-benefit value of all purchasing. Food purchases cover a wide variety of college-related activities: professional development (on campus or traveling), fund raising, entertaining, recruiting, etc. The College has modest per-diem rates in place to insure that individual food purchases are reasonable. Department heads and vice-presidents monitor their budgets to make sure food costs are controlled. The College will continue to evaluate the benefits of all food purchases.*
- 5.6 *The College has reviewed this decision on several occasions in the past. The Auditor's Office is in agreement that the amount of credit card fees absorbed by the College on the students' behalves is a relatively low percentage compared to some institutions. The College considers it a prudent cost of business as the College gets 100%, immediate receipt of payments made on credit cards. If it were a deterrent to pay with a credit card, the College believes it would spend more in collections and/or bad debts than what it costs to process the credit card payment. The College will continue to monitor this. The Board of Trustees believes that absorbing the fees is a benefit to the students and college alike.*

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## 6. Salary Procedures

Salaries of some employees do not agree to salary schedules and adequate documentation and authorization are not always maintained for overload salary payments.

### 6.1 Salary schedule

Some employee salaries do not agree to college salary schedules. The college has three different salary schedules which are updated each fiscal year for classified staff, professional, and faculty. We reviewed the authorization and supporting documentation for the salaries of eight college employees and noted the amount paid to two employees was approximately



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2 percent more than amounts shown on the applicable salary schedule. The Director of Human Resources indicated raises are sometimes given to employees at a certain percentage of their current pay and this will not always correspond to the applicable salary schedule; however, variances from the salary schedule were not documented in employee personnel files.

To ensure salary amounts paid to employees are accurate, adequate documentation should be maintained to document reasons why salaries or pay rates for some employees do not agree with the approved salary schedules.

### 6.2 Overload pay

The college does not always document extra duty compensation in written agreements. Faculty and other professional employees sometimes receive additional compensation, referred to by the college as overload pay, for extra duties which primarily include teaching courses beyond their normal workload. While the college had written agreements for overload salary payments for the summer semester, there were no agreements for overload pay during the fall and spring semesters. Overload payments to Crowder faculty and employees who accepted extra duties totaled \$259,105 and \$230,479 for the spring and fall 2012 semesters, respectively. In addition, overload salary agreements are not always properly approved by supervisors. For example, a department chairperson approved his own overload salary agreement for the summer semester of 2012 for \$2,400.

Written agreements should exist for all overload work assignments documenting the amount of compensation for the additional duties, and should be approved by an appropriate supervisory authority.

## Recommendations

The Board of Trustees:

- 6.1 Ensure adequate documentation to support employee authorized compensation is maintained.
- 6.2 Ensure written agreements documenting the amount of agreed upon extra duty pay are maintained and approved by an appropriate supervisor.

## Auditee's Response

- 6.1 *The College maintains contracts for all full-time and part-time salaried staff. In addition, the College issues contracts to all adjunct faculty. Overloads, extra-duty stipends, and other additional compensation are approved by supervisors prior to being processed by Human Resources (HR) and/or the appropriate VPs' office. Then the additional amount is reported to the payroll office. In some cases this has been handled by email and documentation has not been kept in the file.*



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*The College, working through the HR Department, will audit this and complete documentation. In addition, procedures will be established to determine how the proper documentation should be prepared and placed in the employees' files.*

6.2 This will be addressed with the procedures explained in 6.1.

## 7. Vehicle Usage and Fuel Logs

The college does not maintain mileage logs for some vehicles, and has not established adequate monitoring procedures over fuel purchases.

The college has a total of 68 vehicles, trailers, and all-terrain vehicles. Documentation of trip purpose and vehicle mileage is not maintained by several areas of college operation. For example, transport training, security, and the Alliance for Business operations do not track vehicle usage. As a result, it is not clear if all college vehicles are being utilized. In addition, college personnel purchase fuel with 64 fuel cards from three different vendors; however, mileage is not recorded when fueling vehicles, and the fuel used is not reviewed or reconciled to fuel purchases to determine if the amount of fuel used is reasonable. The college purchased fuel totaling approximately \$102,000 and \$79,000 for the years ended June 30, 2012 and 2011, respectively.

Mileage logs are necessary to document the appropriate use of vehicles, support fuel charges, and ensure vehicles are being utilized. Procedures for reviewing fuel used and reconciling use to fuel purchases are necessary to ensure the reasonableness and propriety of fuel use and disbursements. The failure to account for fuel use could result in theft and misuse going undetected.

### Recommendation

The Board of Trustees require usage logs be maintained for all college-owned vehicles, periodically reconcile fuel purchased to amounts used, investigate any significant discrepancies, and dispose of any unused vehicles.

### Auditee's Response

*The college acknowledges that it has an exceptionally large list of vehicles for an institution of its size, largely because of its truck driver training program and college farm. (Eleven tractor-trailer rigs, twenty trailers, and 5 ATVs.) The College has already implemented the mileage tracking and analytics on usage. The College will also periodically evaluate the use and value of each vehicle.*

## 8. Information Security

The college has not developed an adequate formal disaster recovery plan or performed background checks for all employees with access to sensitive information.

### 8.1 Disaster recovery plan

An adequate disaster recovery plan has not been developed to help ensure the college can promptly restore computer operations in the event of a



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natural disaster or other major disruptive event. The current disaster recovery plan provides some basic information, such as names and numbers of key contact people, but does not include procedures for implementing or activating disaster recovery. For example, the plan does not include a prioritized list of critical systems or detailed procedures for restoring these systems, and does not identify or specify responsibilities for carrying out the disaster recovery plan.

A comprehensive written disaster recovery plan should include plans for a variety of disaster situations and specify detailed recovery actions required to reestablish critical computer and network operations. In the case of a disaster or other disruptive event, such documentation can reduce confusion and provide a framework for the uninterrupted continuance of operations. Once an adequate disaster recovery plan has been developed and approved, the plan should be periodically tested and reviewed.

### 8.2 Background checks

Some current information technology employees did not receive background checks prior to employment. According to accepted standards<sup>1</sup>, background checks should be performed for new employees and periodically for current employees dependent on the sensitivity and/or criticality of the job function. Without performing appropriate background investigations, there is an increased risk of exposing sensitive information to an employee with a criminal background.

### Recommendations

The Board of Trustees:

- 8.1 Develop a comprehensive disaster recovery plan, and periodically test and evaluate the plan.
- 8.2 Identify sensitive employee positions and perform periodic background checks for these employees.

### Auditee's Response

- 8.1 *The College Information Technology Department has a disaster recovery plan that indicates all important contact persons (including company, phone number and email address), critical software information, and backup strategies. The College also keeps backups in the College Federal Emergency Management Assistance (FEMA) shelter, in off-site storage and will soon be adding a redundancy at the McDonald County Campus. The College also periodically tests and evaluates the plan each time a server has to be formatted and brought online. The College will work to continuously improve our plan by adding additional contact*

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<sup>1</sup> COBIT 5 Enabling Processes, AP007 Manage Human Resources. © 2012 ISACA. All rights reserved. Used with permission.



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*information on key personnel and by searching best practices of other institutions.*

8.2 *The College has discussed this previously and the College and Board of Trustees will review existing policies and/or procedures to determine who merits periodic checks and what should be put in place to perform periodic background checks on these personnel.*

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## 9. Closed Meeting Minutes

Minutes are not prepared for closed session meetings of the Board of Trustees. Ten closed session meetings were held by the Board during the 2 years ended June 30, 2012, and open session meeting minutes indicated no decisions were made during the closed sessions.

Section 610.020, RSMo, requires governmental bodies to prepare and maintain minutes of open and closed meetings, and specifies details that must be recorded.

### Recommendation

The Board of Trustees ensure minutes are prepared and retained for all closed meetings.

### Auditee's Response

*The Board of Trustees will fully comply with Missouri law to insure that minutes are prepared and retained for all closed meetings.*

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## 10. Foundation Subsidization

The college subsidizes certain operating expenses of its foundation which may violate the Missouri Constitution.

The Crowder College Foundation, Inc., established in 1965, is a not-for-profit 501(c)(3) tax exempt organization. The foundation encourages and supports giving for the benefit of Crowder College. The foundation acts as the principal organization through which private gifts are made and administered for the benefit of the college.

The college's Director of Development and Grants performs work for both the foundation and the college, but is paid entirely with college funds. Neither the college nor the foundation maintain records to track whether time worked is related to the foundation or to college matters. For the year ended June 30, 2012, the Director's salary was approximately \$70,000.

Additionally, the college provides office space on campus to the foundation, and the foundation is also a named insured on the college's property and general liability insurance coverage.

The practice of subsidizing the foundation with college funds may constitute the granting or lending of public funds to a private entity which is prohibited by Article III, Section 38(a) and Article III, Section 39(1) Missouri Constitution.





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## Recommendation

The Board of Trustees discontinue the practice of subsidizing operations and activities of the foundation.

## Auditee's Response

*The Crowder College Foundation was created by the Board of Trustees in 1965 solely to benefit the college and the students it serves. The role of the Crowder College Foundation is to support Crowder in carrying out its mission, and without exception, this is what it has done. The Foundation has received over \$5,000,000 in donations and pledges over the last five years. Case law interpreting Article VI, Section 25 of the Missouri Constitution holds that there is no violation of the prohibition to grant public funds to a private entity, in this case a 501(c)(3) organization, when public funds are spent for public purposes. As such, any funds expended by the College in support of the Foundation are for public purposes specifically related to college programs and activities. It is for this reason that the College affirms its belief that College support of the Foundation is legal and within the parameters of the Missouri Constitution.*

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# Crowder College

## Organization and Statistical Information

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Crowder College, located in Neosho, Missouri, was established in 1963 as the Community College District of Newton-McDonald Counties. The college is named for General Enoch Crowder, a prominent Missourian. The college commenced operations in the remaining buildings from Camp Crowder, a camp built as part of the build-up to World War II. Leaders of the two-county area envisioned the potential for creating a junior college from the remains of the camp, and through their work, Crowder College became a reality. In the fall of 1964, the college began operation with 378 students. Today, the college enrolls over 5,000 college credit students and several thousand others annually in industrial training, family literacy programs, and continuing education.

In addition to the main campus in Neosho, Crowder operates three instruction centers in the surrounding towns of Cassville, Nevada, and Webb City. Crowder College also offers classes in various towns throughout the nine county service area including Carthage, Greenfield, Lamar, Pineville, Anderson, Monett, and Mt. Vernon. The college's nine county service area includes the counties of Newton, McDonald, Barry, Lawrence, Jasper, Barton, Dade, Cedar, and Vernon.

In the fall of 2012, the college's combined fall student enrollment for all campuses totaled 5,590. The college employed 460 full-time, part-time and student employees, including 6 executives, 15 other administration, 170 staff, 220 faculty and 49 student employees as of June 30, 2012.

The college is governed by a six member Board of Trustees. Board members are elected in the April general election in odd-numbered years, with each term running for 6 years. The Board functions as the legislative and policy-making body of the district, charged with the oversight and control of the college. The Board is responsible for defining the purpose of the college, developing and adopting the mission statement, appointing the president of the college, and approving all personnel and financial dealings. Board of Trustees meetings are held the fourth Thursday of each month in the Student Center and are open the public.

### Board of Trustees

Name	Position	Term Ends
Andy Wood	President	2013
Rick Butler	Vice President	2017
Vickie Barnes	Treasurer	2013
Al Chapman Ph.D.	Secretary	2015
Diane Andris	Board Member	2015
James B. Tatum	Board Member	2017



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## Executive Officers

The direction of daily operations is the responsibility of the administrative employees who serve under the leadership of the college president. These employees and their annual compensation as of June 30, 2012, were as follows:

Name	Position	Compensation
Dr. Alan Marble	President	\$145,673 (1)
Dr. Jim Cummins	Vice President of Finance	\$105,000
Dr. Glen Coltharp	Vice President of Academic Affairs	\$105,000
Dr. Nicole Striegle	Vice President of Student Affairs	\$105,000
Amy Rand	Associate Vice President of Academic Affairs	\$74,027
Ken Rhuems	Associate Vice President of Careers and Technical Education	\$80,707

(1) Includes \$133,673 salary, \$6,000 housing allowance, \$3,000 automobile allowance, and \$3,000 annuity.

## American Recovery and Reinvestment Act 2009 (Federal Stimulus)

According to college personnel, the college was awarded stimulus funding from the American Recovery and Reinvestment Act of 2009, as follows:

A \$83,481 Recovery Act: Scholarships for Disadvantaged Students grant was awarded by the U.S. Department of Health and Human Services for scholarships to eligible students. As of June 30, 2012, \$83,481 was received and expended by the college related to this grant. According to college personnel funds from this grant were spent on student scholarships. No jobs were created with this funding. The college does not anticipate any additional funds to continue this program.

A \$3,576,760 Recovery Act: High Growth and Emerging Industries grant was awarded by the Department of Labor. As of June 30, 2012, \$1,614,314 was received and expended by the college for personnel and equipment related to the development of training programs. Ten positions have been created with the funding. The college estimates it will be able to retain nine of these positions once the grant funds are expended. The exact number of grant funded positions to be retained by the college will be determined at a later date. These positions will be funded by college general revenues at the end of the grant.

A \$191,182 grant was awarded from the U.S. Fish and Wildlife Service for the construction of a solar water heating system at the nearby Neosho National Fish Hatchery. As of June 30, 2012, \$78,925 was received and expended by the college related to this grant. As a result of this funding 1.08 jobs were created. The college is unsure if these jobs will be retained at the end of the grant and has no plans to fund this program after grant funds are expended.

A \$758,112 Recovery Act: Community Development Block Grant was awarded by the U.S. Department of Housing and Urban Development and passed through the Missouri Department of Economic Development and Newton County. As of June 30, 2012, \$758,112 had been expended. These



## Crowder College Organization and Statistical Information

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funds were used for training programs and equipment that included health care training, wastewater training, transport training, collision repair training, and pilots training. Three jobs were created with this funding. The college estimated that two of these jobs will be retained. The programs and positions funded will continue to be funded by the college upon the conclusion of the grant.

A \$301,031 Recovery Act: State Energy Sector Partnership and Training grant was awarded by the U.S. Department of Labor and passed through the Missouri Department of Economic Development - The Curators of the University of Missouri for the development of curricula needed for sustainable energy and energy efficiency education and training programs. As of June 30, 2012, \$106,097 was received and expended by the college related to this grant. As a result of this funding, 1.44 jobs were created. College personnel are unsure how many jobs will be retained after the funds are completely expended. College personnel also stated that the programs will likely be funded by the college once the grant funds are expended.

Financial information and an organization chart follow:

## Appendix A

### Crowder College

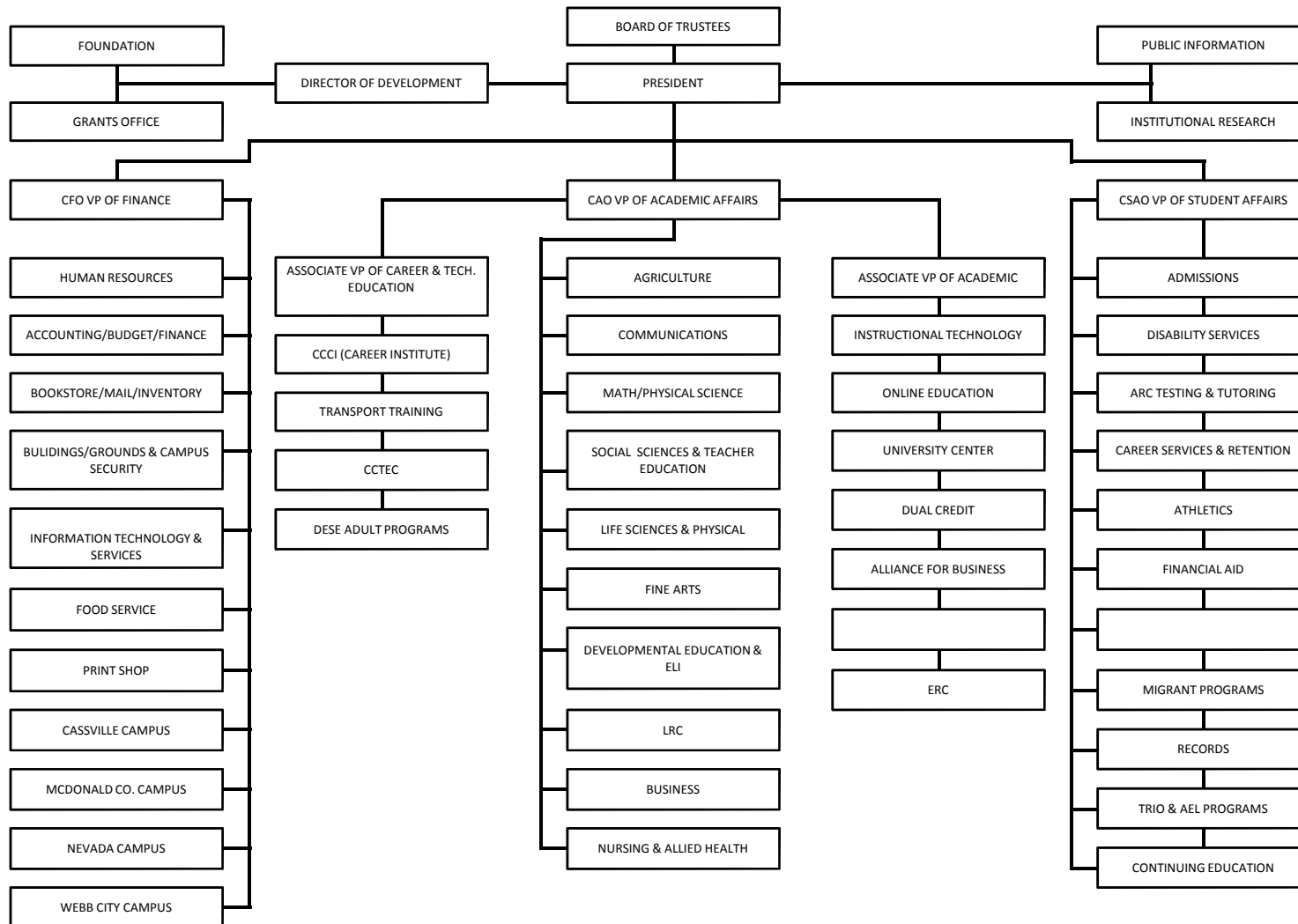
#### Revenues, Expenses, and Changes in Net Assets

	Year Ended June 30, 2012
<b>OPERATING REVENUES</b>	
Student tuition and fees (net scholarship allowances)	\$ 4,167,314
Federal grants and contracts	28,383,394
State and local grants and contracts	2,015,458
Auxiliary services revenues	3,881,342
Other operating revenues	2,882,445
Total Operating Revenues	<u>41,329,953</u>
<b>OPERATING EXPENSES</b>	
Compensation and benefits	19,122,288
Supplies and other services	8,913,921
Utilities	656,206
Depreciation	1,754,437
Scholarships and fellowships	10,340,563
Other operating expenses	1,014,520
Total Operating Expenses	<u>41,801,935</u>
Operating Loss	<u>(471,982)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
State appropriations	2,941,114
County property tax revenue	3,110,102
Gifts and donations	332,390
Investment income	13,565
Interest on debt related to property and equipment	(263,929)
Customized training	829,754
Other nonoperating revenues	0
Total Non-Operating Revenues (Expenses)	<u>6,962,996</u>
Increase in net assets	6,491,014
NET ASSETS, Beginning of Year	41,730,673
NET ASSETS, End of Year	<u>\$ 48,221,687</u>

Source: Crowder College's audited financial statements. The financial statements of the foundation are not included.

Appendix B

Crowder College  
Organization Chart  
June 30, 2012





Thomas A. Schweich  
Missouri State Auditor

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# INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

## Division of Credit Unions

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August 2013

Report No. 2013-084



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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Audit of the Department of Insurance, Financial Institutions and Professional Registration, Division of Credit Unions

Background	The Division of Credit Unions (DCU) of the Department of Insurance, Financial Institutions and Professional Registration regulates and examines state-chartered credit unions for solvency to protect depositors. The DCU is responsible for the examination, supervision, chartering, merger, and liquidation of all state-chartered credit unions. The DCU also responds to consumer requests or complaints regarding state-chartered credit union services or operations.
Credit Union Examinations	Section 370.120.1, RSMo, requires annual examinations of credit unions; however, examinations of qualifying credit unions may be extended up to 18 months. Criteria that may be considered when determining examination frequencies are specified in the Code of State Regulations, but the DCU does not document its consideration of the criteria when determining which credit unions qualify for an extended examination frequency.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.



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# Division of Credit Unions

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
John M. Huff, Director  
Department of Insurance, Financial Institutions and Professional Registration  
and  
Kenneth J. Bonnot, Director  
Division of Credit Unions  
Jefferson City, Missouri

We have audited certain operations of the Department of Insurance, Financial Institutions and Professional Registration, Division of Credit Unions, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2013, and 2012. The objectives of our audit were to:

1. Evaluate the division's internal controls over significant management and financial functions.
2. Evaluate the division's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the division; and testing selected transactions. Citing confidentiality requirements and pursuant to the confidentiality agreement entered into between the division and the State Auditor, the division did not permit us full access to the examination history tracking report or examination reports and related documentation. In addition, the division did not permit us to retain documentation of the work performed to support significant judgments and conclusions. As a result, we could not audit certain information because of the limitations the agreement imposed on the scope of our audit, and were unable to document specific records examined. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

Except as discussed in the second paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) no deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in a management practice and procedure. The accompanying Management Advisory Report presents our finding arising from our audit of the Department of Insurance, Financial Institutions and Professional Registration, Division of Credit Unions.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Robyn Lamb
Audit Staff:	Gina Henley, MBA

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# Division of Credit Unions

## Management Advisory Report

### State Auditor's Finding

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#### **Credit Union Examinations**

The Division of Credit Unions (DCU) does not document its consideration of criteria established to determine which credit unions qualify for an extended examination frequency. As a result, the DCU is unable to demonstrate compliance with state law.

The DCU does not document the criteria set forth in state regulation for extending credit union examinations beyond 12 months. The frequency of credit union examinations is governed by Section 370.120.1, RSMo, which requires annual examinations of all credit unions; however, examinations of qualifying credit unions may be extended up to 18 months. Criteria that may be considered when determining examination frequency is defined in 20 Code of State Regulation (CSR) 1100-2.005(3) and includes:

- Length of credit union operation, tenure and quality of its management, and general economic conditions
- Not operating under a Net Worth Restoration Plan, Letter of Understanding and Agreement, or administrative order and no major changes in balance sheet structure or new programs with high balance sheet risk within the preceding 12 months
- Positive return on average assets and net worth ratio greater than 7 percent
- Accurate and current books and records and adequate asset liability management mechanism

We reviewed the frequency of the most current examinations completed as of February 1, 2013, for all 119 credit unions, and found 22 examinations, or 18 percent, were performed less frequently than annually. We reviewed four of the 22 examination reports with the extended examination frequency and noted comments in the reports did not specifically address each of the established criteria that determine if the credit union qualifies to be examined less frequently than annually.

The DCU criteria consideration process should be adequately documented and retained to support decisions made and demonstrate compliance with state law.

#### **Recommendation**

The DCU develop a process to document its consideration and determination of whether a credit union qualifies for an extended examination frequency.

#### **Auditee's Response**

*The Division of Credit Unions complies with state law regarding the timing of extended examinations for qualifying credit unions. Future examination reports of qualifying credit unions will include documentation that confirms such compliance.*

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## Division of Credit Unions

### Organization and Statistical Information

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The Division of Credit Unions (DCU), created in 1927, operated under the Division of Finance until July 1, 1974. With the enactment of the Reorganization Act of 1974, the DCU was transferred to the newly created Department of Consumer Affairs, Regulation and Licensing. The passage of Constitutional Amendment No. 6, adopted on August 7, 1984, renamed the Department of Consumer Affairs, Regulation and Licensing to the Department of Economic Development. Under the authority of the Reorganization Act of 1974 and executive order 06-04, effective August 28, 2006, the DCU was transferred from the Department of Economic Development to the Department of Insurance, Financial Institutions and Professional Registration.

The DCU regulates and examines state-chartered credit unions for solvency to protect depositors. The DCU is responsible for the examination, supervision, chartering, merger, and liquidation of all state-chartered credit unions. The DCU also responds to consumer requests or complaints regarding state-chartered credit union services or operations. The DCU is an accredited agency through the National Association of State Credit Union Supervisors (NASCUS). At June 30, 2013, the DCU regulated 119 credit unions with assets exceeding \$11 billion and approximately 1.2 million members. All member deposits are insured by the National Credit Union Administration (NCUA), an agency of the federal government.

The DCU operates under the authority of Chapter 370, RSMo. Section 370.120, RSMo, provides that each state-chartered credit union be examined by DCU staff at least once each year, except qualifying credit unions may be examined at least once each 18 calendar months. The criteria defining a qualifying credit union is documented at 20 Code of State Regulation (CSR) 1100-2.005(3).

The DCU is self-supporting through statutory assessments and fees paid by the state-chartered credit unions, based on total assets of the state-chartered credit unions and DCU costs of operations. These fees and assessments are deposited into the Division of Credit Unions Fund, authorized by Section 370.107, RSMo, which is administered by the DCU.

The Credit Union Commission, was created in 1998 pursuant to Section 370.061, RSMo, to handle appeals from decisions of the DCU Director, approve regulations proposed by the DCU Director, and advise the DCU Director on matters pertaining to the supervision of credit unions. This bipartisan commission is composed of seven members serving six-year terms; one must be a



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Division of Credit Unions  
Organization and Statistical Information

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lawyer in good standing with the Missouri Bar Association; four must be credit union representatives with at least five years experience as an officer, director, or member of a supervisory committee; and two must be lay members not involved in the administration of a financial institution. Not more than four members may be members of the same political party.

Credit Union Commission  
Members at June 30, 2013

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Member	Term Expires
Richard Orr	January 1, 2017
Cathy E. Stroud (1)	January 1, 2013
Susan Venable	January 1, 2015
Harold E. James (1)	January 1, 2013
Laura Verhulst	January 1, 2017
John Hanneke	January 1, 2015
Vacancy	

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- (1) Although the member's term has expired, he or she continues to serve on the Credit Union Commission until a successor is appointed by the Governor.

At June 30, 2013, the DCU had 15 full-time employees and 1 part-time employee, with the majority of these consisting of examiners (10 examiners, 1 Chief examiner). The DCU maintains a central office in Jefferson City, with field examiners located in the Jefferson City, St. Louis, and Kansas City areas of the state. The Director is appointed by the Governor with the advice and consent of the Senate. Kenneth J. Bonnot was appointed Director on January 18, 2011.

## Appendix A

Division of Credit Unions

Division of Credit Unions Fund

Comparative Statement of Receipts, Disbursements, and Changes in Cash  
and Investments

	Years Ended June 30,	
	2013	2012
RECEIPTS		
Financial institutions examination fee	\$ 1,507,064	1,463,664
Miscellaneous	161	255
Interest	5,346	4,725
Total Receipts	<u>1,512,571</u>	<u>1,468,644</u>
DISBURSEMENTS		
Personal service	972,166	944,089
Employee fringe benefits	357,130	348,324
Expense and equipment	98,696	95,763
Cost allocation plan	18,662	17,756
State owned facilities operations	25,099	23,778
Transfers out to Department of Insurance, Financial Institutions and Professional Registration Administrative Fund	6,242	27,333
Total Disbursements	<u>1,477,995</u>	<u>1,457,043</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>34,576</u>	<u>11,601</u>
OTHER FINANCING (USES)		
Appropriations Exercised by Other Agencies	(5,260)	(2,130)
Total Financing (Uses)	<u>(5,260)</u>	<u>(2,130)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING (USES)	29,316	9,471
CASH AND INVESTMENTS, JULY 1	497,301	487,830
CASH AND INVESTMENTS, JUNE 30	<u>\$ 526,617</u>	<u>497,301</u>

Appendix B

Division of Credit Unions  
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2013			2012		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
DIVISION OF CREDIT UNIONS FUND						
Division of Credit Unions expense and equipment	\$ 119,084	98,696	20,388	123,775	95,763	28,012
Division of Credit Unions personal service	1,135,603	972,166	163,437	1,126,071	944,089	181,982
Operation of state-owned facilities, related services, utilities, systems furniture, structural modifications, and related expenses						
expense and equipment	25,100	25,099	1	24,122	23,778	344
Total Division Of Credit Unions Fund	<u>\$ 1,279,787</u>	<u>1,095,961</u>	<u>183,826</u>	<u>1,273,968</u>	<u>1,063,630</u>	<u>210,338</u>



## Appendix C

### Division of Credit Unions Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2013	2012	2011	2010	2009
Salaries and wages	\$ 972,166	944,089	853,374	824,584	901,538
Travel:					
In-state	62,071	58,262	58,559	64,459	62,212
Out-of-state	4,794	1,423	468	2,116	5,593
Supplies	13,360	7,493	20,747	18,220	15,231
Professional development	2,833	8,818	17,795	7,979	14,976
Communication services and supplies	0	0	462	0	0
Services:					
Professional	141	896	0	63	98
Maintenance and repair	21	66	54	116	340
Equipment:					
Office	166	114	1,106	2,197	2,695
Other	0	0	459	0	0
Building lease payments	25,099	24,194	25,267	28,372	33,413
Miscellaneous expenses	238	144	274	0	748
Rebillable expenses	15,072	18,131	20,034	24,949	21,306
Total expenditures	\$ <u>1,095,961</u>	<u>1,063,630</u>	<u>998,599</u>	<u>973,055</u>	<u>1,058,150</u>



# Thomas A. Schweich

Missouri State Auditor

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## St. Louis Public School District



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September 2013  
Report No. 2013-085

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

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## Findings in the audit of the St. Louis Public School District

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Financial Condition	The St. Louis Public School District had a deficit fund balance of \$55 million at June 30, 2011. While the financial condition has improved, the district will likely face new funding challenges in future years. Significant cutbacks and one-time desegregation settlement funding allowed the district to eliminate the deficit balance; however, that funding will substantially end June 30, 2014, at which time the district may have to propose significant cuts again or seek additional funding.
Student Promotion and Retention	The district does not fully comply with applicable state laws with respect to the promotion and retention of at-risk students. A district official indicated the district does not have the resources to retain all students not reading at the required grade level, and full compliance would place the district in undue financial hardship.
Educational Programs	An independent audit noted significant concerns with the district's curriculum management, and many of the concerns still exist. For example, the district's central office administration is not aware of all educational programs and is not properly evaluating these programs to determine if they are positively impacting student achievement. The district's Accountability Plan is not always accurately updated in a timely manner.
Missouri Assessment Program Testing	After media reports regarding Missouri Assessment Program (MAP) testing irregularities, the district increased the number of Quality Assurance Monitors (QAM) and the frequency of monitoring visits. In early June 2012, audit staff reviewed the monitoring forms and found the district was missing approximately 100 monitoring forms for 30 schools. At our request, the Accountability Office contacted the QAMs, but by late June 2012 no monitoring forms had been submitted for 3 schools and less than the minimum four monitoring forms had been submitted for another 12 schools. Two of the independent QAMs, who were paid \$500 by the district for 18 hours of work, had not submitted any forms. The district does not have a formal proactive process to identify and investigate unusual fluctuations in school MAP test scores or to identify schools which should be monitored more closely. Currently, it is up to each individual school to determine the extent to which compiled testing data is utilized.
Purchasing Policies and Procedures	The district contracted with the same vendor for student busing since 2004 without competitive bidding at a cost of almost \$24 million during the year ended June 30, 2012. Several sole source procurements were not adequately documented. The district did not always competitively bid purchases of goods or services or routinely solicit requests for proposals (RFP) for professional services in accordance with the district's Purchasing Guide. The district has used the same law firm as its primary legal counsel since 2007 and the same company as its primary lobbyist since 2008 without obtaining periodic RFPs. The district should improve its bidding procedures for large construction projects, and audit staff noted concerns with the development and evaluation of some RFPs.

Contracts and Disbursements	The district needs to improve its procedures for contracting for goods and services. The district has not performed a cost analysis to determine if it is more economical to hire employees to provide legal services. The district has implemented some cost containment measures, but legal costs are still substantial. The district made some payments prior to obtaining a signed contract and did not adequately monitor some service contracts. Four retired district employees were paid to perform duties as independent contractors, but it appears the district should have classified them as employees under Internal Revenue Service (IRS) rules. The district paid monthly vehicle allowances of \$800 to the Superintendent and \$300 to the former Chief Financial Officer, which do not appear reasonable, and these allowances were not reported on their W-2 forms as required by IRS rules.
Closed Session and Committee Meeting Minutes	The district sometimes approved items in closed session without later announcing in an open meeting or publicly disclosing, and in some instances discussed items in closed session that were not allowable under the Sunshine Law. Some Special Administrative Board committee meeting minutes are not prepared and approved in a timely manner.
Henry Elementary Follow-up	The district has not fully implemented all audit report recommendations cited in our previous audit report (No. 2011-66). Our previous audit cited discrepancies in attendance data which suggested intentional manipulation of attendance data, but the district has not yet corrected the attendance data, and the district has not yet begun using the audit trail logging feature to monitor changes to the student information system database.
Audit Functions	The district has not implemented many of the recommendations made by the district's independent auditor. As noted in our 2004 audit report, the district still does not have an internal audit function.

In the areas audited, the overall performance of this entity was **Fair**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our website: <http://auditor.mo.gov>**

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# St. Louis Public School District

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the Special Administrative Board  
and  
The Board of Education  
St. Louis Public School District

The State Auditor conducted an audit of the St. Louis Public School District under authority granted in Section 29.205, RSMo. We have audited certain operations of the district in fulfillment of our duties. The district engaged RubinBrown LLP, Certified Public Accountants (CPAs), to audit the district's financial statements for the year ended June 30, 2012. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2012. The objectives of our audit were to:

1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; performing site visits during Missouri Assessment Program testing; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and its audited financial reports and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the St. Louis Public School District.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Robert L. McArthur II
Audit Staff:	Brian Hammann, CPA, M. Acct.

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# St. Louis Public School District

## Management Advisory Report

### State Auditor's Findings

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#### **1. Financial Condition**

The St. Louis Public School District will likely face new funding challenges in future years.

From 2009 to 2011, the district cut over \$50 million in expenses through a variety of cost saving measures, including school closures, reduction of workforce, and contract renegotiations; however, at June 30, 2011, the district had a deficit fund balance of approximately \$55 million in its General (incidental) Fund. The district began engaging in deficit spending in 2003 and continued through 2010. Revenues had been in decline as a result of decreased funding from the state, declining student population, and increased enrollment in St. Louis area charter schools.

While the district ended fiscal year 2011 with the \$55 million accumulated deficit balance, the deficit spending trend stopped during fiscal year 2011 and revenues exceeded expenditures by approximately \$9 million. In November 2011, the district reached a settlement agreement to resolve school desegregation litigation with the state. The settlement provided \$55 million to eliminate the district's deficit fund balance. This included forgiveness of a \$36.5 million loan the district obtained from desegregation settlement funds in 2004.

The desegregation settlement also provided additional revenues from the state totaling \$40.2 million through June 30, 2014, for the following existing, new, or expanded programs:

- \$2.5 million to expand the Parent/Infant Interaction Program to three additional high schools.
- \$15.9 million to add 25 additional early childhood classrooms.
- \$4.7 million to expand early childhood before-school and after-school care to 30 sites in the district.
- \$3.6 million to fund the High Quality Principal Leadership Program.
- \$7.5 million to offset the district's costs of transporting city students to magnet schools.
- \$3.3 million to fund the St. Louis Plan. Established in 2009, the St. Louis Plan provides first-year teachers support, advice, and guidance necessary to make the first year experience as successful as possible.





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St. Louis Public School District  
Management Advisory Report - State Auditor's Findings

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- \$1.7 million to fund the addition of two technical support and five professional development staff to assist teachers in integrating computer technology into classroom learning.
- \$1 million to permit the acquisition and maintenance of computer hardware and wireless network facilities for a pilot one-to-one computing program.

Primarily as a result of the settlement agreement funding, at June 30, 2012, the district had a positive balance in its General Fund of approximately \$12 million.

The district's budget for the year ended June 30, 2013, uses settlement agreement funding for magnet school transportation (an existing program), and the new or expanded programs listed above. In addition, the district estimates the settlement agreement funds will help cover fiscal year 2014 expenditures for the same existing, new, and expanded programs funded in fiscal year 2013. However, the current settlement agreement funding ends June 30, 2014, at which time the district may have to again propose significant cuts or seek additional funding sources. District officials indicated an additional \$19 million is available in desegregation funds, and the district is not obligated after June 30, 2014, to continue funding the programs listed above.

When questioned about future funding plans, a district representative responded, "The district has developed a budget that balances revenues with expenses for 2012-13. The district is also aware of the future funding changes for various programs that are currently funded by Deseg (desegregation) and projected declines in state revenue and is working on solutions to address in future years." Proposed solutions are discussed in the district's 5-year financial plan, and include pursuing voter approval on a proposed property tax levy increase for operations and a bond issue, as well as continuing efforts to reduce workforce, and fixed and non-academic costs.

Because the one-time settlement agreement funding ends June 30, 2014, the district will face difficult decisions going forward. It is imperative the Special Administrative Board (SAB) continue to monitor the budget and cash flow projections to maintain a balanced budget and sound financial condition.

## Recommendation

The Special Administrative Board closely monitor the district's financial condition due to the pending reduction in funding, and take appropriate actions as necessary.



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St. Louis Public School District  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The Special Administrative Board provided the following written response:*

*The District agrees with the importance of monitoring the District's financial condition and taking appropriate actions as necessary. In FY2013, the District has taken the following actions:*

- The SAB approved revisions to the Budget Policy (Policy 3110) that formalize budget practice/policy and establish requirements for monthly reporting.*
- The SAB approved a fund balance policy to ensure the future fiscal viability of the District, setting both a minimum goal and a desired goal for the St Louis Public Schools' fund balance.*
- The District set the tax levy to recoup lost revenues resulting from prior year protested tax valuations.*
- By absorbing approximately 2,500 former charter school students, the District has received additional state aid in the form of basic formula revenue.*
- The recoupment levy, combined with the increased basic formula monies received from the Department of Elementary and Secondary Education (DESE), helped to generate additional revenues that will help stabilize the fund balance.*
- The District has initiated and achieved significant cost savings due to contract negotiations, position control and management and other cost savings initiatives.*

*The District has operated during the years ending June 30, 2011, 2012, and 2013, with revenues exceeding expenses projected to result in a positive fund balance of \$15.5 million at June 30, 2013.*

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## 2. Student Promotion and Retention

District policies and procedures regarding the promotion and retention of "at-risk" students are not fully compliant with state law. The district is subject to Section 167.645, RSMo, (commonly referred to by the DESE and many school districts as Senate Bill 319) as are all other school districts in the state, which addresses student reading assessments, reading improvement plans, additional reading instruction, and summer school requirements for students grades 3 through 6. Senate Bill 319 also includes retention requirements for 4th grade students whose reading skills are more than one grade level below their current grade level.

The district's Office of Accountability performed an evaluation of 2011 summer school implementation and outcome data, concluding that passing



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St. Louis Public School District  
Management Advisory Report - State Auditor's Findings

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"at-risk" elementary students who either fail to attend summer school or fail to progress enough during summer school to escape the "at-risk" category contradicts the intent of Senate Bill 319.

The evaluation report included pre and post assessment data and the level of compliance with the summer reading requirement set forth in Senate Bill 319. According to the report, pre-tests were administered to over 1,800 3rd and 4th graders in May 2011. Based on this assessment, 749 students were identified as "at-risk" of reading failure. Of these students, 372 attended summer school and 377 did not attend. Of the students that attended summer school, only 91 demonstrated sufficient improvement to escape the "at-risk" category when given a post assessment. In total, 747 of the 749 students were allowed to pass to the next grade level, including 375 "at-risk" students that never attended summer school and 281 students that remained classified as "at-risk" after attending summer school. As a result, the evaluation recommended "at-risk" elementary students not performing at grade level should be strongly encouraged, required, or even recommended for retention if they do not attend summer school.

Effective in 2007, upon being classified as an unaccredited school district by the DESE, the St. Louis Public School District also became subject to Section 162.1100.6, RSMo, which states, "No student shall be promoted to a higher grade level unless that student has a reading ability at or above one grade level below the student's grade level; except that the provisions of this subsection shall not apply to students receiving special education services . . . ." Although the district obtained provisional accreditation in October 2012, this statute is still applicable until the district is no longer constituted as the St. Louis Transitional School District.

Results from both 2011 and 2012 Missouri Assessment Program (MAP) testing in the content area of communications arts indicate more than 2,000 district students in grades 3 through 8 were considered "below basic". The district retained 155 and 128 students in grades 1 through 8 after the 2010-2011 and 2011-2012 school years, respectively. While "below basic" does not necessarily equate to a reading ability of more than one grade level below a student's grade level, "below basic" is the lowest rating category for the MAP testing program.

The district recently adopted a new student promotion and retention regulation effective June 2012. This regulation states, "retention shall be considered only when it is in the best interest of the student . . . after ongoing, sustained, and intensive intervention efforts have been unsuccessful." This new regulation also states, "Retention requirements will be in place for a fourth-grade student who is reading below the third grade level at the end of summer school." However, Section 162.1100.6, RSMo, appears to apply to all grade levels, not just 4th grade students. When asked



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about the district's responsibility to comply with Section 162.1100.6, RSMo, a district official indicated the district does not have the resources to retain all students who are not reading at the required grade level, and full compliance with state law would place the district in undue financial hardship.

While the district's new regulation clarifies and improves upon prior student promotion and retention practices to ensure compliance with Senate Bill 319, it does not address the requirements of Section 162.1100, RSMo.

## Recommendation

The Special Administrative Board comply with the recently adopted retention policy, continue to monitor the district's policies and procedures related to student promotion and retention, and work toward full compliance with state laws regarding student promotion and retention.

## Auditee's Response

*The Special Administrative Board provided the following written response:*

*We acknowledge that the District was not in "full" compliance with Senate Bill (SB) 319. We actually notify all grade 3 and 4 students whose reading assessment results designate them "at-risk" on two separate occasions. We notify them in March after the final Acuity C assessment and again in May after the SB 319 mandated reading assessment that they are to attend summer school. Additionally, the District informs parents/guardians in writing regarding this requirement and uses that notification in planning for summer school. The District then follows up to see if those students enroll in summer school and guarantees space in summer school. Summer school enrollment increased 19% from 5,475 in 2012 to 6,526 in 2013 (data on highest day). For those students in the SB 319 grades who are promoted rather than retained (despite not attending summer school or showing sufficient improvement to escape the "at-risk" category), the District has been diligent in recommending the development of reading improvement plans and ensuring that other targeted interventions are put in place at every school for students not reading at the required level (including tutoring, Response to Intervention, offering Supplemental Education Services and After-School programs).*

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## 3. Educational Programs

The district has numerous educational programs which are not adequately evaluated to determine impact on student achievement. District policies, procedures, and regulations regarding the evaluation of educational programs are not followed or are out-of-date. In addition, the district's Accountability Plan is not adequately updated in a timely manner.

### 3.1 Curriculum Management Audit

An audit of the district's curriculum management noted significant concerns. The district contracted with the International Curriculum Management Audit Center at Phi Delta Kappa International (PDK) for an audit completed in July 2010 to provide guidance to increase student achievement and



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improve school performance. The audit included a review of program evaluation policies, plans, reports, and data pertaining to student assessment and program evaluation. The PDK interviewed school board members and district employees and surveyed schools to determine active programs in use. The following concerns were noted in the audit:

- "Many programs exist in schools without the knowledge of the district leadership . . . central office administrators were generally unaware of the number, nature, or location of approximately 1,000 programs."
- "Many (programs) were not subjected to a routine evaluation to determine their impact, if any, on student achievement."
- "Overall, the contents of board policies provided sound guidance to direct student assessment and program evaluation. The problem was that several policies that supported the District-Wide Evaluation Procedural Plan were not located in the Policy Manual or on the district's website. Also, some carried dates indicating that they had been replaced by policies of the same name or with a later date and/or different contents. Because of this confusion, auditors considered policy guidance on this subject inadequate."

The audit concluded, "If implemented in fidelity, the assessments and evaluations would provide a great deal of data that decision makers would find useful in their efforts to improve student achievement. However, policies and plans were not being implemented, and a great many programs were not being evaluated for their impact on student achievement. Essentially, the design was inadequate, but had many strengths. Delivery was ineffective, and in many instances, nonexistent."

In addition to the issues regarding evaluation of educational programs, the PDK Curriculum Management audit cited several other issues and made many recommendations to the district. The district's response to the audit was to give more weight to similar issues already identified for corrective action as discussed in its Accountability Plan (see section 3.2). However, the identification and evaluation of educational programs is not addressed in the district's Accountability Plan and therefore considered a lower priority. As a result, many of the educational program related issues noted in the audit still exist:

- The district was not able to provide an updated list of all educational programs in use throughout the district. As a result, it appears the district's central office administration is still not aware of all educational programs and is not properly evaluating all programs for their impact on student achievement.



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- A reduction in staff from eight to two has limited the ability of the district Accountability Office to conduct program evaluations. Since 2010, only two staff comprise the office's Division of Research and Evaluation, and one of these staff is dedicated to completing Title I reports. The few programs regularly evaluated internally include summer school, Title I (mandated), after-school, and early childhood. A limited number of other evaluations are also performed at the Superintendent's request. For the 2010-2011 school year, the Accountability Office performed approximately ten formal program evaluations. Program evaluations for the 2011-2012 school year were not fully completed during the time of our audit work.
- Some program evaluation policies, procedures, and regulations are not followed or are out-of-date. For example, internal self-evaluation forms are not prepared as required, a policy requiring biennial program evaluations was formally eliminated but is still described on the district's website, and there is not a central depository for evaluation reports as required by district policy. In addition, the district does not have formal guidance on continuation, modification, or termination of district programs or require follow-up on findings noted in program evaluations.

As cited in the PDK Curriculum Management Audit, "Planning for assessment of student achievement and evaluation of educational programs and services is a vehicle for examining the quality of student performance and determining if programs and services are actually producing the desired results. When the district leadership does not adequately plan for assessing student achievement and evaluating programs, the board and administrative leaders may lack reliable, systematic feedback regarding the effectiveness of programs, student learning, and instructional strategies. Further, parents and students may get incomplete feedback about student learning . . . The purpose of program evaluation information is to provide board members and the administration leadership reliable information for making decisions about program continuation, modifications, or termination." Based on the significance of this issue, the district should consider devoting more resources to program evaluation.

### 3.2 Accountability Plan

The district's Accountability Plan (plan) is not always accurately updated in a timely manner.

The district approved the plan in November 2009, in response to the Missouri School Improvement Program (MSIP) review conducted by the DESE during the 2008-2009 school year. The plan addresses what needs to be done to fix issues identified during the MSIP review (i.e. action steps), regain accreditation, and support the district's comprehensive long-range plan. The plan focuses on student performance; highly qualified staff; facilities, instructional resources, and support; parent and community



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involvement; and governance. The plan is submitted to the DESE for review and approval.

Due dates are established for the implementation of plan action steps, and progress is tracked throughout the year by the achievement of various benchmarks. The Executive Director of the district's Project Management Office (PMO) regularly requests scorecards from action step owners for use in periodically updating the progress of each action step toward implementation; therefore, there are multiple versions of the plan. Per the PMO, preliminary results for the year ended June 30, 2012, indicated 48 of 117 action steps had been completed, 23 did not reach completion by the due date because of lack of resources, and 46 due dates were extended to fiscal year 2013. We reviewed the district's internal monitoring process related to plan implementation and noted the following concerns:

- Owners of action steps do not always submit scorecard updates to the PMO in a timely manner. We reviewed several versions of the district's plan which was periodically updated to monitor results of action step implementation. The June 21, 2012, version of the plan, for example, listed six steps as having not achieved their projected completion dates which were listed as being prior to June 21, 2012, or past due. The PMO indicated all benchmarks for three of these steps were completed, but updated scorecards had not been submitted. For the other three steps, the PMO indicated due dates would need to be extended.
- Evidence of completion of action steps is not always requested and reviewed by the PMO to ensure the accuracy of scorecard updates. We reviewed 16 action steps from the June 30, 2012, version of the plan and requested evidence of completion to verify the progress stated in the plan. For at least six of these steps the district was unable to provide adequate evidence of the level of completion percentage of one or more benchmarks. The district subsequently provided updated scorecards for these action steps reducing the level of completion.

Timely and accurate information provided in the scorecards is necessary for the district to adequately monitor and report on the implementation of the Accountability Plan. In addition, the accuracy and reliability of the plan comes into question when evidence of completion is not verified at least periodically.

The Accountability Plan is used as the primary plan to guide the district back to accreditation. The district's accreditation status was changed from "Unaccredited" to "Provisionally Accredited" in October 2012 by the DESE. Accurate plan information should be generated through the monitoring process and provided to the SAB and district administration to make timely



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informed decisions. In addition, timely and accurate information is necessary to keep the public informed of the district's progress toward accreditation.

## Recommendations

The Special Administrative Board:

- 3.1 Identify all educational activities and programs and implement established policies which require regular reports on the evaluation of programs. All evaluations should be coordinated and maintained by the Accountability Office. In addition, conflicting and/or out-of-date policies should be updated for consistency and accurately included on the district's website. Procedures should include written guidance for the continuation, modification, or termination of programs and require documented corrective action of formal evaluation findings and recommendations.
- 3.2 Ensure procedures are in place to accurately update the Accountability Plan in a timely manner, and ensure adequate documentation of completion of action steps is received and verified.

## Auditee's Responses

*The Special Administrative Board provided the following written responses:*

- 3.1 *The District acknowledges the existence of a multitude of initiatives operating in the system. It should be noted, however, that the majority of these initiatives are not district-wide or district funded. Thus, not all programs are identified for evaluation because many are technically school-based activities resulting, for example, from small grants, partnerships, community memorandums of understanding, and business-sponsored small-scale interventions. The information from the PDK Audit will continue to be reviewed and key components of the audit will be addressed which includes the issue of the existence of a multitude of programs and initiatives. For example:*
  - *Of 53 "programs" listed from the high school in the area of behavior, only 7 of them are "programs" while others are activities (Give Back Teens, Map Incentives) or processes (Morning Meeting, Focus Friday) and still others listed the same program with a different name (Counseling, Guidance, Peer Counseling and Peer Mediation).*
  - *Of 19 communication arts "programs", only 7 of them are programs (including the high school curriculum program of Kaplan and the reading program of CORE, which is more technical assistance than programmatic) while*





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*others are activities (Ben Carson Reading Room, Cross Curricular Writing, Career and Technical Education and Communication Arts Tutors). Similar reports were made in math.*

- Of 10 human capital "programs", 0 are programs and all would fall under the category of activities that occur throughout the school year such, as Greek organizations, Red Cross, and faith-based organizations. These are groups that give support on an invited basis.*

*The District-Wide Procedural Plan was updated in 2009 based on the MSIP 4 and No Child Left Behind accountability structures. Staff changes and restructuring of departmental responsibilities in the ensuing years have impacted the original and updated policies and plans outlined in the District-Wide Procedural Plan.*

*There are a great many variables to student achievement and the likelihood the small initiatives have a significant and sustainable impact on achievement is small particularly if not district-wide or mandated. The District is open to such claims, however, and will evaluate those particularly successful programs with an eye toward recommending wider dissemination throughout the District. As a result of the State's NCLB Waiver and the implementation of MSIP 5, the District is revisiting the District-Wide Procedural Plan to align it with updated district staff and department reorganization and the new accountability system.*

- 3.2 *Upon completion of the Accountability Plan and its submission to and acceptance by DESE, the District developed an internal monitoring process with oversight given to the Project Management Office (PMO). The implementation of the Plan was tracked throughout the year via completion of 'scorecards'. There were 3 official requirements by DESE for the Accountability Plan: 1) an annual update be posted on the District's website, 2) the Plan be presented to the community, and 3) a review meeting be held with 'critical friends' from DESE, Missouri School Board Association, and the SAB. These requirements were met. The Plan was aligned to the Comprehensive Long Range Plan and identified what needed to be done. It also gave benchmark indicators of completion, stated who was responsible for the work, and provided a timeline for completion for those issues noted during the MSIP review. All were impacted by district-wide changes. The accuracy and reliability of the Plan is not in question. As to the completion of scorecards, we again refer to the comment above regarding staff changes and shifts*



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*in departmental responsibilities contributing to the lack of timely updates to the Accountability Plan.*

## Auditor's Comment

3.2 While the district's response indicates the accuracy and reliability of the plan is not in question, we noted various differences between information documented on scorecards, which are used to update progress of action steps, and information contained in the plan.

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## 4. Missouri Assessment Program Testing

Timely follow-up of Missouri Assessment Program (MAP) testing quality assurance monitoring was not performed. In addition, the district does not have a formal process in place to identify and investigate unusual fluctuations in MAP test scores.

In response to both national and local news articles regarding MAP testing irregularities, the district authorized monitoring procedures exceeding DESE requirements to help ensure 2012 MAP testing integrity. These steps included significantly increasing the number of testing monitors as well as the frequency of monitoring visits. The 2012 MAP testing took place from April 2nd through April 27th.

### 4.1 Quality Assurance Monitors

The Accountability Office did not perform timely follow-up of monitoring visits conducted by Quality Assurance Monitors (QAM) after the 2012 MAP testing had been completed.

District employees were assigned to perform monitoring visits at selected schools. Each school was assigned at least one QAM. In addition, the district hired seven independent QAMs to provide additional monitoring at selected schools. All QAMs were required to perform four to six monitoring visits, complete a Quality Assurance Assessment District Self-Monitoring Form (monitoring form) for each visit, and submit the monitoring form to the Accountability Office either electronically or hardcopy. The monitoring form was created by the DESE for districts to strengthen the administration of the MAP tests.

The seven independent QAMs were each paid a stipend of \$500 for 18 hours work, or \$27.78 per hour for their services. District employees assigned as QAMs received no additional compensation.

In early June 2012 we performed a review of monitoring forms completed and submitted by QAMs to the district Accountability Office. At that time, the district had not received approximately 100 required monitoring forms from several QAMs for approximately 30 schools. At our request, the Accountability Office contacted the QAMs in an attempt to collect the missing monitoring forms.



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We performed a follow-up review in late June 2012 and noted no monitoring forms had been submitted for 3 schools, and less than the minimum four monitoring forms (one for each required visit) had been submitted for another 12 schools. In addition, two of the independent QAMs paid by the district had not submitted any monitoring forms. Per a district official, no monitoring tool was developed to determine if the independent QAMs complied with the agreed-upon procedures.

Without monitoring information from all QAMs and for all schools the district is unable to adequately assess administration procedures of the 2012 MAP test. Timely follow-up of MAP test monitoring visits is necessary to ensure propriety of the testing process and investigation and/or correction of any irregularities noted. In addition, independent monitors should be required to submit documentation of monitoring visits performed to support their compensation.

## 4.2 Analysis of test results

The district does not have a formal proactive process to identify and investigate unusual fluctuations in school MAP test scores from year to year, or adequately utilize test data to identify schools which should be monitored more closely in subsequent years.

The Accountability Office annually compiles student test performance data and provides this data to each school to assist in decision making, instructional planning, and accountability reviews. However, it is up to each individual school to determine the extent to which the compiled data is utilized.

Based on our comparisons of 2012 and prior year MAP test score data available on the DESE website, significant fluctuations (increases or decreases) were noted in the percentage of students meeting established achievement levels at various schools. The district relies on the DESE and the testing vendor, which analyze the testing data, and each individual school to alert the district of any unusual occurrences to be investigated. The Accountability Office performs informal and formal investigations when specific testing irregularities are brought to its attention (i.e. reactive process). However, unusual fluctuations are not required to be investigated.

Student test score analysis is necessary to provide additional assurance of the propriety of the testing process, by identifying schools with unusual test score fluctuations in need of investigation and/or additional future monitoring.



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## Recommendations

The Special Administrative Board:

- 4.1 Ensure monitoring provided for future MAP testing is adequately documented, and follow-up is performed to ensure all monitoring forms are submitted in a timely manner.
- 4.2 Adopt a formal proactive process to annually identify and investigate unusual testing occurrences.

## Auditee's Responses

*The Special Administrative Board provided the following written responses:*

- 4.1 *There are two distinct steps involved in monitoring testing. The first step concerns the administration of the testing. The Accountability Office conducts formal and informal investigation of testing irregularities during test administration (including the establishment of a telephone 'hotline' for anonymous reporting of any irregularities). Formal investigation results are submitted to the Superintendent and to DESE. The second step concerns the test results and those steps were outlined in the Auditee response to Section 4.2. The Accountability Office does assist schools in analyzing unusual fluctuations in test results, not only for MAP/End of Course, but also for all district-wide benchmark assessments.*

*Due to the high publicity about test security and cheating, a decision was made to hire the independent Quality Assurance Monitors for selected schools (identified for various reasons by the Cluster Associate Superintendents). Their visits were in addition to District QAM visits at those same schools. The purpose of external QAM was to supplement not supplant; therefore, a follow-up process was not prepared.*

- 4.2 *The District does have a defined and comprehensive formal process in place for identifying and investigating unusual fluctuations in MAP scores once the results are received. First, a trend analysis is performed on the preliminary results received from DESE to determine if any fluctuations are statistically significant. Second, data are desegregated by grade and building level, and summary reports are provided and presented to the Superintendent and the SAB. Third, schools are provided with the preliminary data for potential appeals and to inform their instructional planning for the upcoming year. Fourth, once the final data are received (November/October), another report is made regarding the results and all results are posted on district data management systems (e.g., Student Information System, Edmin, Pulse). Finally, Accountability Office staff provides ongoing professional development on data analysis and interpretation and data system*



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*usage throughout the school year. The District's efforts exceed all requirements of the state.*

*The District expanded the Quality Assurance Monitoring (QAM) that occurred in the District during MAP testing in response to concerns regarding test "security" (based on national and local news articles about alleged cheating on state assessments). It should be noted that the QAM was not about monitoring assessment results but about monitoring testing administration, a requirement mandated by the State. The State requirement is a QAM visit at an elementary/middle school level and at a high school level. That was done by the District Testing Coordinator who returned evidence of those QAM visits to DESE as mandated.*

## Auditor's Comments

- 4.1 The district did not indicate in its response whether it would ensure monitoring for future MAP testing is adequately documented and follow-up performed. Without receiving the monitoring forms, the district cannot identify concerns noted during the monitoring visits. As a result, monitoring is a less effective tool in improving procedures related to the administration of future MAP testing.
- 4.2 While the district does compile MAP testing data and has procedures to use the data for various purposes (in particular to target schools performing below district benchmarks), the district did not provide us with specific procedures defining a significant fluctuation requiring further investigation. Also, while the district had documentation of investigations conducted as a result of testing irregularities brought to its attention, we were provided no documentation of investigations conducted by the district resulting from significant fluctuations identified through the district's internal processes.

## 5. Purchasing Policies and Procedures

District procedures for procuring and selecting contractors for goods and services need improvement.

### 5.1 Procurement procedures

The district does not always competitively bid purchases of goods or services or routinely solicit requests for proposals (RFP) for professional services. In addition, concerns were noted with the documentation of sole source procurements.

The district's Purchasing Guide requires a sealed competitive bidding process for purchases over \$5,000, unless the purchase is considered sole source or emergency. This may be accomplished through formal sealed bids, invitation for bids, or RFPs. Bids and RFPs are to be evaluated prior to award, taking into consideration price and established evaluation criteria.



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Competitive Bidding

The district purchased the following services or goods without competitive bidding or adequate documentation of sole source procurement:

- Since 2004, the district has contracted with the same vendor for student bus transportation services. Student busing services is the district's largest contract, with expenditures totaling \$23,906,791 during the year ended June 30, 2012. The district has renegotiated a 5-year contract with the vendor resulting in an overall rate reduction. The district estimated savings of \$523,458 in the last year of the previous contract and total savings of \$2,892,640 over the term of the new 5-year agreement.
- We noted other purchases in 2012 over \$5,000 that did not undergo competitive bidding, including some educational supplies (textbooks), musical instruments, and aquarium/terrarium maintenance services.
- We noted several Request for Sole Source Purchase forms were not adequately completed, including a lack of required approval signatures and documentation explaining why the purchases were considered sole source.

Professional services

The district paid for the following professional services without obtaining periodic RFPs:

- The district has contracted for grant writing services with the same person for 25 years because they considered this to be "one-of-a-kind" services and a sole source purchase. The district paid \$50,000 for this service during the year ended June 30, 2012.
- The district contracted with a staffing agency for temporary support in the Budget Office. The district paid \$23,472 for this service during the year ended June 30, 2012.
- Since 2007, the SAB has used the same law firm as its primary legal counsel. The SAB also utilizes other law firms to a lesser extent for specialized legal services when necessary. The district paid approximately \$2.9 million for legal services during the year ended June 30, 2012, with approximately \$2.7 million paid to its primary legal counsel. In addition, legal services expenses averaged \$2.46 million annually from fiscal years 2009 to 2012.
- The SAB has utilized the same company as its primary lobbyist since the services were last solicited in 2008. The SAB also utilized another lobbying firm to a lesser extent for specialized legislative



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services without soliciting proposals. The district paid \$103,818 for these services during the year ended June 30, 2012.

In addition to being required by district policy, periodically soliciting proposals or bids for goods and services is a good business practice, helps provide a range of possible choices, and allows the district to make better-informed decisions to ensure necessary goods or services are obtained from the best qualified provider, taking expertise, experience, and/or cost into consideration. In addition, to ensure the validity and propriety of procurements, sole source procurement documents should be completed in accordance with district procedures.

### 5.2 Bidding procedures and evaluations

The district received only one bid for each of several large construction projects, and improved bidding procedures might produce better results. Also, concerns were noted with the development and evaluation of some RFPs.

- The district had little response to bid solicitations for several construction projects at various schools related to the district's recent \$155 million bond issue (Prop-S bonds). While the district offered possible reasons for this, improved bidding procedures might have produced better results.

Bidding procedures for the Prop-S bonds generally include RFPs posted on the district's website. The district typically reissued RFPs when only one proposal was received, but had little success as additional proposals were rarely received. In addition, bidding procedures may include mass email notifications sent out to a large number of vendors identified by the district. However, for one such mass email, recipients included non-construction companies and did not include other construction companies awarded previous district projects. For another project, no mass email could be provided by the district. District Prop-S projects that only received one bid response included the following:

Project	Cost
Tuckpointing, waterproofing and plaster repair at multiple schools	\$ 10,920,774
Renovation of parent-infant interaction areas	968,880
Demolition of former Hodgen Elementary	319,777
Stair tread replacement at Sumner High	113,788
Router electrical installations	56,816



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For the \$10.9 million contract for waterproofing, tuckpointing, and plastering at multiple schools, a district official indicated the complex and specific nature of the project, as well as its magnitude may have contributed to the lack of response. This district official justified the complexity and magnitude of the project, indicating the short duration of the bond issue required certain projects to be done on a larger scale. The district official also indicated there was potential cost savings by combining the work at various schools into one larger project; however, the district could not provide documentation to support this statement.

As of July 2012, approximately \$99 million of the Prop-S bond funds had been allocated to specific projects. The district has until October 2014 to expend the entirety of the bond proceeds.

- The district received several proposals from vendors for employee benefit enrollment and eligibility services and employee benefit management services; however, the district could not locate the evaluation sheets and evaluation summary for this procurement. The district indicated the vendor awarded this contract was the only one to tie together their proposal for these services and offered certain discounts and performance guarantees if both proposals were accepted. The district considered the capabilities offered by this vendor to be a substantial upgrade over that of the prior vendor; however, the proposed costs for the enrollment and eligibility services was over 60 percent higher than that of the prior vendor. The district indicated the employee responsible for both RFPs has since left the district and her files were being reviewed to try to locate additional documentation. The district paid \$327,702 to the vendor during the year ended June 30, 2012.
- Evaluation sheets or a summary documenting the scoring of evaluation criteria were not always completed. Evaluation sheets were not completed for contracts awarded a lobbyist (in 2008) or the purchase of a student assessment management system. Also, the district did not properly document the evaluation of all three proposals received related to a greenhouse renovation. The initial evaluation summary only included two of the three proposals received. After our inquiry, the district subsequently provided an updated evaluation summary which included the third vendor.

Open and competitive bidding helps ensure all interested vendors are given an equal opportunity to participate in district business and the district receives the best goods and/or services for the best price. In addition, adequate bid and proposal evaluation documentation is necessary to ensure





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the district selects the lowest and best bid or proposal and provide support should questions arise regarding the procurement process.

## Recommendations

The Special Administrative Board:

- 5.1 Ensure bids and proposals are periodically solicited for all goods and services, and sole source procurements are adequately documented as required by district policy.
- 5.2 Implement improved bidding procedures, and ensure adequate documentation is maintained to support procurement decisions.

## Auditee's Responses

*The Special Administrative Board provided the following written responses:*

- 5.1 *The District agrees that bids and proposals should be solicited for all goods and services and sole source procurements should be adequately documented and is taking the following actions to improve its purchasing practices:*
  - *The District is currently preparing revisions to the existing purchasing policy that will provide clarity relative to the appropriate parameters for the competitive bid process.*
  - *The District is developing a contract database which will identify the appropriate term/duration of all contracts and provide a proactive "flag" indicator to signal end of term/rebid opportunities.*
  - *The District is developing a new policy specific to professional services.*
- 5.2 *As noted previously, the District agrees that improvements can be made to bidding procedures and documentation. However, the District feels that adequate processes have been and are currently in place for Prop S projects to create a competitive environment. Phone calls or email blasts were sent out to all contractors contained in the district phone and email (e-blast) listings and a pre-bid conference was held for each project that received only one qualified bid.*
  - *Tuck-pointing, Waterproofing and Plaster Repair at Multiple Schools - \$10,920,774 – Nine contractors signed in at the Pre-Bid Conference on January 17 & 31, 2012 after sending an e-blast out to 344 companies on January 10, 2012.*



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- *Tuck-pointing, Waterproofing and Plaster Repair at Multiple Schools - \$10,920,774 – Five contractors signed in at the Pre-Bid Conference on April 2 & 4, 2012 after sending an e-blast out to 93 companies on March 28, 2012.*
- *Renovation of Parent-Infant Interaction Areas - \$968,880 – Fifteen contractors signed in at the Pre-Bid Conference on July 20, 2011 after sending an e-blast out on July 14, 2011.*
- *Demolition of former Hodgen Elementary - \$319,777 – Six contractors signed in at the Pre-Bid Conference. Calls were made by District's HAZMAT Consultant to contractors.*
- *Stair Tread Replacement at Sumner High - \$113,788 – Three contractors signed in at the Pre-Bid Conference on July 21, 2011. Calls were made by Kwame Building Group to contractors.*
- *Router Electrical Installations - \$56,816 - Twelve contractors signed in at the Pre-Bid Conference. Calls were made by Kwame Building Group to contractors.*

## Auditor's Comment

- 5.2 Although multiple vendors attended pre-bid conferences, the RFPs failed to generate more than one bid for each project. The district should evaluate the reasons for the lack of bid proposals and make improvements to the bidding process as necessary.

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## 6. Contracts and Disbursements

District procedures for contracting for goods and services need improvement. In addition, concerns were noted related to disbursements for independent contractors and vehicle allowances.

### 6.1 Legal services

The district has not performed a cost analysis to determine if it would be more economical to hire employees to provide legal services. In addition, the district has used the same law firm as its primary legal counsel since 2007 without periodically soliciting proposals for these services (see MAR finding number 5). Instead, beginning in 2008, the SAB and its primary legal counsel have had several discussions regarding cost containment measures which have subsequently been implemented. As previously noted, the district paid approximately \$2.9 million for legal services during the year ended June 30, 2012. In addition, legal services expenses averaged \$2.46 million for the past 4 years.



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While some cost containment measures were implemented in 2008, district legal costs remain substantial. A cost analysis should be conducted to evaluate if legal costs are reasonable and if outsourcing, versus moving some or all this work internally, continues to be the most efficient method of procuring these services. Periodic evaluation of these contracts by district administration will help ensure district funds are spent wisely, and the best method of providing services (outsourcing versus in-house) is utilized.

## 6.2 Contract payments

While board resolutions were adopted for the authority to spend money on the following contracts, the district made the following payments prior to obtaining a signed contract.

- The memorandum of understanding with the facilities management service provider for the year ended June 30, 2012, was not signed until April 10, 2012. The district paid approximately \$5.8 million for this service during the year ended June 30, 2012.
- The written agreement with the evaluator of the 21<sup>st</sup> Century Community Learning Centers program was not signed until June 13, 2012. Performance of the contract was to be completed between March 15 and June 15, 2012. The district paid \$11,500 for this service during the year ended June 30, 2012.
- The resolution authorizing an increase of \$9,600 in cost for the 2011 independent audit was not approved by the SAB until March 2012, after the related audit report was released on December 27, 2011. In addition, the audit engagement letter (contract) was not signed until April 2012. The district paid \$199,100 for this service during the year ended June 30, 2012.

The lack of signed contracts prior to authorizing contractors to perform services exposes the district to unnecessary risks. If these contractors fail to perform the duties required in the contracts, the district may not be able to enforce the requirements of the agreements. Further, any changes to an original contract should be subsequently documented in a timely formal written contract amendment to ensure all parties are aware of their responsibilities and to prevent misunderstandings.

## 6.3 Monitoring of vendor performance

The district did not adequately monitor some service contracts, and some contracts had monitoring criteria which were vague or non-existent.

- Lobbyist activity reports were to be combined into one document by the district's primary lobbyist for submission to the SAB. However, combining the reports into one document does not allow either of the two contracts to be individually monitored as information from each lobbyist is not separately listed in the combined report. In



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St. Louis Public School District  
Management Advisory Report - State Auditor's Findings

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addition, the primary lobbyist contract specifies he is to regularly meet with the SAB and Superintendent, but does not clearly specify the frequency of these meetings.

- The district contracts for an off-site program offering alternative education to disruptive students that have been removed from the regular classroom setting. The service contract requires the vendor to complete a self-evaluation of the services performed; however, these evaluations were not prepared and no other contract monitoring is required. The district paid \$501,600 for this service during the year ended June 30, 2012.
- The district contracts with a vendor to re-enroll students who have dropped out of school and work toward preventing students who are "at-risk" of dropping out, and to provide course credit recovery for current students. The service contract requires the vendor to submit progress reports to the district. District officials indicated the vendor enters applicable information into the district's Student Information System. However, progress reports as defined by the contract do not appear to be submitted by the vendor or reviewed by the district. The district paid \$1.2 million for this service during the year ended June 30, 2012.
- The district's facilities management services contract requires weekly facilities inspections; however, the inspection reports provided for our review were completed inconsistently on what appeared to be a monthly basis.
- District contracts with two DESE-approved supplemental education service providers require submission of invoices with a detailed list of eligible students who received services; however, vendor-provided invoices did not include the required information. The district paid \$1.8 million for this service during the year ended June 30, 2012.

In addition, evaluation of prior year performance by vendors was not always documented, or was not documented prior to contract renewal as required by the district Purchasing Guide. For one of the lobbyist contracts, Vendor Performance Reports (VPR) were not completed for fiscal years 2009 and 2011. However, the vendor's contracts were subsequently renewed for fiscal years 2010 and 2012. In addition, VPRs were not completed for the bus transportation service provider prior to renewing contracts for fiscal years 2009 and 2010.



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St. Louis Public School District  
Management Advisory Report - State Auditor's Findings

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Evaluation of vendor performance is necessary to ensure the district receives the appropriate goods and services and to ensure efficient use of district funds.

#### 6.4 Contracts with former employees

The district may not be following Internal Revenue Service (IRS) rules when hiring former employees as independent contractors.

For the year ended June 30, 2012, four former district employees who retired from the district and were receiving retirement benefits were paid as independent contractors to perform duties similar to those they had performed as employees. Administrators under contract for fiscal year 2012 included the Chief of Staff, a Principal, the Director of Community Education, and the Manager of the St. Louis Plan. Independent contractor payments to these individuals totaled \$125,000, \$104,842, \$92,043, and \$51,250, respectively. The district filed Forms 1099 for these payments. However, under IRS rules and given the district's control over working hours of these individuals, it appears these persons should have been considered employees and paid wages with applicable taxes withheld, and the earnings reported on Forms W-2. Because these former employees are receiving retirement benefits and the classification of their current employment may not be proper, the district may be subject to IRS and/or state penalties.

#### 6.5 Vehicle allowances

The district did not properly report to the IRS vehicle allowances paid to the Superintendent and former Chief Financial Officer (CFO). In addition, the vehicle allowances do not appear reasonable.

The district paid monthly vehicle allowances of \$800 to the Superintendent and \$300 to the former CFO. These allowances are intended to cover in-district travel. While the Superintendent maintained documentation of mileage incurred for district purposes, neither the Superintendent or former CFO were required to submit to the district documentation of mileage incurred for district purposes, and these allowances were not reported on their W-2 forms. In addition, the mileage rate allowed by the IRS for business travel during 2012 was 55.5 cents per mile. At 55.5 cents per mile, the Superintendent would have to travel an average of over 1,400 business-related miles per month to earn \$800 in reimbursement; however, the Superintendent documented only 5,112 in district mileage for calendar year 2011. The CFO would have to travel an average of over 500 miles per month to earn \$300 in reimbursement.

The IRS specifically requires expenses not accounted for to the employer to be considered as gross income and payroll taxes to be withheld from the undocumented payments. In addition, vehicle allowances should be based on a reasonable estimate of miles driven for in-district business purposes.



St. Louis Public School District  
Management Advisory Report - State Auditor's Findings

## Recommendations

The Special Administrative Board:

- 6.1 Perform a cost analysis for legal services and consider appropriate action as necessary.
- 6.2 Enter into timely written agreements and contract amendments prior to the commencement of services.
- 6.3 Enter into detailed written agreements defining the services to be provided and the benefits to be received. In addition, the SAB should ensure contracts are monitored for compliance and vendor performance is adequately documented.
- 6.4 Follow IRS guidelines when hiring employees.
- 6.5 Follow IRS guidelines when paying vehicle allowances. In addition, the SAB should review all vehicle allowances and set the allowances to reasonably reflect actual expenses incurred.

## Auditee's Responses

*The Special Administrative Board provided the following written responses:*

- 6.1 *The District performed a cost analysis for legal services in 2011 and determined that it was more cost efficient to outsource these services. The District will continue to periodically evaluate the best method for providing legal services (outsourcing vs. in-house). One staff attorney has been hired. The SAB has directed the Superintendent to hire, train, and develop staff attorneys capable of handling more legal work on an internal basis.*
- 6.2 *The District will enter into timely written agreements and contract amendments prior to commencement of services.*
- 6.3 *The District will ensure that all contracts include deliverables, performance expectations, and timelines for submission. The District will also monitor contracts for compliance and document vendor performance.*
- 6.4 *The District will follow IRS guidelines when hiring employees.*
- 6.5 *The District will follow IRS guidelines when paying vehicle allowances. All vehicle allowances will be submitted to the SAB for review/approval on an annual basis.*

## Auditor's Comment

- 6.1 The 2011 cost analysis referred to in its response is actually a request by the SAB to its primary legal firm to identify ways to reduce future legal costs. While the legal firm identified five areas



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St. Louis Public School District  
Management Advisory Report - State Auditor's Findings

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to reduce costs, the recommendations were based on the legal firm continuing to provide the SAB with the majority of the district's legal services, and was not a comprehensive cost analysis of outsourcing legal services versus providing services in-house.

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## 7. Closed Session and Committee Meeting Minutes

The district did not publicly report some decisions made in closed SAB meetings or document how some issues discussed in closed meetings were allowable under the Sunshine Law. In addition, committee meeting minutes are not always prepared and approved in a timely manner.

### 7.1 Closed session minutes

Our review of SAB closed meeting minutes noted the following concerns:

- Items were approved in closed session but not later announced in an open meeting or publicly disclosed, including the sale of school buildings and an amendment to a district lease agreement.
- Some instances were identified where the closed meeting minutes disclosed issues discussed that were not allowable under the Sunshine Law. Such issues discussed in closed sessions include approval of a licensing agreement and an easement, the district budget, and lobbying and legislative issues.

Section 610.021 RSMo, lists the topics which may be discussed in closed session and requires the results of votes related to certain decisions made in closed sessions within specified timeframes or after conclusion of the action authorized by the vote be made public. This includes decisions on settlement agreements arising from litigation; execution of lease, purchase or sale of real estate; and execution of contracts.

Unless the SAB publicly announces or releases results of votes taken in closed sessions within a reasonable time following the conclusion of the action as required, the public cannot be aware that a decision has been made or that the related records are available.

### 7.2 Committee meeting minutes

Some SAB committee meeting minutes are not prepared and approved in a timely manner. For example, the Finance Committee minutes from March through June 2012 were not prepared until July 2012 and had not been approved as of July 31, 2012.

Minutes serve as the only official permanent record of decisions made by the SAB and committees appointed by the SAB. The Sunshine Law, specifically Section 610.020, RSMo, requires minutes be taken of meetings of all public governmental bodies. Section 610.010, RSMo, defines committees appointed by and reporting to public governmental bodies as subject to Sunshine Law requirements. Minutes should be approved and



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St. Louis Public School District  
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signed to provide an independent attestation that the minutes are an accurate record of the matters discussed and actions taken during the meetings. Furthermore, timely preparation and approval not only adds assurance to the authenticity of official minutes, but allows a timely review of the contents to ensure the minutes include all important information regarding the meetings held.

## Recommendations

The Special Administrative Board:

- 7.1 Ensure all closed session votes and the related actions are publicly disclosed as and when required, and items discussed in closed meetings are allowable topics under the Sunshine Law.
- 7.2 Ensure minutes are prepared and approved in a timely manner and maintained for all applicable committee meetings in accordance with the Sunshine Law.

## Auditee's Responses

*The Special Administrative Board provided the following written responses:*

- 7.1 *The District will ensure all closed session votes and the related actions are publicly disclosed as and when required, and items discussed in closed meetings are allowable topics under the Sunshine Law.*
- 7.2 *The District will ensure minutes are prepared and approved in a timely manner and maintained for all applicable committee meetings in accordance with the Sunshine Law.*

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## 8. Henry Elementary Follow-up

The district has not fully implemented all audit report recommendations cited in our previous audit report, No. 2011-66, *St. Louis Public School District, Patrick Henry Downtown Academy - Enrollment and Attendance Recording and Reporting*.

In September 2011, we issued the audit report noted above in response to concerns that school attendance and enrollment data were being falsified at the Patrick Henry Downtown Academy (Henry Elementary). From the evidence collected, it appeared enrollment and attendance data was manipulated. As a result, we recommended the SAB:

- Address the discrepancies noted and update and correct data submitted to the DESE as appropriate.
- Investigate allegations that unverified and/or invalid changes were intentionally made to data, and that records were stolen, destroyed, or altered.





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St. Louis Public School District  
Management Advisory Report - State Auditor's Findings

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- Implement additional controls and procedures to ensure data is accurately recorded and reported.
- Ensure all schools in the district comply with district policies and procedures regarding attendance, late arrival and early departure, and withdrawal of students.

In August 2012, the district provided the following responses regarding the status of these recommendations:

- During the past year, the district began reviewing attendance data submitted to the DESE for the past five years, including data for Henry Elementary. This is allowed under the current MSIP (Missouri School Improvement Program) data correction guidelines. As rules that govern attendance reporting are modified by the state, school districts have the ability to review and act accordingly. The results, at this point, reflect an accurate representation of applicable rule changes.

However, the district did not provide us with any documentation that the discrepancies noted in our 2011 audit report were addressed and attendance data updated and corrected.

- The employee against whom the allegations were made is no longer with the district.
- In July 2012 an audit trail log was implemented to electronically track changes made to student attendance by user.

However, as of February 2013 the district acknowledged it had not yet begun using the audit trail logging feature to monitor changes to the student information system database.

- An evaluation report was issued by the Office of Accountability in September 2011. Site visits were performed at 24 schools (16 elementary, 2 middle schools, and 6 high schools) to determine how closely schools adhered to district policies on attendance, student enrollment, etc. The report identified some inconsistencies or lack of proper follow-through, but concluded most schools were following district guidelines. As a result, the district provided training to school staff on attendance procedures and guidelines and a recap of attendance procedures was provided each school principal at the beginning of the 2011-2012 and 2012-2013 school years. The school principals were responsible for sharing this information with their staff.



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St. Louis Public School District  
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As the district has noted in its response above, the DESE allows schools up to 5 years to correct data in the Missouri Student Information System and as rules that govern attendance reporting are modified by the state. However, corrections to applicable discrepancies cited in our previous audit report suggesting intentional manipulation of attendance records should be made as appropriate. In addition, the audit trail logging feature should be reviewed and its use implemented. Attendance data helps determine the amount of state and federal funds the district receives. In addition, accurate attendance data is necessary to ensure the district complies with certain state and federal laws and regulations.

## Recommendation

The Special Administrative Board continue to review attendance data and update, correct, and approve the data submitted to the DESE for Henry Elementary as appropriate. In addition, the Board should ensure the audit trail log is reviewed periodically and applicable changes to attendance investigated if necessary.

## Auditee's Response

*The Special Administrative Board provided the following written response:*

*With regard to updating the attendance data submitted to DESE for Henry, the District reviewed and determined that there was no conclusive evidence that would have warranted significant changes in attendance and/or withdrawal information. The District was aware of sample documents that alleged discrepancies, but the entire information was never received. Alleged discrepancy updates were not completed due to the decision made internally by St. Louis Public Schools that the financial impact would have been minimal. Based on the information provided, and using the assumption of specific attendance percentages between 85.2% and 97.4%, a modification would have warranted a difference of \$54,000 to \$145,000 which was considered immaterial. Furthermore, when modifications are made in a positive manner for the District, DESE does not send additional revenue to compensate for the change in percentage rates.*

*The District does acknowledge the importance of accurate attendance records and has taken the following actions to improve attendance reporting:*

- Additional controls have been put in place with attendance monitors visiting buildings on a timely basis. Data is reviewed to identify anomalies on a more regular basis and are brought to the attention of management when needed.*
- Extensive training has been held with building level support—four different professional days in 2012-13—to intensify the need for accurate, timely, and up-to-date reporting in all areas of attendance and other measures related to MSIP 5 reporting.*



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- *After the audit re: Patrick Henry, the District's vendor, SIS K-12, added a feature that logs when an attendance file is updated, modified, and/or adjusted. This information is now available going forward and will be scheduled for periodic review.*

## 9. Audit Functions

### 9.1 Annual independent audits

The district has not implemented many recommendations made by the district's independent auditor, some of which have been repeated for several years. In addition, the district does not have an internal audit function.

Numerous recommendations are made by the district's independent auditor in their most recent annual financial statement audit report. Many of the recommendations have not been fully implemented and have been repeated from prior years, some dating back to 2008.

The district has indicated some of the audit recommendations have not been implemented due to accounting system, staffing, and/or budgetary constraints.

In the report issued for the year ended June 30, 2012, the independent auditor noted improvement in some areas; however, several findings were repeated in whole or in part, including several material internal control weaknesses over financial reporting, which increase the possibility that material misstatements of the district's financial statements will not be prevented, or detected and corrected on a timely basis. The material internal control weaknesses over financial reporting cited in the 2012 audit report were as follows (fiscal years in which similar findings were cited are noted in parentheses):

- Improvement is needed regarding financial statement closing and reconciling procedures at month-end and year-end (2011, 2010, 2009, and 2008).
- Capital asset records are not properly maintained and reconciled to supporting data in a timely manner (2011, 2010, 2009, and 2008).
- Timely financial statements and budget-to-actual reports for expenditures are not always prepared in a timely manner or on a regular basis (2011 and 2010).
- Accounting program and data information security controls are not sufficiently restrictive to properly segregate duties (2011, 2010, 2009, and 2008).
- District staff does not have an adequate understanding of generally accepted accounting principles or relevant accounting standards



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St. Louis Public School District  
Management Advisory Report - State Auditor's Findings

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needed to prepare or apply controls over the preparation of external-use financial statements (2011, 2010, 2009, and 2008).

The independent auditors also identified three material weaknesses in internal controls over compliance related to the district's federally funded programs. One of these material weaknesses was previously cited in the district's 2011 and 2010 audit reports while another was previously cited in the 2011 report.

The district prepared a written corrective action plan for the 2011 audit recommendations, indicating most would be corrected by June 30, 2012. However, the independent auditor followed up on the status of these recommendations as part of the 2012 audit and found many of the same concerns. The district's current corrective action plan indicates correction for several of the audit recommendations is expected during April to June, 2013.

Timely implementation of corrective action plans is necessary to ensure audit findings are fully implemented, thus strengthening controls needed to prevent fraud, abuse, and/or material misstatement of the district's financial statements.

## 9.2 Internal audit

The district has financial activity of more than \$370 million annually, and numerous compliance and policy requirements. Several control weaknesses were noted by the district's independent auditor. However, the district does not have an internal audit function (this concern was also noted in our previous audit report, No. 2004-47, *Review of the St. Louis Public School District*). The district had an internal auditor as recently as December 2011 and in the past had an employee that performed some internal audit functions; however, this employee was also assigned several non-audit related tasks. As a result, internal audits were limited mainly to emergency requests and fraud allegations. According to district officials, interviews for the internal audit position were held in 2012 and a candidate was identified; however, contract terms could not be finalized. Also in 2012, the District issued a request for proposal and received bids for an internal business review; however, the district indicated that project was put on hold when our audit commenced.

If utilized properly, the internal audit function can assist management in performing its duties more efficiently and effectively, and the savings could potentially exceed the cost. In addition, an internal audit function can enhance the district's annual external audit by providing valuable information to those auditors and ensuring the district has strong internal controls and accounting procedures in place. An effective internal audit function could have helped in discovering and/or resolving many of the



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St. Louis Public School District  
Management Advisory Report - State Auditor's Findings

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accounting and procedural control weaknesses, and policy and compliance issues addressed in this report.

The Institute of Internal Auditors' standards provide that internal audit activity is to be independent and should "... report to a level within the organization that allows the internal audit activity to fulfill its responsibilities." To ensure complete and objective audit coverage, the internal audit function must be independent of the activities it audits. Direct communication between the Internal Auditor and the SAB would help ensure independence and provide a means whereby the SAB can be kept abreast of current operations and activities. Such a reporting structure would also permit the SAB to request the internal audit section to perform specific audits.

## Recommendations

The Special Administrative Board:

- 9.1 Ensure corrective action plans for audit findings are implemented in a timely manner.
- 9.2 Consider hiring an internal auditor to conduct audits of district operations and activities and who reports directly to the Board.

## Auditee's Responses

*The Special Administrative Board provided the following written responses:*

- 9.1 *The District will ensure that corrective action plans for audit findings are implemented in a timely manner.*
- 9.2 *The District agrees with the importance of a strong internal control environment and will consider hiring an internal auditor to conduct audits of district operations and activities, who reports directly to the Board.*

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# St. Louis Public School District

## Organization and Statistical Information

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The St. Louis Public School District encompasses the entire city of St. Louis, Missouri.

The district operates 14 senior high schools (grades 9-12) of which 9 are either magnet or choice schools; 10 middle schools (grades 6-8) of which 5 are magnet schools; 5 combination schools (grades ranging from preschool (PS)-9) of which 1 is a magnet school; 40 elementary schools (grades ranging from PS-6) of which 9 are magnet schools; 2 early childhood magnet centers (grades PS-2); and 7 alternative sites. Enrollment was 24,766 for the 2011-2012 school year. The district employed 3,360 full-time and 969 part-time employees at June 30, 2012.

At June 30, 2012, the St. Louis Public School District was classified under the Missouri School Improvement Program (MSIP) as "Unaccredited" by the Missouri Department of Elementary and Secondary Education (DESE). However, the district's accreditation status was changed to "Provisionally Accredited" in October 2012. A provisionally accredited district has not met enough of the MSIP standards and indicators to be fully accredited.

### Special Administrative Board

Since 2007 the Special Administrative Board (SAB) has acted as the policy-making body for the district's operations. In November 2010 the State Board of Education extended the SAB's authority for another 3 years. The SAB's three members serve without compensation. One member is appointed by the Governor, one by the Mayor of St. Louis, and one by the President of the St. Louis Board of Aldermen. Members of the board at June 30, 2012, were:

Rick Sullivan, President  
Melanie Adams, Vice-President  
Richard K. Gaines, Member

### School Board

While the duties of governing the district have been transferred to the SAB, the elected school board conducts regular meetings and maintains limited statutory duties (i.e., auditing and public reporting powers). The board's seven members serve 4-year terms without compensation. Members of the board at June 30, 2012, were:

Katherine Wessling, President  
David L. Jackson, Jr., Vice-President  
Chad Beffa, Secretary  
Donna Jones, Member  
Rebecca Rogers, Member  
Emile Bradford-Taylor, Member  
Bill Haas, Member



St. Louis Public School District  
Organization and Statistical Information

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Superintendent

The district's superintendent at June 30, 2012, was Dr. Kelvin R. Adams and his annual compensation was \$234,600, which includes a vehicle allowance of \$9,600. The superintendent's compensation is established by the SAB.



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Cooper County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Cooper County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Casey-Beard-Boehmer PC, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich", is positioned above the printed name.

Thomas A. Schweich  
State Auditor

September 2013  
Report No. 2013-086



**AUDITED FINANCIAL STATEMENTS**

**COOPER COUNTY, MISSOURI**

**FOR THE YEARS ENDED**  
**DECEMBER 31, 2012 AND 2011**

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**CASEY-BEARD-BOEHMER PC  
CERTIFIED PUBLIC ACCOUNTANTS  
COLUMBIA, MISSOURI**

**COOPER COUNTY, MISSOURI  
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# CASEY-BEARD-BOEHMER PC



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August 8, 2013

## INDEPENDENT AUDITORS' REPORT

To the County Commission  
and Officeholders of  
Cooper County, Missouri

We have audited the accompanying financial statements of Cooper County, Missouri, which comprise the statement of receipts, disbursements, and changes in cash – regulatory basis, of each fund as of December 31, 2012 and 2011, and the related statement of receipts, disbursements, and changes in cash – budget and actual – regulatory basis for each fund for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri Law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

MEMBER  
•  
American  
Institute of  
Certified  
Public  
Accountants  
•  
Missouri  
Society of  
Certified  
Public  
Accountants  
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## **COOPER COUNTY, MISSOURI INDEPENDENT AUDITORS' REPORT (CONTINUED)**

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### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1, the financial statements are prepared by Cooper County, Missouri, using accounting practices prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Cooper County, Missouri, as of December 31, 2012 and 2011, and the changes in its financial position.

### **Basis for Qualified Opinion on Regulatory Basis of Accounting**

Cooper County, Missouri, has not properly presented the receipts and disbursements in the General Revenue Fund and various other funds for the years ended December 31, 2012 and 2011. Intergovernmental receipts, charges for services, and transfers in were misclassified to other areas; sales taxes were misclassified as other revenues; federal grants were misclassified as other revenues; and transfers out were classified in various disbursement areas. The amounts by which the receipts and disbursements are misstated is material but not readily determinable.

### **Qualified Opinion on Regulatory Basis of Accounting**

In our opinion, except for the matter described in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each fund of Cooper County, Missouri, as of December 31, 2012 and 2011, and their respective cash receipts and disbursements, and budgetary results for the year then ended, on the basis of the financial reporting provisions of Missouri Law as described in Note 1.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2013, on our consideration of Cooper County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cooper County, Missouri's internal control over financial reporting and compliance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Cooper County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

**COOPER COUNTY, MISSOURI**  
**INDEPENDENT AUDITORS' REPORT (CONTINUED)**

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This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Casey-Beard-Boehmer PC*

Casey-Beard-Boehmer PC  
Certified Public Accountants

**COOPER COUNTY, MISSOURI**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

Fund	Cash January 1, 2011	Receipts	Disbursements	Cash December 31, 2011	Receipts	Disbursements	Cash December 31, 2012
General Revenue	\$ 1,135,925	2,431,838	2,351,791	1,215,972	2,368,850	2,657,757	927,065
Special Road and Bridge	380,991	1,343,928	1,297,521	427,398	1,612,716	1,516,776	523,338
Assessment	100,589	284,625	246,666	138,548	278,114	233,680	182,982
Road and Bridge Trust	293,662	1,069,469	1,362,624	507	1,209,885	1,208,544	1,848
Enhanced 911	300,980	511,478	473,768	338,690	493,075	508,268	323,497
Law Enforcement Center	79,423	1,058,771	923,846	214,348	970,073	961,140	223,281
Election Services	22,835	2,845	2,138	23,542	9,849	-	33,391
Collector Tax Maintenance	45,966	27,950	5,239	68,677	23,271	51,576	40,372
Recorder User Fee	35,275	5,724	3,623	37,376	6,687	7,691	36,372
Recorders Technical	5,988	3,404	338	9,054	3,991	282	12,763
Time Payment	967	1,807	694	2,080	2,308	848	3,540
Law Enforcement Training	4,510	5,911	5,173	5,248	7,165	4,996	7,417
Sheriff	18,041	31,070	34,822	14,289	20,745	28,784	6,250
Sheriff Interest	3,804	23	-	3,827	26	-	3,853
Prosecuting Attorney Training	220	1,056	1,026	250	1,302	796	756
Prosecuting Attorney Bad Check	26,298	15,612	19,091	22,819	10,651	17,503	15,967
Drug Court	2,304	5,500	2,476	5,328	3,494	4,770	4,052
Administrative Bond Fee ATM	4,883	20,064	19,200	5,747	31,638	31,000	6,385
Adult Abuse	2,592	5,505	5,027	3,070	5,347	6,039	2,378
Cemetery Trust	6,565	92	-	6,657	5,061	5,000	6,718
Deputy Supplementation	-	11,503	11,503	-	9,690	9,690	-
Sheriff Revolving	4,651	9,188	3,160	10,679	10,210	4,154	16,735
Local Law Enforcement Block Grant	-	9,024	9,012	12	-	12	-
Delinquent Tax	231	4,200	1,746	2,685	4,867	250	7,302
FEMA Reimburse Account	-	-	-	-	70,171	-	70,171
Totals	\$ 2,476,700	6,860,587	6,780,484	2,556,803	7,159,186	7,259,556	2,456,433

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**COOPER COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>General Revenue Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Property taxes	\$ 515,000	599,924	84,924	\$ 510,000	571,998	61,998
Sales taxes	850,000	832,541	(17,459)	800,000	858,701	58,701
Intergovernmental	351,890	413,305	61,415	345,787	422,928	77,141
Charges for services	297,500	345,953	48,453	283,500	333,389	49,889
Interest	18,000	6,652	(11,348)	20,000	16,577	(3,423)
Other	249,322	123,327	(125,995)	188,314	228,245	39,931
Transfers in	9,000	47,148	38,148	9,000	-	(9,000)
Total Receipts	\$ 2,290,712	2,368,850	78,138	\$ 2,156,601	2,431,838	275,237
<b>DISBURSEMENTS</b>						
General County Government -						
County Commission	\$ 137,965	135,447	(2,518)	\$ 134,664	132,733	(1,931)
County Clerk	149,932	148,685	(1,247)	129,292	113,103	(16,189)
Elections	150,539	129,547	(20,992)	79,789	52,189	(27,600)
Buildings and grounds	162,511	100,089	(62,422)	155,813	138,399	(17,414)
Employee fringe benefits	346,900	325,061	(21,839)	331,500	303,094	(28,406)
County Treasurer	48,298	47,417	(881)	48,688	45,230	(3,458)
County Collector	134,215	123,509	(10,706)	127,310	131,322	4,012
Ex officio Recorder of Deeds	53,920	48,250	(5,670)	56,070	44,909	(11,161)
Circuit Clerk	22,824	19,624	(3,200)	23,324	17,669	(5,655)
Court Administration	73,944	74,702	758	73,714	55,285	(18,429)
Public Administrator	69,364	68,314	(1,050)	63,257	63,439	182
Public Safety -						
Sheriff	336,974	325,083	(11,891)	329,720	312,932	(16,788)
Sheriff vehicles	48,300	49,064	764	43,600	43,836	236
Prosecuting Attorney	277,841	260,117	(17,724)	245,900	237,567	(8,333)
Juvenile Officer	36,804	27,183	(9,621)	36,304	35,093	(1,211)
County Coroner	28,484	23,507	(4,977)	28,082	26,738	(1,344)
Other -						
General County Government	122,500	125,715	3,215	117,700	114,726	(2,974)
Contract services	74,582	74,557	(25)	69,082	69,057	(25)
Child support division	136,458	142,300	5,842	138,781	131,276	(7,505)
Deputy Juvenile Officer grant	26,173	7,339	(18,834)	26,173	22,479	(3,694)
Riverboat expenditures	4,500	4,500	-	3,400	3,350	(50)
Drug abuse resistance education (DARE)	2,700	2,682	(18)	2,700	2,688	(12)
Emergency management agency	311,656	311,236	(420)	174,806	179,096	4,290
Transfers out	20,442	83,829	63,387	20,314	16,684	(3,630)
Emergency fund	100,000	-	(100,000)	100,000	58,897	(41,103)
Total Disbursements	\$ 2,877,826	2,657,757	(220,069)	\$ 2,559,983	2,351,791	(208,192)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (587,114)	(288,907)	298,207	\$ (403,382)	80,047	483,429
CASH, JANUARY 1	1,215,972	1,215,972	-	1,135,925	1,135,925	-
CASH, DECEMBER 31	\$ 628,858	927,065	298,207	\$ 732,543	1,215,972	483,429

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**COOPER COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Special Road and Bridge Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Property taxes	\$ 710,000	748,493	38,493	\$ 685,000	686,799	1,799
Intergovernmental	523,000	723,208	200,208	523,000	525,560	(523,000)
Interest	1,500	2,523	1,023	1,500	2,889	1,389
Other	5,000	27,588	22,588	50,000	127,191	77,191
Transfers in	150,000	110,904	(39,096)	50,000	1,489	(48,511)
Total Receipts	\$ 1,389,500	1,612,716	223,216	\$ 1,309,500	1,343,928	(491,132)
<b>DISBURSEMENTS</b>						
Salaries	\$ 460,000	440,224	(19,776)	\$ 490,000	438,523	(51,477)
Employee fringe benefits	157,100	138,335	(18,765)	175,000	157,592	(17,408)
Supplies	255,000	209,087	(45,913)	198,000	210,786	12,786
Insurance	25,500	24,048	(1,452)	25,000	23,140	(1,860)
Road and bridge materials	226,500	219,876	(6,624)	186,500	182,045	(4,455)
Equipment repairs	95,000	79,886	(15,114)	65,000	76,075	11,075
Rentals	45,000	-	(45,000)	54,000	55,878	1,878
Equipment purchases	300,000	207,657	(92,343)	200,000	43,077	(156,923)
Road and bridge construction	3,000	2,325	(675)	3,000	27	(2,973)
Other expenditures	179,750	195,338	15,588	104,794	110,378	5,584
Total Disbursements	\$ 1,746,850	1,516,776	(230,074)	\$ 1,501,294	1,297,521	(203,773)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (357,350)	95,940	453,290	\$ (191,794)	46,407	238,201
CASH, JANUARY 1	427,398	427,398	-	380,991	380,991	-
CASH, DECEMBER 31	\$ 70,048	523,338	453,290	\$ 189,197	427,398	238,201

<b>Assessment Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Intergovernmental	\$ 257,521	256,015	(1,506)	\$ 242,491	263,320	20,829
Charges for services	3,000	5,958	2,958	3,000	5,447	2,447
Interest	1,000	699	(301)	1,500	544	(956)
Other	15,442	15,442	-	15,314	15,314	-
Total Receipts	\$ 276,963	278,114	1,151	\$ 262,305	284,625	22,320
<b>DISBURSEMENTS</b>						
Assessor	\$ 276,963	233,680	(43,283)	\$ 281,688	246,666	(35,022)
Total Disbursements	\$ 276,963	233,680	(43,283)	\$ 281,688	246,666	(35,022)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	44,434	44,434	\$ (19,383)	37,959	57,342
CASH, JANUARY 1	138,548	138,548	-	100,589	100,589	-
CASH, DECEMBER 31	\$ 138,548	182,982	44,434	\$ 81,206	138,548	57,342



**COOPER COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Road and Bridge Trust Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 1,000	1,037	37	\$ 2,000	1,273	(727)
Other	1,245,000	1,208,848	(36,152)	1,555,000	1,068,196	(486,804)
Total Receipts	\$ 1,246,000	1,209,885	(36,115)	\$ 1,557,000	1,069,469	(487,531)
DISBURSEMENTS						
Miscellaneous and publications	\$ 3,000	2,223	(777)	\$ 2,700	2,719	19
Insurance	1,650	1,637	(13)	3,000	1,805	(1,195)
County bridge replacement	200,000	198,428	(1,572)	200,000	330,089	130,089
Off system 80/20	375,000	278,899	(96,101)	735,000	464,524	(270,476)
Road system improvements	570,000	569,305	(695)	650,000	561,998	(88,002)
Transfers out	88,500	158,052	69,552	58,000	1,489	(56,511)
Total Disbursements	\$ 1,238,150	1,208,544	(29,606)	\$ 1,648,700	1,362,624	(286,076)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 7,850	1,341	(6,509)	\$ (91,700)	(293,155)	(201,455)
CASH, JANUARY 1	507	507	-	293,662	293,662	-
CASH, DECEMBER 31	\$ 8,357	1,848	(6,509)	\$ 201,962	507	(201,455)

<b>Enhanced 911 Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 2,500	1,681	(819)	\$ 2,500	2,272	(228)
Other	500,500	491,394	(9,106)	475,500	509,206	33,706
Total Receipts	\$ 503,000	493,075	(9,925)	\$ 478,000	511,478	33,478
DISBURSEMENTS						
Salaries	\$ 405,680	391,663	(14,017)	\$ 393,330	368,449	(24,881)
Office	17,500	25,857	8,357	18,300	16,995	(1,305)
Equipment, service charges, and other	108,000	90,748	(17,252)	90,500	88,324	(2,176)
Total Disbursements	\$ 531,180	508,268	(22,912)	\$ 502,130	473,768	(28,362)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (28,180)	(15,193)	12,987	\$ (24,130)	37,710	61,840
CASH, JANUARY 1	338,690	338,690	-	300,980	300,980	-
CASH, DECEMBER 31	\$ 310,510	323,497	12,987	\$ 276,850	338,690	61,840

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**COOPER COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Law Enforcement Center Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 500	638	138	\$ 500	465	(35)
Other	910,900	907,129	(3,771)	863,000	969,721	106,721
Transfers in	50,000	62,306	12,306	40,000	88,585	48,585
Total Receipts	\$ 961,400	970,073	8,673	\$ 903,500	1,058,771	155,271
DISBURSEMENTS						
Salaries	\$ 421,782	395,185	(26,597)	\$ 412,496	372,745	(39,751)
Employee fringe benefits	137,600	119,432	(18,168)	133,100	111,016	(22,084)
Communication assistance	75,000	75,000	-	75,000	75,000	-
Office	160,600	119,976	(40,624)	152,100	131,457	-
Grocery and other	80,150	83,571	3,421	68,550	66,587	(1,963)
Bond payment	171,000	167,976	(3,024)	170,000	167,041	(2,959)
Total Disbursements	\$ 1,046,132	961,140	(84,992)	\$ 1,011,246	923,846	(87,400)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (84,732)	8,933	93,665	\$ (107,746)	134,925	242,671
CASH, JANUARY 1	214,348	214,348	-	79,423	79,423	-
CASH, DECEMBER 31	\$ 129,616	223,281	93,665	\$ (28,323)	214,348	242,671

<b>Election Services Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ -	92	92	\$ -	70	70
Other	4,800	9,757	4,957	1,200	2,775	1,575
Total Receipts	\$ 4,800	9,849	5,049	\$ 1,200	2,845	1,645
DISBURSEMENTS						
Election services	\$ 25,000	-	(25,000)	\$ 23,000	2,138	(20,862)
Total Disbursements	\$ 25,000	-	(25,000)	\$ 23,000	2,138	(20,862)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (20,200)	9,849	30,049	\$ (21,800)	707	22,507
CASH, JANUARY 1	23,542	23,542	-	22,835	22,835	-
CASH, DECEMBER 31	\$ 3,342	33,391	30,049	\$ 1,035	23,542	22,507

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**PIKE COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Collector Tax Maintenance Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ -	188	188	\$ -	175	175
Other	22,000	23,083	1,083	22,000	27,775	5,775
Total Receipts	\$ 22,000	23,271	1,271	\$ 22,000	27,950	5,950
DISBURSEMENTS						
Equipment	\$ 25,000	11,478	(13,522)	\$ 25,000	5,239	(19,761)
Training	300	98	(202)	300	-	(300)
Transfers out	40,000	40,000	-	20,000	-	(20,000)
Total Disbursements	\$ 65,300	51,576	(13,724)	\$ 45,300	5,239	(40,061)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (43,300)	(28,305)	14,995	\$ (23,300)	22,711	46,011
CASH, JANUARY 1	68,677	68,677	-	45,966	45,966	-
CASH, DECEMBER 31	\$ 25,377	40,372	14,995	\$ 22,666	68,677	46,011

<b>Recorder User Fee Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ -	121	121	\$ -	108	108
Other	4,000	6,566	2,566	4,000	5,616	1,616
Total Receipts	\$ 4,000	6,687	2,687	\$ 4,000	5,724	1,724
DISBURSEMENTS						
Recorder	\$ 34,000	7,691	(26,309)	\$ 34,000	3,623	(30,377)
Total Disbursements	\$ 34,000	7,691	(26,309)	\$ 34,000	3,623	(30,377)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (30,000)	(1,004)	28,996	\$ (30,000)	2,101	32,101
CASH, JANUARY 1	37,376	37,376	-	35,275	35,275	-
CASH, DECEMBER 31	\$ 7,376	36,372	28,996	\$ 5,275	37,376	32,101

<b>Recorders Technical Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ -	36	36	\$ -	21	21
Other	3,000	3,955	955	4,300	3,383	(917)
Total Receipts	\$ 3,000	3,991	991	\$ 4,300	3,404	(896)
DISBURSEMENTS						
Equipment	\$ 6,000	282	(5,718)	\$ 5,000	338	(4,662)
Total Disbursements	\$ 6,000	282	(5,718)	\$ 5,000	338	(4,662)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,000)	3,709	6,709	\$ (700)	3,066	3,766
CASH, JANUARY 1	9,054	9,054	-	5,988	5,988	-
CASH, DECEMBER 31	\$ 6,054	12,763	6,709	\$ 5,288	9,054	3,766

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**COOPER COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Time Payment Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ -	8	8	\$ -	5	5
Other	200	2,300	2,100	200	1,802	1,602
Total Receipts	\$ 200	2,308	2,108	\$ 200	1,807	1,607
DISBURSEMENTS						
Office supplies	\$ 2,000	848	(1,152)	\$ 750	694	(56)
Total Disbursements	\$ 2,000	848	(1,152)	\$ 750	694	(56)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,800)	1,460	3,260	\$ (550)	1,113	1,663
CASH, JANUARY 1	2,080	2,080	-	967	967	-
CASH, DECEMBER 31	\$ 280	3,540	3,260	\$ 417	2,080	1,663

<b>Law Enforcement Training Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ -	21	21	\$ -	11	11
Other	3,850	7,144	3,294	5,000	5,900	900
Total Receipts	\$ 3,850	7,165	3,315	\$ 5,000	5,911	911
DISBURSEMENTS						
Sheriff	\$ 7,000	4,996	(2,004)	\$ 6,500	5,173	(1,327)
Total Disbursements	\$ 7,000	4,996	(2,004)	\$ 6,500	5,173	(1,327)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,150)	2,169	5,319	\$ (1,500)	738	2,238
CASH, JANUARY 1	5,248	5,248	-	4,510	4,510	-
CASH, DECEMBER 31	\$ 2,098	7,417	5,319	\$ 3,010	5,248	2,238

<b>Sheriff Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 50	60	10	\$ -	54	54
Other	25,000	20,685	(4,315)	25,000	31,016	6,016
Total Receipts	\$ 25,050	20,745	(4,305)	\$ 25,000	31,070	6,070
DISBURSEMENTS						
Vehicle purchases	\$ 30,000	25,929	(4,071)	\$ 30,000	28,575	(1,425)
Other	5,000	2,855	(2,145)	5,000	6,247	1,247
Total Disbursements	\$ 35,000	28,784	(6,216)	\$ 35,000	34,822	(178)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (9,950)	(8,039)	1,911	\$ (10,000)	(3,752)	6,248
CASH, JANUARY 1	14,289	14,289	-	18,041	18,041	-
CASH, DECEMBER 31	\$ 4,339	6,250	1,911	\$ 8,041	14,289	6,248

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**COOPER COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

Sheriff Interest Fund							
	2012				2011		
	Final Budget	Actual	Actual Over (Under) Budget		Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS							
Interest	\$ -	13	13	\$	-	12	12
Other	-	13	13		-	11	11
Total Receipts	\$ -	26	26	\$	-	23	23
DISBURSEMENTS							
Sheriff	\$ 3,500	-	(3,500)	\$	3,500	-	(3,500)
Total Disbursements	\$ 3,500	-	(3,500)	\$	3,500	-	(3,500)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,500)	26	3,526	\$	(3,500)	23	3,523
CASH, JANUARY 1	3,827	3,827	-		3,804	3,804	-
CASH, DECEMBER 31	\$ 327	3,853	3,526	\$	304	3,827	3,523

	Prosecuting Attorney Training Fund					
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ -	1	1	\$ 1	1	-
Other	450	1,301	851	800	1,055	255
Total Receipts	\$ 450	1,302	852	\$ 801	1,056	255
DISBURSEMENTS						
Prosecuting attorney	\$ 400	796	396	\$ 800	1,026	226
Total Disbursements	\$ 400	796	396	\$ 800	1,026	226
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 50	506	456	\$ 1	30	29
CASH, JANUARY 1	250	250	-	220	220	-
CASH, DECEMBER 31	\$ 300	756	456	\$ 221	250	29

	Prosecuting Attorney Bad Check Fund					
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 100	73	(27)	\$ 150	77	(73)
Other	18,200	10,578	(7,622)	18,700	15,535	(3,165)
Total Receipts	\$ 18,300	10,651	(7,649)	\$ 18,850	15,612	(3,238)
DISBURSEMENTS						
Public safety	\$ 23,799	17,503	(6,296)	\$ 25,024	19,091	(5,933)
Total Disbursements	\$ 23,799	17,503	(6,296)	\$ 25,024	19,091	(5,933)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (5,499)	(6,852)	(1,353)	\$ (6,174)	(3,479)	2,695
CASH, JANUARY 1	22,819	22,819	-	26,298	26,298	-
CASH, DECEMBER 31	\$ 17,320	15,967	(1,353)	\$ 20,124	22,819	2,695

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**COOPER COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Drug Court Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ -	13	13	\$ -	62	62
Other	3,500	3,481	(19)	3,500	5,438	1,938
Total Receipts	\$ 3,500	3,494	(6)	\$ 3,500	5,500	2,000
DISBURSEMENTS						
Training and supplies	\$ 3,650	4,770	1,120	\$ 2,100	2,476	376
Total Disbursements	\$ 3,650	4,770	1,120	\$ 2,100	2,476	376
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (150)	(1,276)	(1,126)	\$ 1,400	3,024	1,624
CASH, JANUARY 1	5,328	5,328	-	2,304	2,304	-
CASH, DECEMBER 31	\$ 5,178	4,052	(1,126)	\$ 3,704	5,328	1,624

<b>Help America Vote Act (HAVA) Administration Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Other	\$ 2,500	-	(2,500)	\$ 2,500	-	(2,500)
Total Receipts	\$ 2,500	-	(2,500)	\$ 2,500	-	(2,500)
DISBURSEMENTS						
Elections equipment	\$ 2,500	-	(2,500)	\$ 2,500	-	(2,500)
Total Disbursements	\$ 2,500	-	(2,500)	\$ 2,500	-	(2,500)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-	\$ -	-	-
CASH, JANUARY 1	-	-	-	-	-	-
CASH, DECEMBER 31	\$ -	-	-	\$ -	-	-

<b>Administrative Bond Fee ATM Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ -	10	10	\$ -	7	7
Other	18,650	31,628	12,978	18,650	20,057	1,407
Total Receipts	\$ 18,650	31,638	12,988	\$ 18,650	20,064	1,414
DISBURSEMENTS						
Other	\$ 18,000	31,000	13,000	\$ 18,000	19,200	1,200
Fees	200	-	(200)	200	-	(200)
Total Disbursements	\$ 18,200	31,000	12,800	\$ 18,200	19,200	1,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 450	638	188	\$ 450	864	414
CASH, JANUARY 1	5,747	5,747	-	2,463	4,883	2,420
CASH, DECEMBER 31	\$ 6,197	6,385	188	\$ 2,913	5,747	2,834

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**COOPER COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Adult Abuse Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ -	5	5	\$ -	5	5
Other	4,300	5,342	1,042	2,000	5,500	3,500
Total Receipts	\$ 4,300	5,347	1,047	\$ 2,000	5,505	3,505
DISBURSEMENTS						
Domestic violence shelter	\$ 5,000	6,039	1,039	\$ 2,000	5,027	3,027
Total Disbursements	\$ 5,000	6,039	1,039	\$ 2,000	5,027	3,027
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (700)	(692)	8	\$ -	478	478
CASH, JANUARY 1	3,070	3,070	-	2,592	2,592	-
CASH, DECEMBER 31	\$ 2,370	2,378	8	\$ 2,592	3,070	478

<b>Cemetery Trust Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 75	61	(14)	\$ 75	92	17
Other	-	5,000	5,000	-	-	-
Total Receipts	\$ 75	5,061	4,986	\$ 75	92	17
DISBURSEMENTS						
Other	\$ -	5,000	5,000	\$ -	-	-
Maintenance	5,000	-	(5,000)	5,000	-	(5,000)
Total Disbursements	\$ 5,000	5,000	-	\$ 5,000	-	(5,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,925)	61	4,986	\$ (4,925)	92	5,017
CASH, JANUARY 1	6,657	6,657	-	6,565	6,565	-
CASH, DECEMBER 31	\$ 1,732	6,718	4,986	\$ 1,640	6,657	5,017

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**COOPER COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Deputy Supplementation Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Other	\$ 30,000	9,690	(20,310)	\$ 28,000	11,503	(16,497)
Total Receipts	\$ 30,000	9,690	(20,310)	\$ 28,000	11,503	(16,497)
DISBURSEMENTS						
Other	\$ 30,000	9,690	(20,310)	\$ 28,000	11,503	(16,497)
Total Disbursements	\$ 30,000	9,690	(20,310)	\$ 28,000	11,503	(16,497)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-	\$ -	-	-
CASH, JANUARY 1	-	-	-	-	-	-
CASH, DECEMBER 31	\$ -	-	-	\$ -	-	-

<b>Sheriff Revolving Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ -	43	43	\$ -	20	20
Other	8,000	10,167	2,167	4,000	9,168	5,168
Total Receipts	\$ 8,000	10,210	2,210	\$ 4,000	9,188	5,188
DISBURSEMENTS						
Equipment	\$ 4,000	913	(3,087)	4,000	-	(4,000)
Other	4,000	3,241	(759)	-	3,160	3,160
Total Disbursements	\$ 8,000	4,154	(3,846)	\$ 4,000	3,160	(840)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	6,056	6,056	\$ -	6,028	6,028
CASH, JANUARY 1	10,679	10,679	-	4,651	4,651	-
CASH, DECEMBER 31	\$ 10,679	16,735	6,056	\$ 4,651	10,679	6,028

<b>Local Law Enforcement Block Grant Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ -	-	-	\$ -	24	24
Other	9,000	-	(9,000)	9,000	9,000	-
Total Receipts	\$ 9,000	-	(9,000)	\$ 9,000	9,024	24
DISBURSEMENTS						
Equipment	\$ 9,000	12	(8,988)	9,000	9,012	12
Total Disbursements	\$ 9,000	12	(8,988)	\$ 9,000	9,012	12
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	(12)	(12)	\$ -	12	12
CASH, JANUARY 1	12	12	-	-	-	-
CASH, DECEMBER 31	\$ 12	-	(12)	\$ -	12	12

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS



**COOPER COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Delinquent Tax Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ -	16	16	-	4	4
Other	6,000	4,851	(1,149)	1,200	4,196	2,996
Total Receipts	\$ 6,000	4,867	(1,133)	\$ 1,200	4,200	3,000
DISBURSEMENTS						
Schools	\$ 1,500	250	(1,250)	\$ -	1,746	1,746
Total Disbursements	\$ 1,500	250	(1,250)	\$ -	1,746	1,746
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 4,500	4,617	117	\$ 1,200	2,454	1,254
CASH, JANUARY 1	2,685	2,685	-	231	231	-
CASH, DECEMBER 31	\$ 7,185	7,302	117	\$ 1,431	2,685	1,254

<b>FEMA Reimburse Account Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Other	\$ -	70,171	70,171	\$ -	-	-
Total Receipts	\$ -	70,171	70,171	\$ -	-	-
DISBURSEMENTS						
Equipment	\$ -	-	-	\$ -	-	-
Total Disbursements	\$ -	-	-	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	70,171	70,171	\$ -	-	-
CASH, JANUARY 1	-	-	-	-	-	-
CASH, DECEMBER 31	\$ -	70,171	70,171	\$ -	-	-

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**COOPER COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

Cooper County, Missouri is governed by a three-member board of commissioners. In addition to the three County Commissioners, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk/Ex-Officio Recorder of Deeds, Collector, Treasurer, Coroner, Prosecuting Attorney, Public Administrator, and Sheriff.

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by Missouri State Law, which practices differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

**1. A. REPORTING ENTITY**

The County's operations include tax assessments and collections, state/county courts administration, recording of deeds and other instruments, public safety and 911, economic development, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The Collector Tax Maintenance Fund is under the control of the County Collector. The Senate Bill 40 Board Fund, with a separate appointed board, is separately audited by an independent certified public accounting firm and, therefore, is not included in this report. In addition, the Overton-Wooldridge Levee Fund is not included in this report since it also has a separate elected board that authorizes and approves all transactions for this fund.

The financial statements referred to above include the primary government of Cooper County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity. The financial statements do not include the Circuit Clerk Interest Fund, Law Library Fund, and Circuit Court Over/Under Fund since they are controlled by the Circuit Court.

**1. B. BASIS OF PRESENTATION**

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts, and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary (Agency) Funds - Certain county officials may collect fees from services, remit the monies to the county, state, or to other parties or hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

**COOPER COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

**1. C. BASIS OF ACCOUNTING**

The financial statements are prepared on the regulatory basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

**1. D. BUDGETS AND BUDGETARY ACCOUNTING**

The County follows these procedures in establishing the budget information:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission, the budget documents are available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Budgets are prepared and adopted on the cash basis of accounting.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission during the year. The County amended the Special Road and Bridge Fund and the Assessment Fund in 2011.
8. Although adoption of a formal budget is required by law, the County did not adopt a formal budget for the FEMA Reimburse Account Fund for 2012.
9. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. The Law Enforcement Center Fund budgeted a deficit cash balance for 2011.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds for 2012 and 2011.

<u>Fund</u>	<u>Years Ended December 31,</u>
Prosecuting Attorney Training	2012 and 2011
Drug Court	2012 and 2011
Administrative Bond Fee ATM	2012 and 2011
Adult Abuse Fund	2012 and 2011
Delinquent Tax	2011
Local Law Enforcement Block Grant	2011

**COOPER COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

**1. E. PROPERTY TAXES**

Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The County bills and collects its own property taxes and also taxes for most other local governments in the County.

The assessed valuation of the tangible property for the calendar year 2012 and 2011 for purposes of local taxation was:

	2012	2011
Real Estate	\$ 138,994,530	\$ 138,628,370
Personal Property	45,390,920	45,640,606
Railroad and Utilities	39,599,856	40,227,928
Total Assessed Valuation	\$ 223,985,306	\$ 224,496,904

The county-wide levy per \$100 of the assessed valuation of tangible property for the calendar year 2012 and 2011 for purposes of local taxation was:

	2012	2011
General Revenue Fund	\$ 0.2390	\$ 0.2390
Special Road and Bridge Fund	0.3197	0.3197
Senate Bill 40 Board Fund	0.2000	0.2000

**1. F. CASH DEPOSITS AND INVESTMENTS**

Cash deposits and investments are stated at cost, which approximates market. Cash balances for the County Treasurer funds are invested in interest-bearing bank accounts and in certificates of deposit to the extent possible. Interest earned from such investments is recorded in each of the funds as appropriate. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents.

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

**COOPER COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

**1. G. INTERFUND ACTIVITY**

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

Transfers between funds of the primary government for the years ended December 31, 2012 and 2011 as shown on the budget documents are as follows:

	Year Ended December 31, 2012	
	Transfers In	Transfers Out
<b>FUNDS:</b>		
General Revenue	\$ 47,148	\$ 83,829
Special Road and Bridge	110,904	-
Road and Bridge Trust	-	158,052
Law Enforcement Center	62,306	-
Collector Tax Maintenance	-	40,000
Totals	\$ <u>220,358</u>	\$ <u>281,881</u>

	Year Ended December 31, 2011	
	Transfers In	Transfers Out
<b>FUNDS:</b>		
General Revenue	\$ -	\$ 16,684
Special Road and Bridge	1,489	-
Road and Bridge Trust	-	1,489
Law Enforcement Center	88,585	-
Totals	\$ <u>90,074</u>	\$ <u>18,173</u>

The difference between recorded transfers in and transfers out were mainly related to transfers recorded that were shown in other receipts and disbursement areas in the appropriate funds. Transfers not recorded as such on the budget documents are included in other receipts and disbursement areas in the appropriate funds.

**1. H. PUBLISHED FINANCIAL STATEMENTS**

Under Section 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the County. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the years ended December 31, 2012 and 2011, the published financial statements included all funds and the required information.

**COOPER COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 2. CASH AND INVESTMENTS**

The County has determined through experience that business checking accounts, super NOW checking accounts, money market accounts, and certificates of deposits are appropriate types of accounts or instruments for its needs. The County invests each fund's cash balance in interest-bearing bank accounts and in certificates of deposit to the extent possible at five different depository banks. Each fund is included on the financial statements as "Cash" under each fund's caption. Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreements, in U.S. Treasury and agency obligations. At December 31, 2012 and 2011, the County had no such investments.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand accounts, including negotiable order of withdrawal accounts in banks. The County did not invest in any nonnegotiable certificates of deposit or other investment vehicles during the two years ended December 31, 2012.

Insured and Collateralized Deposits

In accordance with state law, all uninsured deposits in financial institutions must be secured with acceptable collateral. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain state or political subdivision debt obligations, surety bonds, or certain letters of credit. Missouri statutes also require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

At December 31, 2012 and 2011, the County's deposits held at the respective depository bank were adequately covered by Federal Depository Insurance Coverage and with additional collateral held by an independent bank in the County's name or by its agent in the County's name. The County's deposits were not subject to custodial or investment credit risk at year end.

In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County has not adopted a written investment policy in accordance with applicable state law.

**NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS**

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

**A. County Employees' Retirement Fund (CERF)**

The County Employees' Retirement Fund (CERF) was established by the state of Missouri to provide pension benefits for County officials and employees.

**COOPER COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)**

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any County elected or appointed officer or employee whose performance requires the actual performance of duties of not less than one thousand (1,000) hours per calendar year in each County of the state, except for any city not within a County and any County of the first classification having a charter form of government. It does not include County prosecuting attorneys covered under sections 56.800 to 56.840, RSMo; circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System; County sheriffs covered under sections 57.949 to 57.997, RSMo; and certain personnel not defined as an employee per section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

CERF first paid benefits beginning January 1, 1997. At that time a member could not retire until age 62. Beginning January 1, 2000, a member could retire with full benefits at age 62 or reduced benefits as early as age 55. The monthly benefit for County employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). An eligible death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling toll-free 1-877-632-2373.

3) Funding Policy

In accordance with state statutes, the Fund is partially funded through various fees collected by counties and remitted to the CERF. A contribution to CERF of 2% of annual salary is required for eligible employees hired before February 25, 2002 and not in LAGERS, and a contribution of 6% of annual salary is required of employees hired after February 25, 2002, effective January 1, 2003, in order to participate in CERF. During 2012 and 2011, the County collected and remitted to CERF \$101,916 and \$92,542, respectively, for the years then ended.

**B. County Employees Other Retirement Plans**

The County Employees' CERF 401(a) and CERF 457 retirement funds were established by the state of Missouri to provide deferred pension options for County officials and employees. The County established an employees' 457 retirement plan to provide another deferred pension option for county officials and employees.

**COOPER COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)**

1) Plan Descriptions

The CERF 457 and County 457 retirement plans allow voluntary pre-tax contributions from the employee's wages. The CERF 401(a) requires a mandatory contribution from an employee's wages.

2) Pension Benefits

Those employees who leave county employment, reach retirement age (59 ½ for CERF 401(a) and 70 ½ for CERF 457 and County 457), have a financial hardship, or die have various payment options. Pension benefits are based on the total amount of each employee deferrals.

3) Funding Policy

The CERF 401(a) savings plan requires a .7% of an employee's salary as pre-tax deduction. CERF 457 plans are voluntary. CERF will match 50 cents for every dollar deferred up to 6% of the employee's salary for those who earned and received pay for at least 1,000 hours during the year, were on qualified leave, separated from service after retirement age of 62 if vested, or die during the year. The CERF match is deposited to the employee's 401(a) account. Employees who enroll in the county 457 plan will receive a contribution from the County of 1% of wages. Employees may not defer more than the maximum allowed by the IRS in their CERF 457 and County 457 plans combined. The maximum deferral was \$16,500 in 2011 and \$17,000 in 2012. Employees may contribute an additional \$5,500 in 2011 and 2012 if they are over 50 years of age.

**NOTE 4. PROSECUTING ATTORNEY RETIREMENT FUND**

In accordance with state statute chapter 56.807 RSMo, the County contributed annually (instead of monthly) to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$-0- and \$4,488 for the years ended December 31, 2011 and 2012, respectively.

**NOTE 5. POST- EMPLOYMENT BENEFITS**

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

**NOTE 6. CLAIMS, COMMITMENTS, AND CONTINGENCIES**

1) Compensated Absences

Regular full-time employees who have completed the introductory period are eligible to receive vacation time after one year as follows: 1 to 2 years of service, 5 days; 2 to 12 years of service, 10 days; and after 12 years of service, 15 days. Vacation leave must be used in its entirety within one year after being earned. Upon termination of employment, an employee will receive equivalent cash reimbursement for up to one year's accrued vacation leave. Regular full-time employees earn 1 day of sick leave per complete calendar month. Sick leave may accrue unlimited. Upon termination of employment, no payment will be made for unused sick leave.



**COOPER COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 6. CLAIMS, COMMITMENTS, AND CONTINGENCIES (CONTINUED)**

2) Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

**NOTE 7. RISK MANAGEMENT**

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this fund, a non-profit corporation established to provide insurance coverage to Missouri counties. The fund is self-insured up to \$2,000,000 per occurrence and reinsured up to the statutory limit through excess insurance.

**NOTE 8. LONG-TERM DEBT**

The County had the following debt outstanding at December 31, 2012:

- A. The County refinanced and refunded its bond certificates in 2010 on the law enforcement center with United Missouri Bank being the paying agent. The County has long-term debt outstanding for these bonds at December 31, 2012 of \$1,235,000. The interest rates vary between 2.8% and 4.6% and the note ends August 2020. The approximate annual debt service requirements for the law enforcement center, including principal and interest are as follows:

<u>Year Ended December 31,</u>		<u>Principal</u>		<u>Interest</u>
2013	\$	120,000	\$	49,093
2014		120,000		45,733
2015		125,000		41,892
2016		130,000		37,455
2017		135,000		32,515
2018-2020		605,000		62,800
Totals	\$	<u>1,235,000</u>	\$	<u>269,488</u>

**COOPER COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 8. LONG-TERM DEBT (CONTINUED)**

- B. In addition, the County entered into a lease-purchase agreement in July 2012 with a local bank for the purchase of two 2012 John Deere road graders. The interest rate is 2.25% and four annual payments of \$105,769 are required starting in August 2013. The payment schedule for principal and interest is shown as follows:

<u>Year Ended December 31,</u>		<u>Principal</u>		<u>Interest</u>
2013	\$	96,644	\$	9,125
2014		98,849		6,920
2015		101,103		4,666
2016		103,404		2,365
Totals	\$	<u>400,000</u>	\$	<u>23,076</u>

**NOTE 9. LEASES**

The county entered into a lease agreement in December 2009 for use of a building for the extension service. The lease is for one three-year term with the option to renew the lease for three additional terms of one year each. The county renewed the lease in January 2013. The county pays a yearly rental of \$7,800. The county has a month-to-month lease for office space for the Prosecuting Attorney for a yearly rental fee of \$6,000.

**NOTE 10. CHANGE IN BASIS OF ACCOUNTING**

Cooper County, Missouri, has changed its basis of accounting from presenting its financial statements in accordance with GASB 34 on the cash basis of accounting to the regulatory basis of accounting as prescribed or permitted in accordance with state law. The accounting change had no effect on the beginning cash balances of the various County funds. The County was last audited for the two years ended December 31, 2008.

**NOTE 11. SUBSEQUENT EVENT**

In April 2013, voters in Cooper County, Missouri, approved a local use tax on out-of-state purchases at the same rate as the total local sales tax rate of 1.75%. The tax goes into effect on October 1, 2013.

**COOPER COUNTY, MISSOURI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2012	2011
	U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
14.231	Department of Social Services- Emergency Shelter Grants Program	04ero1642012	\$ -	\$ 17,300
	U.S. DEPARTMENT OF JUSTICE			
	Passed through state:			
16.575	Missouri Department of Public Safety Crime Victim Assistance	2010-VOCA-007-SE	\$ 22,584	\$ 25,913
	U. S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
20.205	Highway and Transportation Commission - Highway Planning and Construction	BRO-027 (14) BRO-027 (15)	\$ 19,210 \$ 292,337	\$ 446,488 \$ 1,078
	GENERAL SERVICES ADMINISTRATION			
	Passed through state:			
39.003	Office of Administration Donation of Federal Surplus Personal Property	N/A	\$ 8,034	\$ 1,308
	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Passed through state:			
93.563	Department of Social Services- Child Support Enforcement	N/A	\$ 103,438	\$ 103,019
	U. S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through state:			
97.036	Department of Public Safety- Disaster Grants - Public Assistance (Presidentially Declared Disasters)	163-99163-00	\$ 42,103	\$ 64,047
97.042	Emergency Management Performance Grants	EMW-2011-EP-004 EMW-2012-EP-018	\$ - \$ 83,360	\$ 93,883 \$ -
	Total Expenditures of Federal Awards		\$ 571,066	\$ 753,036

SEE ACCOMPANYING NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**COOPER COUNTY, MISSOURI**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. PURPOSE OF SCHEDULE AND REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Cooper County, Missouri.

**B. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards is presented in accordance with OMB Circular A-133, which defines federal financial assistance as assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for service rendered to individuals.

*Federal award* means Federal financial assistance and Federal cost-reimbursement contracts the non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Amounts for the Donation of Federal Surplus Personal Property (CFDA number 39.003) represent the estimated fair market value (23.3 percent of original acquisition cost) of the property at the time of receipt.

**C. BASIS OF ACCOUNTING**

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

**D. MATCHING REQUIREMENTS**

Certain Federal programs require that the County contribute non-federal funds (matching funds) to support the federally-funded programs. The County has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the schedule.

**NOTE 2. SUBRECIPIENTS**

The County provided federal awards from the U.S. Department of Housing and Urban Development, Emergency Shelter Grants Program, CFDA No. 14.231, totaling \$17,300 for the year ended December 31, 2011 to the Harvest House in Boonville, Missouri. The federal awards were used by the agency to assist in providing assistance to families and children.

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August 8, 2013

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the County Commission  
and Officeholders of  
Cooper County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the various county funds of Cooper County, Missouri, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise Cooper County, Missouri's basic financial statements and have issued our report thereon dated August 8, 2013.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Cooper County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cooper County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Cooper County, Missouri's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (CONTINUED)**

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is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses as items 12-01, 12-02, and 12-03.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompany schedule of findings and questioned costs to be a significant deficiency as item 12-04.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Cooper County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 12-05.

**Cooper County, Missouri's Responses to Findings**

Cooper County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Cooper County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Casey-Beard-Boehmer PC*

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Certified Public Accountants

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August 8, 2013

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the County Commission  
and Officeholders of  
Cooper County, Missouri

### Report on Compliance for Each Major Federal Program

We have audited Cooper County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Cooper County, Missouri's major federal programs for the years ended December 31, 2012 and 2011. Cooper County, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Cooper County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cooper County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Cooper County, Missouri's compliance.

### Unmodified Opinion on Each Major Federal Program

In our opinion, Cooper County, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2012 and 2011.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133 (CONTINUED)**

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***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 12-05. Our opinion on each major federal program is not modified with respect to this matter.

Cooper County, Missouri's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Cooper County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control Over Compliance**

Management of Cooper County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cooper County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cooper County, Missouri's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We do not consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 12-05 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 12-05 to be a significant deficiency.

Cooper County, Missouri's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Cooper County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133 (CONTINUED)**

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This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

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Certified Public Accountants

**COOPER COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**SECTION I – SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of auditors' report issued: Qualified

Internal control over financial reporting:

Material weakness(es) identified?   X   yes        No

Significant deficiency(ies) identified?   X   yes        none reported

Noncompliance material to financial statements noted?   X   yes        no

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified?        yes   X   No

Significant deficiency(ies) identified?   X   yes        none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?   X   yes        No

Identification of major programs:

<u>CFDA Number</u>	<u>Program Title</u>
20.205	Highway Planning and Construction
97.042	Emergency Management Performance Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee?        Yes   X   no

**COOPER COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

This section includes the audit findings that *Government Auditing Standards* require to be reported for an audit of financial statements.

**MATERIAL WEAKNESSES IN INTERNAL CONTROL**

**12-01 County Budget Documents Materially Misstated County's Financial Statements**

Condition: The County's budget documents for the year ended December 31, 2012 and 2011 materially misstated the various receipt classifications in various county funds as follows:

- A. Sales tax collections were misclassified as Other Revenues in the Road and Bridge Trust Fund, Enhanced 911 Fund, and the Law Enforcement Center Fund instead of being classified under Sales Tax. The total sales tax collections for these funds for 2011 and 2012 totaled \$2,146,748 and \$2,081,193, respectively.
- B. Various items that are charges for services were misclassified as Intergovernmental Revenues in the General Revenue Fund.
- C. Charges for services were misclassified as Other Revenues in many county funds.
- D. Grant income from several sources was included as Other Revenues in the General Revenue Fund rather than recorded as Intergovernmental Revenue.
- E. Intergovernmental Revenue was misclassified as Other Revenues in the Special Road and Bridge Fund, Road and Bridge Trust Fund, Election Services Fund, and Adult Abuse Fund.
- F. Auction proceeds and other revenue items were misclassified as Intergovernmental Revenues rather than Other Revenues in the Special Road and Bridge Fund and General Revenue Fund.
- G. In the Cemetery Trust Fund, the purchase and redemption of a certificate of deposit was incorrectly classified on the budget document as a disbursement and as other receipts and should not have been shown.
- H. The budget documents for the Administrative Bond Fee ATM Fund did not properly reconcile cash to the amounts held by the Treasurer at December 31, 2011.
- I. The Law Enforcement Center Fund cash balance presented on the budget document did not properly include the bond reserve fund certificate of deposit recorded on the County Treasurer's settlement held on behalf of the bond issuance. The amount of the certificate of deposit at December 31, 2011 and 2012 was \$158,355 and \$158,195, respectively.

Due to the number of numerous misclassifications on the budget documents the financial statements have not been adjusted to properly state receipts and the cash balances for the various funds.

Criteria: Strong internal controls over financial information require that receipts be properly classified within the respective funds and an independent review performed of the budget documents to ensure that the classifications of receipts are proper.

Cause: The County had a lack of controls over the preparation of the budget documents and a lack of independent verification of amounts recorded on the budget documents. It appears that the financial process of preparing the budget document information has continued from prior years without any willing to change on the part of county officials.

Effect: The budget documents presented to the public and submitted to the State Auditor's Office contained material misstatements of financial amounts in various classifications of receipts within various county funds. Financial information presented in the published financial statements is also not accurately stated for the general public.

**COOPER COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**Recommendation:**

The County Commission, County Clerk, and respective officials take more care in preparation of the budget document each year to ensure that the classifications of receipts within the various funds are properly stated. We also recommend the county redo the 2013 budget document with proper classifications of financial amounts in order for the 2014 budget to be prepared more accurately.

**Auditee Response:**

*Cooper County's budget, with 30 funds, is balanced to the exact penny in each and every fund every year. Cooper County will work to sort, define and classify each revenue account and each expenditure account categorizing them in order to arrive at a schedule specific to each section of the budget in the categories such as Charges for Services, Intergovernmental Revenue, Other Revenue, and the increase and reduction in cash.*

**12-02      Accounting for Transfers Need Improvement**

**Condition:** The financial statements of the County as represented in the annual budget document do not present the proper amount of transfers between the various county funds. Total amounts reflected on the budget documents for budgeted transfers in do not agree with total budgeted transfers out for the years ended December 31, 2012 and 2011. In addition, actual amounts for transfers in are not properly reconciled to actual amounts transferred out each year.

The total amount of transfers in presented on the budget documents in the various funds for 2011 and 2012 was \$90,074 and \$220,358, respectively, while total transfers out presented for 2011 and 2012 was \$18,173 and \$281,881, respectively. Total transfers in and out between funds per County Commission court orders for 2011 and 2012 were \$136,803 and \$413,665, respectively, or considerably different than what is presented on the budget documents. The differences in transfers are because the transfers are reflected in the various funds in various revenue and disbursement classifications instead of in the Transfers classification as designated on the budget document.

**Criteria:** Strong internal controls over financial statements require that transfers in and out are properly reported in the various funds and are in balance.

**Cause:** The County Commission, County Clerk, and Treasurer did not consider the importance of balancing the budgeted and actual amounts of transfers in and out between the various funds.

**Effect:** The transfers in and out between various county funds are not in balance on the budget documents filed with the state and materially misstate the financial statements presented by the county.

**Recommendation:**

The County Commission, County Clerk, and Treasurer should ensure both budgeted and actual transfers to and from other funds are in agreement each year. Also, other types of transactions that are not operating transfers should not be presented in the "Transfers" account category and that transfers not be shown in other revenue or disbursement categories.

**COOPER COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGEMENTS' PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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*Auditee Response:*

*While not discounting the finding that other types of transactions that are not operating transfers should be presented in the "Transfers" account category, all transfers between funds are balanced when all revenues and disbursements are taken into consideration. Cooper County will work out a composite of which account categories of various revenue and disbursement classifications can be substituted for the title "Transfers".*

**Auditor Response:**

Even though the total receipts and disbursements are balanced out by fund, transfers in and out are not properly classified on the budget document as such but are included in other revenue and disbursement classifications. The total transfers in for all funds should equal the total amount of transfers out for each year and should be shown as such on the budget document under the heading of Transfers In and Transfers Out.

**12-03      Treasurer's Bank Reconciliation Procedures Need Improvement**

Condition: We noted the following issues with the Treasurer's bank statements during our audit:

- A. The Treasurer has not reconciled the respective bank statements balances for January 2013 as of June 2, 2013, while audit fieldwork was conducted. Consequently, the Commission does not have timely accurate financial information on which to base their decisions.
- B. The Treasurer listed on the December 31, 2012 bank reconciliation 18 outstanding checks written prior to 2010. Two were in 2004, three in 2006, two in 2007, seven in 2008 and four in 2009. The total amount of outstanding checks greater than three years old is \$5,399. All except a check written for \$4,179 in 2006 were for minor amounts.

None of these checks were voided or had follow-up action taken by the Treasurer or County Commission.

Criteria: Strong internal controls and good business practices dictate that financial records should be accurately prepared and properly balanced to ensure that the financial statements prepared by the County are presented fairly.

Cause: The Treasurer has not prepared timely reconciliations of the bank accounts or followed up on old outstanding checks.

Effect: The County Commission did not have current or accurate treasurer settlements to review.

**Recommendation:**

- A. The County Treasurer should ensure bank statements are timely reconciled and that the interim settlements are properly prepared and presented to the Commission.
- B. The Treasurer should immediately turn over unclaimed property including stale outstanding checks more than three years old and deemed abandoned to the Missouri State Treasurer. A Report of Unclaimed Property should be filed annually by November 1<sup>st</sup> as provided in RSMo 447.539.

**COOPER COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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*Auditee Response: The County Treasurer responded as follows:*

*I agree with the auditor's recommendations concerning bank reconciliation and settlement procedures need improvement. However, it may always seem easy to make excuses for not doing what you want to accomplish. Here are the circumstances that occurred:*

- In 2012, we decided to network the County Clerk's office and the Treasurer's office computers since the clerk's office has been using the software for some time. I had been doing the work by hand written ledger through 2011 and since 1991 with never a penny out of balance.*
- Until 2012, I had no control over the warrants written on the six main funds. The County Clerk and Commission had that control. I only saw the warrants in daily bunches. I reconciled the bank account by the last batch that came through the bank at the end of the month. The final balances on the six major funds were determined by the County Clerk's office. They only knew what warrants were outstanding. I did not know what warrants were outstanding until 2012. I will work with the clerk's office to get rid of the outstanding warrants mentioned by the auditor.*
- In 2012, I was faced with a new computer program about which I knew nothing. I got a little training but it was after I had fallen behind. So by the time we created a new chart of accounts, I decided to code the revenue and checks and had the person that sold us the program input the information. I am currently just learning the various features of the program.*
- Since I started as Treasurer in 1991, the work load for my office has increased by four times what it was in 1991. I am a one person office and you are not supposed to get sick or take a vacation. However, I did have some health issues in June 2010 when I had a heart attack but had to back to work sooner than I was supposed to. I had carpal tunnel surgery on June 2, 2012, and I had to take care of the estate issues. My back had been giving me trouble for a couple of years and I had outpatient surgery on November 27, 2012. When things go wrong or when things don't go wrong, the Treasurer is at the point where he needs help. I need help to keep our accounting records up to date. I asked for \$2,500 for part-time help in my 2013 budget, but it was declined. I was told that if I needed help I had to pay for it myself as was the Treasurer's practice in 1990. I am somewhat disappointed that other offices are treated with more respect than mine. I am an elected official by the people. I will ask again in the 2014 budget for \$2,500 for outside services. This would be money well spent for the county.*

**SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL**

**12-04      Budgetary Procedures Not in Compliance With State Law**

Condition: We noted the following issues with the County's budgeting process during our audit:

- The County Commission, County Clerk, and other County officials did not exercise adequate budgetary control over six funds during the audit period. Expenditures were approved for payment that exceeded the approved budget for the following funds as shown below:

**COOPER COUNTY, MISSOURI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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<u>Fund</u>	<u>Year</u>	<u>Amount</u>
Prosecuting Attorney Training	2012	\$ 396
	2011	226
Drug Court	2012	1,120
	2011	376
Administrative Bond Fee ATM	2012	12,800
	2011	1,000
Adult Abuse	2012	1,039
	2011	3,027
Local Law Enforcement Block Grant	2011	12
Delinquent Tax	2011	1,746

- B. The County Commission and County Clerk did not prepare budget documents for the FEMA Reimburse Account Fund for the year ended December 31, 2012.
- C. The County Commission budgeted a deficit cash balance for the Law Enforcement Center Fund for the year ended December 31, 2011 at \$28,323.
- D. The County Commission approved Emergency expenditures totaling \$58,897 from the General Revenue Fund for the year ended December 31, 2011. However, the expenditures were not for unforeseen emergencies as required by state law. The total expenditures included a \$25,000 transfer from the General Revenue Fund to the Road and Bridge Trust Fund.

Criteria: Section 50.540 RSMo, requires that a budget be prepared for all county funds and that the budget be revised prior to authorizing expenditures in excess of the budget. Section 50.540 RSMo, also states the estimated ending fund balance cannot be a deficit balance. Section 50.540.4 RSMo, states that the expenditures shall be made only for unforeseen emergencies and only on unanimous vote of the county commission.

Cause: County officials did not consider the importance of preparing proper amended budgets and preparing budget documents in 2011 and 2012 for all applicable County operating funds, and did not consider the improper use of the Emergency Fund category within the General Revenue Fund.

Effect: The County Commission, County Clerk, and other County officials did not follow state law on the preparation of budget documents and expenditures of funds.

Recommendation:

- A. The County Commission should not approve expenditures in excess of budgeted amounts. The County Commission should properly amend the budgets in a public meeting when unforeseen circumstances arise that necessitate increased expenditures in any fund.
- B. The County Commission, County Clerk, and other county officials properly prepare annual budgets for all county funds in accordance with state law.
- C. The County Commission cease budgeting a deficit cash balance in any county funds.
- D. The County Commission not use the Emergency Fund category from the General Revenue Fund except for unforeseen emergencies as required by state law.

**COOPER COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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*Auditee Response:*

- A. Cooper County will work with the County Treasurer using the Treasurer's monthly reconciliation to review the status of each fund with the other responsible county officials and department heads to ensure that the invoices submitted for payment do not exceed the approved expenditures in the budget for any fund.*
- B. Cooper County will prepare annual budgets for all county funds.*
- C. During the annual budget process, the County Commission will not budget a deficit balance.*
- D. The County Commission will follow the statutory guidelines for Emergency Fund classification of expenditures within the General Revenue Fund.*

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**12-05            Schedule of Expenditures of Federal Awards**

Federal Grantor:	U.S. Department of Transportation and U.S. Department of Homeland Security
Pass-Through Grantor:	Various
Federal CFDA Number:	20.205, 97.036, and 97.042
Program Title:	Various
Pass-Through Entity	
Identifying Number:	Various
Award Year:	2012 and 2011
Questioned Costs:	N/A

**Condition:**     The County does not have adequate procedures in place to report accurate grant information on the Schedule of Expenditures of Federal Awards (SEFA), and as a result, the County's SEFA contained material errors and omissions of information required by the federal government. For the years ended December 31, 2011 and 2012, the County's SEFA was understated by \$468,586 and \$143,322, respectively, because some programs including the crime victim assistance grant, disaster grants – public assistance, and the emergency management performance grants for disaster relief were not properly included on the schedule while amounts presented for the highway planning and constructions programs were incorrectly presented. Also, the child support enforcement grant was misclassified in both 2011 and 2012 under community services block grant on the county's SEFA.

**Criteria:**        Section .310(b) of Circular A-133, Audit of States, Local Governments, and Non-profit Organizations, requires the County to prepare a SEFA for the period covered by the County's financial statements. The County is required to submit the SEFA to the State Auditor's Office as part of the annual budget.

**Cause:**           The County did not fully understand how to prepare and to take the appropriate time to prepare the SEFA properly.

**Effect:**           The County's SEFA was incorrectly prepared and materially misstated as prepared by the County.

**Recommendation:**  
Compilation of the SEFA requires consulting County financial records and requesting information from other departments and/or officials. The County should take steps to ensure all departments and/or officials properly track federal awards to ensure all federal awards with the appropriate CFDA numbers and grant titles are properly reported on the SEFA.



**COOPER COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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*Auditee Response:*

*Cooper County will implement adequate procedures to report accurate grant information on the Schedule of Expenditures of Federal Awards (SEFA). Procedures such as requiring each county official and all county staff to report to the county the Federal portion of all grants and expenditures related to Federal awards.*

**COOPER COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

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Because Cooper County, Missouri, did not obtain an audit of its financial statements for the two years ended December 31, 2010, this section does not report the status of any prior audit findings.



# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

September 9, 2013

Members of the General Assembly  
and  
John R. Mollenkamp, Acting Director  
Department of Revenue  
Jefferson City, Missouri

This letter relates to our review of the Department of Revenue's (DOR) drivers' license (DL) application process, the impact of the Federal Real ID Act - Title II Improved Security for Drivers' Licenses and Personal Identification Cards - of 2005 (the Act), and the sharing of the concealed carry endorsement data with other entities. Members of the Missouri Senate requested we review these matters in April 2013. The objectives of our review were to:

1. Evaluate procedures related to personal documents and data collected during the (DL) and non-drivers' license (ID) application and renewal process.
2. Evaluate compliance with rulemaking procedures relating to the scanning of certain documents during this process.
3. Evaluate compliance with Section 302.183<sup>1</sup>, RSMo, which requires the privacy rights of applicants not be violated and prohibits the department from amending procedures for applying for a DL or ID to comply with the goals or standards of the Act.
4. Evaluate compliance with laws related to sharing of information related to holders of concealed carry endorsements with other entities.
5. Determine the impact to the state and its residents of failing to comply with the Act.

Our review determined the DOR did not consider certain risks to data collected during the DL application process, and violated state law by failing to promulgate a rule before requiring contract license offices to begin scanning certain DL and ID application documents (including Concealed Carry Certificates of Qualification). However, had the DOR promulgated a rule allowing scanning, the rule would have violated Section 302.183, RSMo. Either way a violation of state law occurred. In addition, the legislature should consider amending the law so that DOR can take actions to make DLs and IDs more secure while also protecting the personal information of private citizens. Finally, Missouri State Highway Patrol (MSHP) actions to share concealed carry endorsement license data complied with state law; however, the DOR and the OA-ITSD lacked a written agreement authorizing the OA-ITSD to provide this information to other entities.

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<sup>1</sup> House Bill No. 361, First Regular Session, 95th General Assembly (2009)

## **Methodology**

Our methodology included reviewing written policies and procedures, contracts, and other pertinent documents, and interviewing various personnel of the DOR and the MSHP, as well as certain external parties. We visited a DOR contract license office and observed processes in place regarding the scanning of documents. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, including applicable state and federal laws and regulations. In addition, we reviewed compliance with applicable federal grant agreements.

## **Background**

Pursuant to Section 136.030(2), RSMo, the DOR has the authority and responsibility for the collection of motor vehicle registration fees, driver's license fees, motor vehicle sales and use tax, and all other taxes. Pursuant to Section 136.055, RSMo, the director of the DOR has competitively awarded contracts to 182 agents to operate contract license offices. The DOR, License Office Bureau, under management of the Motor Vehicle and Driver Licensing (MVDL) Division, is responsible for overseeing the contract license offices tasked with performing these functions. The DOR has contracted for DL computer hardware and support services with the same contractor<sup>2</sup> since 1972. Prior to awarding a new contract in 2010, the DOR issued DLs using an over the counter (OTC) system in which applicants received their licenses on the day of application. This procedure had been in place since 1995. However, due to aging equipment, the DOR performed a cost analysis of upgrading the system and identified three options with the following estimated annual cost:

- Third party central issuance - \$3,680,000
- Continue over the counter issuance with new equipment - \$5,116,500
- Internal central issuance administered by the DOR - \$7,879,000

Based on cost estimates, and an expectation of increased DL data security, the DOR awarded the third party central issuance contract by competitive bid in October 2010. To offset some of the costs of the new system, the DOR applied for and received federal grants from the Department of Homeland Security in state fiscal years 2008 through 2011. The contractor provides license offices with computer equipment and the Office of Administration, Information Technology Services Division (OA-ITSD) provides the software system needed to process DL applications. The contractor also provided equipment to scan documents associated with DL applications. In accordance with contractual provisions of the previous and current contracts, equipment removed from the license offices is returned to the contractor when new equipment is installed. In addition, the DOR evaluated security procedures in place and added security features to provide additional safeguards against fraudulently issued DLs and IDs. In December 2012, the DOR instructed contract license offices to begin scanning DL application documents (including Concealed Carry Certificates of Qualification) and the contractor began issuing licenses to citizens under the new third party central issuance method.

Prior to December 2012, contract license offices photocopied certain application documents (such as documents of applicants asking for a review of their denied DL applications, as well as foreign passports,) and sent the documents to the DOR central office. The DOR scanned the photocopied documents and retained the images in a DOR database maintained by OA-ITSD. After December 2012, the images scanned by contract license offices were also retained in the database.

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<sup>2</sup> The current contract is with Morpho Trust USA, Inc., which was created in 2011 when Safran acquired the division of L-1 Secure Credentialing, Inc. that held the DL contract. Various other predecessor firms held the contract prior to that time.

The Act modified U.S. law pertaining to security, authentication, and issuance procedures standards for state DLs and IDs. The law set requirements for IDs to be accepted by the federal government for official purposes determined by the Secretary of Homeland Security for the boarding of commercially operated airline flights and entering federal buildings and nuclear power plants. Several states expressed concerns related to privacy of applicant information. While the Act is optional for states, citizens of states that do not opt-in may not be able to use their state-issued DLs and IDs for official federal government purposes. According to the American Association of Motor Vehicle Administrators, as of February 25, 2013, there were 19 states complying with the Act, including the neighboring states of Iowa, Kansas, Nebraska, and Tennessee; while 16 states, including Missouri and Oklahoma, have laws prohibiting compliance with the Act. Requirements of the Act include retaining the application and source documents used to process state-issued DLs and IDs.

Under Section 32.091.7, RSMo, the DOR is not permitted to collect from DL applicants any information by which such persons can be individually identified, unless the department has specific statutory authorization to collect such information. Section 302.171.1, RSMo, requires the DOR to verify that applicants are a national of the United States or a noncitizen with a lawful immigration status, and a Missouri resident. This statute also allows the DOR to establish procedures to perform these verifications. Section 302.183.3, RSMo, states the DOR shall not amend procedures for applying for a DL or ID to comply with the goals or standards of the Act, any rules or regulations promulgated under the authority granted in such Act, or any requirements adopted by the American Association of Motor Vehicle Administrators for furtherance of the Act. On March 4, 2013, a Stoddard County resident filed a lawsuit against a license office contract agent and the DOR, alleging he was illegally denied a concealed carry endorsement on his DL for not allowing the license office to scan the Concealed Carry Certificate of Qualification obtained from the County Sheriff's office. On April 16, 2013, the Governor issued an order ending the scanning of all Concealed Carry Certificates of Qualification in contract license offices. Subsequently, the Legislature passed, and the Governor signed into law effective July 1, 2013, Senate Bill 252 that prohibits retention of source documents, with the following exceptions:

- Original application forms, which may be retained but not scanned
- Test score documents issued by state highway patrol driver examiners
- Documents demonstrating lawful presence of any applicant who is not a citizen of the United States, including documents demonstrating duration of the person's lawful presence in the United States
- Any document required to be retained under federal motor carrier regulations relating to the issuance of a commercial DL
- Any other document the applicant requests be retained by the DOR

On September 4, 2013, the Stoddard County Lawsuit was voluntarily dismissed.

Senate Bill 252 also requires the DOR to destroy, by December 31, 2013, all other DL applicant source documents obtained after September 1, 2012. In addition, the law specifically prohibits the DOR from retaining certificates of qualification for concealed carry endorsement. On July 1, 2013, the DOR instructed the license offices to only scan driver examination test papers, non-citizen documents demonstrating lawful presence, and commercial DL medical certifications. The DOR also contacted the Federal Motor Carrier Safety Administration to confirm that commercial DL medical certifications are the only documents the state needs to retain to comply with federal commercial DL requirements. As of August 2013, the federal agency has not contacted the DOR.

In November 2011 an investigator with the Social Security Administration (SSA), Office of the Inspector General, requested a list of state concealed carry endorsement holders from the MSHP. Pursuant to the memorandum of agreement between the MSHP and the DOR for sharing of DL and ID information for

investigative purposes, the MSHP forwarded the request to the OA-ITSD unit that maintains the DOR systems.

The OA-ITSD generated the list of state concealed carry endorsement holders and sent a compact disc to the MSHP, which then mailed the disc to the SSA Investigator. The data fields on the compact disc included the name, social security number, date of birth, and gender of each concealed carry endorsement holder. However, according to testimony by the SSA investigator to the Senate Appropriations committee, the investigator was not able to read the data provided and destroyed the disc. In January 2013, the SSA investigator again requested this data and a disc was generated and sent in the same manner as the initial disc. However according to legislative committee testimony, the SSA investigator again was unable to access the information and destroyed the disc. In February 2013, the OA-ITSD placed the list on a secure password protected File Transfer Protocol website and sent the password to the SSA investigator. The OA-ITSD stated the website was accessed five times the day the link was sent; however, the SSA investigator contacted the MSHP and stated he was unable to view the data and requested a third disc be provided. The OA-ITSD provided the MSHP a third disc in February 2013 but the SSA investigator did not retrieve it. As a result, the MSHP sent the disc back to the OA-ITSD in March 2013. According to the OA-ITSD, it automatically disables secure websites after 30 days and deletes all data.

During a legislative committee hearing, the SSA investigator provided an email message showing the website and password provided to him to access the concealed carry endorsement holder list. Subsequently, a computer registered to the House of Representatives (House) attempted to access the secure website using the password in the email message. The OA asked the House for the records documenting which computer was used and the person who attempted to access the secure site. The House denied the request and has not released the requested information. This matter could potentially be addressed by authorities and will not be addressed further in this letter.

The Legislature reduced DOR appropriations funding the contract for issuing DLs and IDs, and boat and ATV registrations, essentially funding these activities for only 8 months of state fiscal year 2014. The Legislature has indicated it will reconsider the DOR budget during the next legislative session beginning in January 2014, contingent upon the DOR discontinuing the practice of scanning documents related to applications for DLs and IDs.

In May 2013, the House of Representatives created the Bipartisan Investigative Committee on Privacy Protection to review the state's handling of personal identifying information related to the application for state-issued DLs and IDs and concealed carry endorsements on DLs and IDs. This Committee includes legislators and non-legislators. In July 2013, due to questions of whether or not a committee including non-legislators had subpoena power, the Special Interim Committee on Privacy Protection, made up entirely of legislators, was created so the Bipartisan Investigative Committee on Privacy Protection could obtain information via subpoena.

## **Results, Conclusions, and Recommendations**

### **1. Safeguards to Protect Personal Information**

While the DOR implemented safeguards to protect the personal information collected, it did not fully consider risks related to the personal data collected and scanned by contract license office personnel. In addition, our review of data feeds sent to the DOR contractor observed no scanned documents.

Contract license office personnel scanned birth certificates, items proving applicant address such as bank statements or photocopies of utilities bills, and documents related to DL endorsements including Concealed Carry Certificates of Qualification. Certain documents including passports that are too thick to

be scanned and crumpled documents, which could include birth certificates, cannot be scanned without first being photocopied. DOR personnel indicated they did not consider the potential risks of networked photocopiers, internal hard drives in the photocopiers, or fax machines attached to photocopiers as a possible ID theft target. As a result, contract office employees could obtain personal data by emailing or faxing the scanned documents to a personal account, or by accessing the internal memory of photocopy machines.

The OA-ITSD has various security procedures in place to protect the data on ITSD servers. These procedures include security patch management, internet filtering, spam detection, network access control, State Data Center physical security, authentication and authorization, and intrusion prevention systems. Access to perform these procedures require specific employee credentials that can include usernames, passwords, and biometric information, such as fingerprints. While it appears OA-ITSD has made an effort to secure the information obtained, no system or data center can be completely secure. The scanning of applicant information that includes personal bank statements results in information needed for identity theft to be compiled in a single database. Similar concerns were raised in comments on the REAL ID Final Rule (Federal Register, Volume 73 Issue 19). One comment referred to this compilation of information as an "identity thief's dream target."

We recommend the DOR consider the identity theft concerns related to personal data and immediately develop policies and procedures to mitigate these risks.

## **2. Compliance With Rulemaking Procedures**

The DOR's failure to promulgate a state rule violates the holding of Young v. Children's Division, State Department of Social Services, 284 S.W.3d 553 (Mo. Banc 2009), because no statute or rule notifies the public that they must allow the DOR to photocopy and/or scan their birth certificates to obtain a DL or ID.

While the DOR has the authority under state law to require individuals seeking a DL or ID to verify residency and to show photocopies of birth certificates, state law did not address whether the DOR may photocopy or scan these documents. In addition, according to Section 32.091.7, RSMo, the DOR is not permitted to collect from DL applicants any information by which such persons can be individually identified, unless the department has specific statutory authorization to collect such information. In April 2013, after legislators raised issues related to the lack of a state rule, the DOR submitted preliminary information to the Joint Committee on Administrative Rules to begin the rule making process.

We recommend the DOR comply with the rule making requirements in the future.

## **3. Real ID Compliance**

The DOR implemented additional provisions of the Act after the state law prohibiting compliance became effective in 2009. In addition, the DOR had complied, or had planned to comply, with most substantial provisions of the Act. However, because the DOR violated state law by failing to promulgate a rule (as described in Finding No. 2 above), DOR actions to scan DL application documents (including Concealed Carry Certificates of Qualification) did not technically violate the state law prohibiting compliance with the Act. However, the legislature needs to review state law as it could be interpreted so that DOR cannot make DLs and IDs more secure.

Section 302.183, RSMo, prohibits the DOR from amending procedures for applying for a DL or ID to comply with the goals and standards of the Act. According to DOR personnel, prior to the 2009 adoption of this statute section, the state had already complied with 20 of the 39 Act requirements and had partially implemented 15 provisions. Three years later, in December 2012, the DOR submitted a letter to the U.S. Department of Homeland Security (DHS) stating the DOR had met 22 of 39 Act requirements. The letter

also indicated the DOR planned to fully or partially comply with 13 more requirements, including 5 additional requirements in 2013 (2 of these provisions were required under federal commercial DL laws). The DOR did not intend to comply with the remaining 4 requirements of the Act which include 1) placing an indicator on the DL or ID stating the state is compliant with the Act, 2) committing to be in full compliance with the Act by January 1, 2010, 3) clearly stating on the face of non-compliant DLs or IDs that the card is not acceptable for official purposes, and 4) submitting a final certification package to the DHS, which includes a statement from the Governor certifying the state is in compliance with the Act and a letter from the Attorney General confirming the state has the legal authority to impose the Act requirements. The DOR also did not intend to fully comply with provisions of seven other Act requirements, including verifying applicants' social security numbers with the SSA and verifying applicants' birth certificates in the Electronic Verification of Vital Events database. In addition, the DOR can no longer comply with the requirement of the Act that requires retention of applications, declarations, and source documents due to restrictions contained in Senate Bill 252.

A federal commission proposed standardizing state-issued identifications after noting most terrorists involved in the 9/11 attacks used false identification to board airplanes. DOR personnel indicated they implemented various requirements not to comply with the goals or standards of the Act, but to make DLs and IDs more secure. DOR personnel also stated that because the Act basically consisted of a compilation of best practices used in various states to enhance security, there is an overlap between the Act and current DOR DL and ID procedures, and it is the DOR's responsibility to provide secure DLs and IDs to prevent fraudulent reproduction. However, considering the DOR is compliant with most of the Act's requirements, and the obvious goal of the Act is to make DLs and IDs more secure, it raises questions as to whether the DOR is in compliance with state law. From a technical standpoint, the DOR would have had to promulgate a rule regarding the scanning of documents to be in violation of Section 302.183, RSMo, since this statute states the DOR cannot "amend procedures" for applying for a DL or IDs in order to comply with the goals or standards of the Act. Therefore, because the DOR violated state law by not formally amending its procedures through the rulemaking process (see Finding No. 2 above), changes the DOR put in place to scan DL and ID application documents (including Concealed Carry Certificates of Qualification) were not enforceable, and therefore did not violate Section 302.183, RSMo. If the DOR had followed state law regarding the rulemaking process by promulgating a state rule related to the new DL and ID processes, its actions to formally amend DL and ID processes would have violated Section 302.183, RSMo. Either way the DOR violated state law.

The current state law prohibits the DOR from amending procedures to comply with the goals of the Act, with the main goal being improved security for DLs and IDs. However, it is unlikely the legislature intended to prevent the DOR from implementing certain changes to make DLs and IDs more secure. As a result, it appears prudent that the legislature should enact necessary changes to protect the information of private citizens without prohibiting the DOR from improving security for DLs and IDs.

We recommend the legislature consider amending state law so private personal information is protected while not making it illegal for the DOR to make DLs and IDs more secure.

#### **4. Written Agreement Between DOR and OA-ITSD**

The OA-ITSD did not contact the DOR for permission, and no written agreement was in place authorizing the OA-ITSD, to provide DOR DL data (including concealed carry enforcement data) to the MSHP.

The DOR informally agreed to allow the OA-ITSD to provide investigative information to the MSHP without prior approval from the DOR. This informal agreement consisted of email messages between the DOR and the OA indicating law enforcement agencies could contact OA-ITSD directly with specific requests for DL data. As previously discussed in our report No. 2011-56, *Revenue, Taxation Division*



*Security Controls*, the DOR's and the OA-ITSD's memorandum of understanding related to the services provided to the DOR by the OA-ITSD, has not been updated since 2006 and lacks critical information, such as defining operational and security responsibilities for each organization, and therefore does not address MSHP requests for DL data. DOR personnel stated they drafted an updated agreement in November 2011, however, the DOR and OA-ITSD never finalized the agreement.

While it appears the OA-ITSD's sharing of DL data with the MSHP was not a violation of law, a formal agreement is necessary to ensure the current and future security of DOR data maintained by the OA-ITSD.

We recommend the DOR enter into a written agreement with the OA-ITSD formalizing the OA-ITSD's authority for sharing DL data.

### **Matters Not Requiring Corrective Action**

#### **Scanned Documents**

Legislative concerns included the possibility that scanned documents were sent to the DL contractor that maintains relationships with various governmental entities, including the federal government. However, we viewed data feeds traveling from the DOR to the contractor and observed no scanned documents being sent.

#### **Sharing of Concealed Carry Endorsement List**

MSHP actions to share the concealed carry endorsement list with the SSA investigator appear to be authorized under state law. Section 43.659, RSMo, allows the MSHP to enter into a memorandum of understanding with other governmental agencies including the federal government. While Section 571.101.9, RSMo, makes concealed carry holder information a closed record, Section 610.120, RSMo, states that closed records may be accessible to federal agencies for investigative purposes, and Missouri Attorney General's Opinion No.106, 1996 to McManaman, referred to case law which held that closed records are available to law enforcement and federal agencies for investigative purposes regardless of a statutory provision closing these records. According to Title 5, Section 6 of the Inspector General Act, the Office of the Inspector General is authorized as a law enforcement agency. Based on this information, the MSHP provided the information to a law enforcement agency as legally permitted.

#### **DHS DL Security Grants**

During state fiscal years 2008 through 2011, the DHS awarded the DOR approximately \$3.2 million in DL security grants. The 2008 grant, entitled "Real ID Demonstration Grant Program", included requirements for the state to meet 15 specific benchmarks related to the Act. In subsequent years, the DHS renamed the grant "Driver's License Security Grant Program" and dropped requirements of the Act. It is not clear why the DHS changed the grant name and dropped "REAL ID" terminology. However, DHS actions to change the grant name and remove all mention of the Act could be interpreted as an attempt to encourage the 16 states with laws prohibiting implementation to comply with the Act.

#### **Impact of not Complying with the Federal Real ID Act of 2005**

At this time, the full ramifications for citizens of states choosing not to comply with the Act are not clear. According to the Act's Final Rule (Federal Register, Volume 73, Issue 19), beginning May 11, 2008, federal agencies were to refuse access (including boarding federally-regulated commercial aircraft, accessing federal buildings that require identification, and entering nuclear power plants) to individuals with DLs or IDs not complying with the Act, unless the issuing state had requested and obtained an extension of the compliance date from DHS. The DHS has extended this deadline several times, with the DHS most recently granting a deferment of at least 6 months past the January 15, 2013 deadline. According to the DHS, individuals will still be able to board aircraft with a DL or ID issued by states not

meeting the requirements of the Act; however, these individuals will have to follow the procedures of someone without a DL or ID and will require additional screening before boarding. It is not clear what these additional screening procedures entail. It is also not clear when the DHS will begin enforcing these non-compliant DLs and IDs procedures.

Sincerely,

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible, and a middle initial "A" in between.

Thomas A. Schweich  
State Auditor

CC: Honorable Jeremiah W. (Jay) Nixon, Governor

Colonel Ronald K. Replogle, Superintendent  
Missouri State Highway Patrol

Douglas Nelson, Commissioner  
Office of Administration



# Thomas A. Schweich

Missouri State Auditor

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## City of Marshfield



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September 2013  
Report No. 2013-088

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the City of Marshfield

Financial Condition	The General Fund balance has plummeted from almost \$1.4 million in 2008 to just over \$200,000 in 2012, and the Board of Aldermen was not aware of the severity of the General Fund's financial condition. The city used General Fund monies to cover costs which could have been paid from other funds, borrowed monies from restricted funds to cover unrelated costs, and has operated the Park Fund and bus transportation service at a loss without evaluating whether park fees charged are appropriate or conducting a cost-benefit analysis to determine whether the bus service provided is beneficial.
Financial Activity	The city does not properly account for restricted monies. The city commingles monies from various funds into one "pooled cash" bank account, from which it makes disbursements without considering the availability of monies for each fund, and it improperly used other restricted monies to cover deficits. The city has not implemented many of the recommendations made by its independent auditor, and the City Accountant was able to make adjusting journal entries without an independent review or approval.
Real Estate Purchases and Leases	The city owns several properties which it leases for minimal or no rental fees and holds several other properties for possible future use by a non-profit organization. The city entered a 10-year lease with one not-for-profit for \$1 per year plus free water and sewer services and holds three additional properties for possible future construction for this entity. The city leases four additional properties to other entities, two of which pay no rent, one which pays \$1 per year, and one which pays \$1 per month. Given the city's poor financial condition, it should conduct a cost-benefit analysis to determine whether it is in the city's best interest to continue owning these properties and/or leasing them at minimal rental rates.
Budgets and Financial Statements	City budgets do not include all the information required by state law, and the Board of Aldermen does not adequately monitor budget to actual receipts and disbursements. The city has not published semiannual financial statements, as required by state law, for at least 3 years.
Accounting Controls and Procedures	The city does not always issue receipt slips for monies received, use prenumbered receipt slips, restrictively endorse checks upon receipt, document the method of payment, or deposit monies received timely and intact. The city does not reconcile business licenses and permits issued to fees collected and amounts deposited and does not always charge fees in compliance with the Municipal Code. The city did not timely prepare invoices for park facilities rental, and six of the eight invoices reviewed contained errors causing the city to undercharge renters \$268. The city did not refund some overpayments timely.
Payroll Controls and Procedures	The city does not adequately segregate or supervise payroll duties, timesheets were not signed by most employees or supervisors, the city personnel manual does not address some significant issues, and the city has not adopted ordinances to establish the compensation of city officials and employees.

Written Contracts and Contract Compliance	The city does not always enter into written contracts with vendors and did not always effectively monitor contracts. The city has paid over \$50,000 for an updated comprehensive plan, but the document remains incomplete.
Disbursements	The list of bills approved by the Board is not complete, and the Board does not review or approve bank account closings or transfers. The city does not effectively monitor fuel use or verify the accuracy of fuel billings. Some city officials had conflicts of interest; former Alderman Noland also serves as Deputy Fire Chief but sometimes voted to approve disbursements for the city Fire Department, and the Public Works Superintendent approved purchases from a company owned by his cousin. The city did not competitively bid some purchases, did not always receive or retain documentation to support disbursements or show compliance with grant agreements, and did not timely pay several invoices. The city vendor list contained 18 duplicate vendor names, resulting in a duplicate payment to at least one vendor.
Computer Controls and Procedures	The city needs to improve its computer controls. Prior to January 2013, the City Accountant had unlimited access to information recorded in the accounting and utility billing system. In a three month period, the City Accountant accessed the administrative module containing all user identifications, passwords, and user rights 48 times with no apparent business need to do so.
Utility Controls and Procedures	The city did not investigate significant discrepancies between the gallons of water billed to customers and gallons of water pumped and does not track city water usage. In May 2012 alone, the city pumped 6.6 million more gallons of water than it billed to customers. As of October 2012, the city was holding deposits totaling \$3,770 on 50 inactive customer accounts and \$1,105 in customer overpayments on 39 inactive accounts.
Capital Asset and Insurance Procedures	The city lacks procedures to identify capital asset purchases and dispositions throughout the year, property is not tagged or numbered, and an annual physical inventory is not performed for items at city hall. The city has not obtained property insurance coverage for all city-owned property and does not require entities leasing city buildings to provide certificates of liability insurance.

In the areas audited, the overall performance of this entity was **Poor**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our Web site: [auditor.mo.gov](http://auditor.mo.gov)**

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# City of Marshfield

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the Honorable Mayor  
and  
Members of the Board of Aldermen  
City of Marshfield, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Marshfield. We have audited certain operations of the city in fulfillment of our duties. The city engaged Decker & DeGood, Certified Public Accountants (CPAs), to audit the city's financial statements for the years ended December 31, 2012 and 2011. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm for the year ended December 31, 2011, since the year ended December 31, 2012, audit had not been completed. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Marshfield.

An additional report, No. 2013-10, *Thirtieth Judicial Circuit, City of Marshfield Municipal Division*, was issued in January 2013.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Kelly Davis, M.Acct., CPA, CFE
In-Charge Auditor:	Natalie B. McNish, CGAP
Audit Staff:	Shannon Spicer



# City of Marshfield

## Management Advisory Report

### State Auditor's Findings

#### 1. Financial Condition

The General Fund is in poor financial condition. The Board of Aldermen failed to monitor the city's budget and cash balances, and as a result, was not aware of the severity of the General Fund's financial condition. In addition, the city improperly borrowed monies from restricted funds, including transportation sales tax, water, and sewer monies, to finance general operations. Also, the city used General Fund monies to subsidize the Park Fund and transportation services without completing a cost benefit analysis of these activities.

The General Fund balance significantly deteriorated from 2008 to 2012. General Fund revenues, expenditures, and fund balances for those years are noted below:

	Year ended December 31,				
	2012	2011	2010	2009	2008
Beginning fund balance	\$ 317,599	516,723	958,872	1,383,451	1,591,720
Revenues	1,992,213	1,933,464	2,073,689	1,912,684	2,042,204
Expenditures	(2,125,774)	(2,230,738)	(2,389,277)	(2,659,083)	(2,403,030)
Other financing sources (uses)	16,467	98,150	(126,561)	321,820	152,557
Ending fund balance	\$ 200,505	317,599	516,723	958,872	1,383,451

Information for the years ended December 31, 2008 through 2011, was obtained from independent audit reports. Information for the year ended December 31, 2012, was obtained from the city's unaudited financial statements.

The independent Certified Public Accountant (CPA) firm which completed the annual financial statement audit (independent auditor) identified an additional \$91,096 received in 2009 as committed and restricted. This results in an unrestricted fund balance of \$109,409 at December 31, 2012.

The city failed to record transfers between various funds in the accounting system which may further impact the unrestricted fund balance. In addition, restricted street revenues and police training fees maintained in the General Fund are not properly tracked and the portion of the fund balance related to these monies is unknown. Many funds established in the city's accounting system had negative balances at December 31, 2012. (See MAR finding number 2.)

#### Financial information

The Board of Aldermen does not receive and review accurate financial information, which would assist in effectively monitoring cash balances and the financial condition of city funds. In addition, accounting records and annual budgets are not accurate. (See MAR finding numbers 4 and 8.)

#### Allocation

The city failed to allocate some disbursements to all impacted funds, thereby unnecessarily using General Fund resources to cover costs which could legitimately be paid from other funds. For example, three disbursements reviewed could have been allocated to other funds, but were



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City of Marshfield  
Management Advisory Report - State Auditor's Findings

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instead paid entirely from the General Fund. These were costs related to the payroll, accounts payable, and general ledger modules of accounting and utility billing software totaling \$17,602, though all city funds benefit from the implementation of these modules; audit services for 2011 totaling \$10,450, though all funds were audited and the audit was required for the Water, Sewer, and Transportation Sales Tax Funds; and plans related to an annexation totaling \$5,500, though only water and sewer information was documented in the plans. In addition, the city's allocation of fuel expenses incurred during 2012 was inaccurate and no fuel costs were allocated to the Sewer Fund. (See MAR finding number 8.)

During the year ended December 31, 2012, the city allocated 100 percent of the salaries and benefits of the City Administrator and City Accountant to the General Fund, though the activities performed by these employees affect all funds held by the city. Further, the city has no documented calculation or tracking of time to justify the allocation to various funds of salaries of employees who perform functions for multiple departments.

#### Interfund obligations

During 2008 and 2009 the city transferred monies from the Transportation Sales Tax Fund to the General Fund but did not track these monies. As a result, approximately \$1.3 million was owed from the General Fund to the Transportation Sales Tax Fund as of December 2012. In late 2012 the city reviewed General Fund disbursements for the past several years and determined that enough transportation related expenses have been paid from the General Fund since 2009 to offset this obligation. However, transfers from restricted funds to general funds should occur only for allowable and specific purposes, and reasons should be adequately documented. In addition, for the year ended December 31, 2011, the city recorded transfers from the Water and Sewer Funds to the General Fund totaling \$208,890 to cover General Fund shortages. No repayment to the Water and Sewer Funds was made in 2012 for 2011 transfers. (See MAR finding number 2.)

#### Subsidization

The city has historically operated the Park Fund at a loss and, according to city personnel, has not evaluated the amounts charged by the Park Department for registration fees, supplies provided by the city, or rental of pavilions and parks for several years. In addition, the city operates an on-demand bus transportation service at a loss and has not performed a documented cost-benefit analysis to determine whether the service is beneficial. The Park Fund had operating losses of \$112,274 and \$219,298 for the years ended December 31, 2012 and 2011, respectively. The city's transportation services had operating losses of \$42,974 and \$37,758 for the years ended December 31, 2012 and 2011, respectively. These transportation activities are accounted for within the city's General Fund. As a result, the General Fund subsidizes park and transportation operations and activities.



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City of Marshfield  
Management Advisory Report - State Auditor's Findings

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Conclusion

It is essential the Board of Aldermen address the General Fund financial condition both in the immediate- and long-term future. To improve the financial condition, the Board should reevaluate amounts allocated to the General Fund, reduce spending as much as possible, address General Fund obligations to other funds, and evaluate controls and management practices to ensure efficient use of city resources. To effectively monitor cash balances and the financial condition of funds, and ensure appropriate use of restricted funds, the Board must receive timely and complete financial information. Activities of the city that operate at a loss should be carefully analyzed for ways to make them more cost effective. While it may be desirable to fund certain operations, funding should be reviewed periodically to ensure activities are operated efficiently and are in the best interest of the city.

Recommendation

The Board of Aldermen require accurate and timely financial reports be prepared, allocate disbursements when appropriate, and closely monitor the city's financial condition. Additionally, the Board of Aldermen should establish a plan to repay General Fund obligations to other restricted use funds, and periodically review operations of the city to ensure activities are operated efficiently and continue to be in the best interest of the city.

Auditee's Response

*The Board of Aldermen provided the following written response:*

*The Board agrees with the auditor's recommendation and will continue to take action to improve the financial position of the General Fund. In November 2012, the Board adopted a resolution that requires the city to provide a revenue and expense versus budget report, a report of corrective journal entries, and a report of cash balances to the Board monthly. Within the 2013 budget, the Board made several changes that allocated disbursements based on fund involvement with the disbursements. An example is the allocation of legal services, audit expenses, and the cost for the City Administrator and City Accountant positions. In December 2012, the Board reviewed past years' allocations of transportation related expenses and determined the General Fund has incurred transportation related expenses in excess of the \$1.3 million transfer identified in the report and therefore, no outstanding obligation is due to the Transportation Sales Tax Fund. We will review the transfer from the Water and Sewer Funds to the General Fund and make a plan to repay these transfers in the future. In October 2012, the Board reviewed ridership and some financial information related to transportation services provided by the city. We plan to continue to review the cost and benefit of both the transportation services and the subsidization of the Park Fund.*



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City of Marshfield  
Management Advisory Report - State Auditor's Findings

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## 2. Financial Activity

The city has not established adequate accounting records and procedures and has failed to implement prior audit recommendations related to inadequate financial procedures.

The City Accountant is responsible for establishing funds and accounts, and recording financial data in the accounting system including receipts, disbursements, transfers, and adjustments. The city hired a CPA not associated with the financial statement audit to complete monthly bank reconciliations. Several adjustments in addition to those made by the City Accountant are often necessary to complete the reconciliations. Reconciliations identify the cash balance for each established fund. Annually, the city's independent auditor performs the financial statement audit. To complete this work, the independent auditor combines some of these established funds into major funds and proposes transfers and other adjustments be recorded in the accounting records. Due to questions related to past transfers between the Transportation Sales Tax Fund and General Fund, the independent auditor issued a qualified opinion on the audited financial statements for the year ended December 31, 2011. The independent auditor also recommended improvements in the city's accounting for interfund loans and fund balances.

### 2.1 Restricted monies

The city operated with negative balances for some funds in the "pooled cash" account during the year, and financial information is inaccurate because the city does not record interfund transfers as they occur.

The city commingles monies from various funds in one bank account called "pooled cash." The city made disbursements for grant projects, an annexation project, and the General and Park Funds from the "pooled cash" account without considering the availability of monies in this account for each fund. As a result, these fund balances in the "pooled cash" account are negative and restricted Debt Service, Water, Sewer, and Cemetery Fund monies were used improperly to make these disbursements. No transfers were recorded between these funds and no determination of which fund was used to cover these negative balances was made at the time of the disbursement. Instead, the independent auditor prepares proposed transfers when completing the annual financial statement audit, often months after the end of the year. For example, for the year ended December 31, 2011, the city recorded proposed transfers from the Water and Sewer Funds to the General Fund totaling \$208,890 to cover General Fund shortages. As of December 31, 2012, no repayment to the Water and Sewer Funds had been made for these transfers.



City of Marshfield  
Management Advisory Report - State Auditor's Findings

As of December 31, 2012, the reconciled cash balance of the "pooled cash" account showed the following balances:

Fund	Balance
General Fund	\$ (97,630)
Water Fund	283,116
Sewer Fund	61,087
Cemetery Fund	149,126
Park Fund	(50,659)
Enhancement Grant I (Sidewalks)	(94,157)
Enhancement Grant II (Sidewalks)	(116,858)
LWCF Grant	(34,042)
Safe Room Grant	(23,365)
I-44 Corridor Federal Grant	(9,017)
Sewer Fund Debt Service	236,067
McNabb Road Annexation	(164)
Water Fund Debt Service	484,384
Reconciled account balance	\$ 787,888

We noted the following additional issues related to the use of restricted funds:

- The city transferred monies from the Transportation Sales Tax Fund to the General Fund but did not track these monies. In 2012, the city hired a CPA to complete a detailed review of all Transportation Sales Tax receipts and disbursements since implementation of the tax in 2005. The CPA determined the city inappropriately transferred \$939,743 from the Transportation Sales Tax Fund to the General Fund in 2008 for unknown reasons, and inappropriately transferred \$350,000 from the Transportation Sales Tax Fund to the General Fund in 2009 to purchase a new fire engine.
- The city did not always record disbursements related to grant projects in the appropriate grant fund. For example, a disbursement totaling \$9,797 for work completed by an engineer on the I-44 Interchange Study was incorrectly recorded in the Phase I Enhancement Grant (Sidewalk Project) Fund.
- During the year ended December 31, 2012, the city deposited state motor vehicle-related receipts of \$237,741 and Police Officer Standards Training (POST) and Law Enforcement Training (LET) fees totaling approximately \$1,300 into the "pooled cash" account, to the credit of the General Fund without tracking the receipts, disbursements, and balances of these restricted monies.



## City of Marshfield Management Advisory Report - State Auditor's Findings

- Donations received by the city for a sidewalk improvement project were not adequately tracked or identified as restricted monies. A 2005 grant proposal showed \$27,900 in donations pledged as matching funds from area businesses, associations, and citizens for this project. A January 2008 report of revenues shows the city recorded two donations received for this project in 2007 and 2008 totaling \$12,900 to the General Fund. The city was unable to determine if other monetary donations were received or specifically account for the use of donated monies.
- The city incorrectly reported negative lodging tax receipts totaling \$1,108 during the year ended December 31, 2012. As lodging tax monies are received, they are immediately disbursed to the Chamber of Commerce. The city recorded \$12,819 in lodging taxes. However, due to the city's recording of disbursements totaling \$13,927 as negative receipts, accounting records reflect a negative receipts amount.

Section 250.150, RSMo, restricts the use of water and sewer monies for operating the systems, payment of bonds, establishment of a reserve, fulfillment of any agreements contained in ordinances, and payment of costs of improvements of such systems. Section 137.1040(4), RSMo, restricts the use of cemetery monies for the maintenance, upkeep and preservation of cemeteries located within the city. Section 94.745, RSMo, restricts the use of transportation sales tax monies for transportation purposes. Article IV, Section 30, Missouri Constitution, requires motor vehicle-related receipts apportioned by the state of Missouri be disbursed for street-related purposes. Section 488.5336.2, RSMo, requires POST and LET fees be used only for the training of law enforcement officers.

To be of maximum assistance to the Board and adequately inform the public, accounting records should accurately report financial activity and account balances. To ensure restricted monies are used for the intended purpose, monies received should be credited to the appropriate fund, disbursements should be paid from the appropriate funds, and adjustments and transfers should be recorded timely to reflect actual financial decisions of the city.

## 2.2 Corrective action

The city failed to implement many recommendations made by the independent auditor who performed the city's financial statement audit for the past 5 years. Weaknesses identified in the audit of the financial statements for the years ended 2010 and 2011 included negative cash balances, lack of control over federal funds, not properly accounting for transfers between funds, purchasing policy noncompliance, and lack of segregation of duties. The city generally responded recommendations would be addressed; however, many of the weaknesses identified are similar to those noted in our report and likely contributed to the city's financial condition.



## City of Marshfield Management Advisory Report - State Auditor's Findings

### 2.3 Adjustments

Adjustments recorded in the accounting system by the City Accountant are not reviewed or approved by someone independent of administering the accounting system. Between October 1 and December 31, 2012, the city accountant recorded 51 adjusting journal entries totaling more than \$1.6 million, without a documented review or approval of these entries. To ensure adjustments are valid, someone independent of receipting and recording functions should review and approve all adjustments.

### Recommendations

The Board of Aldermen:

- 2.1 Establish procedures to ensure restricted monies are used only for allowable purposes and accounting records accurately reflect the financial activity of the city. In addition, the Board should correct errors and identify and review restricted fund activity.
- 2.2 Implement audit recommendations timely.
- 2.3 Require an independent review and approval of all adjustments.

### Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 2.1 *The Board continues to identify and implement procedures that protect restricted funds receipts from uses other than what the funds are intended. The city has already moved the Transportation Sales Tax Fund into a separate bank account. The city will continue the separation of the "pooled cash" account to further restrict the cross use of funds. As the Board has responded to finding 1, we have reviewed the \$1.3 million transfer from the Transportation Sales Tax Fund to the General Fund, and have determined the General Fund has incurred transportation related expenses for the Transportation Sales Tax Fund and no outstanding obligation is due. We plan to repay the Water and Sewer Funds in the future. The city has engaged an independent CPA not associated with the annual independent audit to prepare corrective journal entries for the errors identified in this report. The city will continue until all identified errors are corrected. The end of month revenue and expense report will show the Board the activities of all funds, including restricted funds.*
- 2.2 *We are being more diligent in implementing recommendations of the Independent Auditor.*
- 2.3 *The City Administrator now receives and reviews all journal entries and the Board receives and reviews all corrective journal entries monthly.*



City of Marshfield  
Management Advisory Report - State Auditor's Findings

### 3. Real Estate Purchases and Leases

The city leases properties for minimal or no rental fees and is holding additional property for possible future use by a not-for-profit organization (NFP) despite the city's poor financial condition.

The city owns properties for the benefit of a local NFP without a documented plan for usage of the land or a cost-benefit analysis. The city leases one property (land and building) to the NFP. The city entered into a written agreement in September 2005 to lease the property to the NFP for 10 years, with rental fees of \$1 per year and free water and sewer services. This agreement outlines additional non-monetary benefits received by the city, such as the preservation of home bound meal services for area residents. According to city officials, this agreement formalized a long-standing arrangement that originated in the 1970s.

In addition, the city is holding three additional properties for possible future construction of a facility for the NFP. In the 1990s, the NFP expressed interest in a parcel of unused city property for construction of a new facility. The facility was not built on the property and the city continues to hold this land for the NFP. In April 2011, the NFP approached the city regarding the purchase of another parcel of land for future construction of the NFP's facility. The city purchased the property (land and house) for \$24,000 in April 2011, without obtaining an appraisal. Then, in September 2011, a financial institution contacted the city to see if the city would be interested in purchasing the adjacent property. The NFP expressed interest in this location for additional space needed for its facility and the city noted other possible uses for the property, including a community center and storm water improvements. The city purchased this property (land and house) in October 2011 at a cost of \$28,500. Per city officials, the land purchases were made because they believed a new facility for the NFP would provide a benefit to the city; however, no analysis was documented.

The city also leases four additional properties to another NFP, a government agency, and a private business for minimal or no rental fees and one agreement has not been formalized through a written contract. No cost-benefit analysis has been completed for these leases. The city received \$1 per month as rental fees for lease of one property, \$1 per year as rental fees for lease of one property, and no rental fees for lease of the other two properties.

To ensure efficient and effective use of city resources, the Board should have a documented plan, including a cost-benefit analysis, for the utilization of city owned properties. Good business practice requires real estate purchases be formally and independently appraised to ensure a reasonable price is paid. While leasing properties to other entities may provide some benefit to the city, adequate planning and cost-benefit analysis is needed to ensure the best use of city property.





City of Marshfield  
Management Advisory Report - State Auditor's Findings

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## Recommendation

The Board of Aldermen develop plans for the utilization of city owned property and ensure associated costs are considered and a cost benefit analysis is performed when leasing properties. The Board should also better plan for future real estate purchases and projects, and ensure independent appraisals are obtained prior to the purchase of real estate.

## Auditee's Response

*The Board of Aldermen provided the following written response:*

*The Board of Aldermen have initiated a process of identifying and acquiring copies of all lease agreements or lack of; and will perform a cost benefit analysis on each property. The Board plans to prepare a property management plan so that periodic reviews of agreements and insurance requirements are met. The Board recently sold one property leased to a not-for-profit (nfp) to the county and traded two additional properties held for the nfp with the Marshfield Housing Authority for land to build an area storm water retention basin. Independent appraisals were obtained for these transactions.*

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## 4. Budgets and Financial Statements

Budget preparation and financial reporting need improvement.

### 4.1 Budgetary compliance and monitoring

City budgets do not include all statutorily required information and the Board does not adequately monitor budget to actual receipts and disbursements.

#### Compliance

City budgets do not include a budget message or budget summary, the actual beginning and estimated ending fund balances, or city indebtedness. Because the city does not include beginning or estimated ending cash balances on the budget, the Board cannot determine if it is budgeting a deficit balance, and the budget does not present a complete financial plan.

#### Monitoring

The city has not established adequate procedures to monitor or amend budgets. On December 27, 2012, after disbursements already exceeded budgeted amounts in the Sewer Fund and several grant funds, the Board amended the budget to increase total budgeted disbursements by approximately \$170,716 (3 percent) for the year ended December 31, 2012. Even with this late budget amendment, disbursements exceeded budgeted appropriations for the Sewer Fund by approximately \$55,000.

In addition, the 2012 budgeted information was not recorded in the city accounting system correctly, causing any budget to actual reports generated to be inaccurate. For example, while the Board approved budgeted



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appropriations of \$214,459 for the Fire Department, the city recorded budgeted appropriations of \$229,076 in the accounting system.

### Conclusion

Sections 67.010 to 67.040, RSMo, outline requirements for the format of the annual operating budget, require the budget present a complete financial plan for the ensuing budget year, require political subdivisions to keep disbursements within amounts budgeted, and allow for budget increases after the governing body officially adopts a resolution setting forth the facts and reasons. In addition, Section 67.080, RSMo, provides that no disbursement of public monies should be made unless it is authorized in the budget.

A complete and well planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations and provides a means to effectively monitor actual receipts and disbursements by periodically comparing budgeted to actual amounts and prior year information. It also assists in informing the public about city operations and current finances.

### 4.2 Financial statements

The city has not published semiannual financial statements as required by state law for at least 3 years. Section 79.160, RSMo, requires the Board of Aldermen to prepare and publish a full and detailed account of the receipts, disbursements, and indebtedness of the city semiannually. Complete and accurate financial statements are necessary to keep citizens informed of the financial activity and condition of the city. In addition, Section 79.165, RSMo, states the city cannot legally disburse funds until the financial statement is published.

### Recommendations

The Board of Aldermen:

- 4.1 Ensure budgets comply with state law and include the most up to date information. In addition, the Board should establish procedures to properly monitor actual to budgeted activity, and ensure any budget amendments are made prior to incurring related disbursements.
- 4.2 Ensure semiannual financial statements are published in accordance with state law.

### Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 4.1 *The 2013 Budget, as approved, includes all the elements required by the state and was published for the first time. As stated before the Board now receives an end of month report that gives them actual to budgeted activity. The Board also receives any budget*



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*amendment prior to or with any expected disbursement that may cause the fund to exceed the annual budget level.*

4.2 *The city plans to prepare and publish mid-year financial statements in September 2013.*

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## **5. Accounting Controls and Procedures**

Accounting controls and procedures need improvement. The city has multiple cash collection points which collect over \$2.8 million annually (excluding the municipal court).

The various collection points include the City Collector, Building Inspector, Parks Department, Cemetery Superintendent, Public Works Department, Police Department, Fire Department, and City Accountant. All monies collected regardless of collection point are transmitted to the City Collector for deposit.

### **5.1 Receipting, transmitting, and depositing procedures**

We noted the following areas of concern related to receipting, transmitting, and depositing:

- Receipt slips are not issued for some monies received. In addition, the City Collector does not issue receipt slips for monies transmitted from other city departments.
- Receipt slips issued for building permits and water deposits are not prenumbered.
- The method of payment is not always documented on utility stubs used to receipt utility payments and is not recorded in the utility billing system. Therefore, the composition of receipts cannot be reconciled to either the accounting system or deposits.
- Checks are not always restrictively endorsed upon receipt.
- Monies collected are not always timely transmitted to the City Collector for deposit. For example, five checks received by the Fire Department totaling \$585, dated between September 12 and September 24, 2012, were not transmitted until October 16, 2012. In addition, some city departments routinely withheld payments from transmittals. For example, the Parks Department held a \$185 check dated September 6, 2012, until October 11, 2012, when the check was returned to the payor because the city decided not to host the event. No receipt slip was issued for this payment. Also, Public Works employees do not properly secure monies collected after hours (for reconnections when city hall is closed). Employees took monies home, instead of securing them at City Hall or the Public Works Department, before transmitting the monies to the City Collector.



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- Receipts are not always deposited timely and intact. Cash and checks totaling \$131 and dated in 2006, 2007, and 2009 were found unrecorded and undeposited in the City Collector's cash register during a cash count completed on October 10, 2012.

Failure to implement adequate receipting, transmitting, and depositing procedures increase the risk that loss, theft, or misuse of monies received will occur and go undetected.

## 5.2 Business licenses and building permits

Business licenses and building permits are not prenumbered, and there is no procedure to reconcile business licenses and building permits issued to fees collected and amounts deposited. Also, fees charged were not always in compliance with the Municipal Code. For example, the city charged \$750 for 6 of the 13 water tap-in permits sold in 2012 instead of the \$700 required by Municipal Code. In addition, if business licenses are purchased after November, the City Clerk only charges half the required fee although there is no provision within Municipal Code allowing this reduction. Without proper controls and compliance with Municipal Code, the possibility of loss, theft, or misuse of monies increases.

Prenumbered documents allow for proper accountability over licenses and permits, and enable the reconciliation of issuances to monies received and deposited. Adherence to Municipal Code is necessary to ensure individuals or entities are treated equitably and provide assurance transactions are accounted for properly.

## 5.3 Park fees and refunds

Parks Department invoicing and refunding procedures are not adequate. Individuals or groups renting park facilities are charged for electricity usage, licensing, and other services or supplies provided by the city (trash bags, lime, etc.). Registration fees are paid by individuals for park activities including soccer, swimming lessons, swim team, and youth baseball.

Invoices do not include an invoice or due date. The city did not prepare invoices for events that occurred between May and October 2012 until December 2012, and six of the eight invoices contained mathematical errors causing the city to undercharge renters a total of \$268.

In addition, the city identified refunds due to various individuals for overpayment of registration and rental fees paid in early 2012. Cash refunds totaling approximately \$2,200 were made between June and October 2012; however, the remaining refunds, totaling approximately \$1,500, were not made until February and March 2013. To increase collectability and decrease billing errors, invoices should be prepared timely and reviewed for accuracy. In addition, to properly monitor customer accounts and ensure records are accurate, overpayments should be refunded timely.



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## Recommendations

The Board of Aldermen:

- 5.1 Require prenumbered receipt slips or utility stubs, documenting the method of payment, be issued for all monies received including transmittals received by the City Collector's office. The Board should also ensure checks are restrictively endorsed immediately upon receipt, maintained in a safe location, and deposited intact and in a timely manner.
- 5.2 Issue prenumbered business licenses and building permits and account for the numerical sequence, reconcile licenses and permits issued to fees recorded and deposited, and ensure fees charged are supported by Municipal Code and charged consistently.
- 5.3 Invoice park rental fees and issue refunds timely and ensure invoices are complete and accurate.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 5.1 *The city purchased and installed the Receipt Management (RM) module of the city accounting system in 2013. The RM addresses each identified concern noted in 5.1 of this report. Checks are endorsed for deposit and the funds are coded for recording in the appropriate fund. All monies collected during the day are entered into RM and an evening deposit is made. All after hours collection of monies for turning on water service will be deposited nightly in the City Hall night deposit box.*
- 5.2 *The city now issues prenumbered building permits and sequentially numbered business licenses and each line of fees or deposits collected have been coded into RM, after verification, as the amount charged from Municipal Code.*
- 5.3 *The city continues to improve on this item and has been aided by the RM system in the Parks department. In the future, the city will ensure refunds are made timely.*

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## 6. Payroll Controls and Procedures

Significant improvement over payroll controls and procedures is needed. The city disburses over \$1.4 million for salaries annually.

### 6.1 Payroll procedures

Payroll duties are not adequately segregated or supervised, and reviews of time records are not sufficient. Errors were noted with some time and leave records.



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- The City Accountant is primarily responsible for all payroll functions, including receiving time records (time cards, timesheets, and time summaries) and entering time and leave data into the payroll system. The City Accountant also completes the direct deposit transaction authorizing the bank to direct deposit into employee accounts. Neither the Board nor a supervisor or employee independent of these processes reviews the City Accountant's work or approved payroll reports.

Because of the extent of the City Accountant's responsibilities over payroll, a supervisory review of the City Accountant's time and leave records is essential; however, such a review was not always completed or documented. As a result, errors occurred without being detected. For the 2 weeks ended August 17, 2012, the former City Accountant recorded time worked totaling 70.5 hours and compensatory leave used totaling 4.5 hours, for a total of 75 hours; however, she was paid her normal salary for 80 hours worked.

- Timesheets and timecards were not signed by most employees or by most supervisors to document approval of time worked and leave used. A review of supporting documentation available for seven sewer department employees between January 1 and October 31, 2012, determined 22 errors in the calculation of vacation leave balances, 9 errors in the calculation of sick leave balances, and 26 errors in the calculation of compensatory leave balances. A careful review of time sheets by the City Accountant and/or supervisors would likely have detected these errors.
- The Police Department does not submit time records to the City Accountant to support payroll disbursements and provide information needed for updating centralized leave records. The City Accountant enters data into the payroll system and does not track any leave for the Police Department. As a result, any adjustments needed to regular pay amounts are not made and there is less assurance leave records are accurate.

Proper segregation of duties helps ensure all payroll transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of payroll duties cannot be achieved, a periodic independent review of the records should be performed and documented. Without a review of payroll documentation, errors, theft, or misuse of city resources could go undetected. Original signed and approved timesheets are necessary to document hours worked, substantiate payroll disbursements, provide the city with a method to monitor hours worked and leave taken, and are beneficial in demonstrating compliance with Fair Labor Standards Act of 1938 (FLSA) requirements.



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## 6.2 Personnel policies

The city personnel manual does not address some significant issues and the city does not always comply with the manual.

- The city personnel manual does not address when some vacation leave is credited. In addition to the 12 days of vacation leave awarded annually to all employees who have worked more than 2 years for the city, employees earn an additional day of vacation leave after working 9 years for the city, and continue to earn an additional day for each year of service until 20 years of service. No additional leave is earned for any additional years of service after 20, so a maximum of only 12 additional vacation days is possible.

While the original 12 days of vacation leave is accrued on a monthly basis (1 day each month) in accordance with the established personnel manual, the accrual of additional vacation leave is not addressed in the personnel manual and therefore, some employees accumulated the entire balance of additional leave on January 1 of each year, regardless of employment anniversary month, while other employees accumulated the entire balance of additional leave on the month of their employment anniversary. As a result, employees with leave balances credited on January 1 received additional time to use their leave. Additional leave earned was also incorrectly calculated for some employees in January 2012 and the error was not identified or corrected by the city until August 2012. For example, one employee, who had served more than 20 years, was awarded 25 days of additional vacation leave on January 1, 2012, 12 days more than allowed by policy.

- The city personnel manual states employees may not accumulate more than 60 hours of compensatory leave. The city identified several employees with excess leave accumulations in May 2012 and took steps to lower compensatory leave balances below the allowed maximum. Despite efforts to reduce balances the city did not establish a system to continuously monitor compensatory leave, and by October 2012 compensatory leave balances of three employees again exceeded the limit including one employee with an accumulated balance exceeding 120 hours.

Strict compliance with personnel policies is necessary to ensure employees are treated equitably and are properly compensated. In addition, detailed written policies are necessary to provide guidance to city employees, provide a basis for proper compensation, ensure equitable treatment among employees, and avoid misunderstandings.

## 6.3 Compensation ordinances

The city has not adopted ordinances to establish the compensation of city officials and employees. Sections 79.270 and 79.290, RSMo, require the Board of Aldermen to fix the salaries of all city officials and employees by



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ordinance. Compensation ordinances not only ensure compliance with state law, but also help prevent misunderstandings.

## Recommendations

The Board of Aldermen:

- 6.1 Adequately segregate payroll duties or, at a minimum, ensure a documented review of these functions is performed on a periodic basis by someone independent of the payroll functions. The Board should ensure timesheets are prepared, properly signed, approved, and retained for all employees and the information is reviewed for accuracy prior to entry into the accounting system.
- 6.2 Ensure the city's personnel manual includes essential city policies and procedures, and ensure compliance with those policies and procedures.
- 6.3 Establish the compensation of all city officials and employees by ordinance.

## Auditee's Response

*The Board of Aldermen provided the following written response:*

- 6.1 *Starting in 2013, the City Administrator reviews the department superintendents' and all direct report employees' timesheets for accuracy. All employees, including the Police Department, now prepare time records, which are signed by the employee and are reviewed for accuracy by supervisors before entering into the payroll system. Once all timesheets are entered, a trial report is reviewed by the City Administrator and gross pay is checked against the previous pay period. The payroll claim report is then signed by the City Administrator and retained.*
- 6.2 *The city has now added the vacation accrual rates into the payroll accounting system so that compliance with policy is met. We have also implemented a monitoring system to ensure accumulated compensatory leave balances do not exceed the maximum allowed by policy.*
- 6.3 *The Board is in the process of reviewing job descriptions for all positions and once complete will adopt comprehensive pay scales for each position through an annual Ordinance.*





## 7. Written Contracts and Contract Compliance

The city does not have written contracts with some service providers and the city's contract monitoring procedures need improvement.

### 7.1 Written contracts

The city does not always enter into written contracts defining services and benefits received.

- The city entered into oral agreements with several existing service providers during 2012, including the purchases of information technology services totaling \$39,327, audit services totaling \$20,900, veterinary services totaling \$14,559, cleaning services totaling \$10,065 and accounting services totaling \$5,548.
- The Board approved a lodging tax in August 2004. The city has an informal arrangement with the Chamber of Commerce to operate a convention and visitors bureau in exchange for these monies and paid the chamber \$13,927 in 2012 to provide this service. No written agreement was established with the chamber, as required by city ordinance.
- The city does not have a written agreement with the Marshfield Fire Protection District regarding financial responsibilities. In 2006, a separate political subdivision, the Marshfield Fire Protection District, was organized (formerly a rural fire department). A decision was made at that time for the city's full-time fire chief to serve as the fire chief for both the City of Marshfield Fire Department and the Marshfield Fire Protection District and for the city to pay the chief's entire salary. All volunteers, cadets, and reserves also work for both entities. These employees are paid on a per-call basis by both entities, based on the location of the call worked. In August 2011, a written joint response plan was adopted, which allows both entities to use assets, equipment and personnel of the other entity to respond to any call; however, this plan does not outline the financial responsibilities of each entity for costs related to the assets, equipment, and personnel. The city paid a total of \$201,199 in expenses related to fire protection during the year ended December 31, 2012. The city does not know the amount of expenses paid by the fire protection district.

Clear and detailed written contracts, including reporting requirements and provisions to allow for proper monitoring, are necessary to ensure all parties are aware of their duties and responsibilities, prevent misunderstandings, and ensure city monies are used appropriately and effectively. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.



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## 7.2 Monitoring contracts

The city did not always monitor contracts effectively.

- The city contracted with an engineering firm in March 2008 to update the city's comprehensive plan. The comprehensive plan, which provides recommendations for physical development (maps; plats; present and future land uses; and infrastructure repair, replacement and maintenance of existing infrastructure) and zoning of the city, has not been updated since 2001. The contract provided for a fee of \$46,500. However, due to lack of progress, the city terminated the agreement in September 2009, after having paid \$14,283 to the firm. In January 2010 the city contracted with a new engineering firm to provide the same service and agreed to pay up to \$35,000. In November 2010, the city was notified the original engineering firm, which the city had fired in 2009, had acquired the new engineering firm and the original engineering firm assumed the second contract. As of December 31, 2012, the city had paid \$36,000 on the second contract, \$1,000 more than required, for a total of \$50,283 for this project and the city did not have a finalized comprehensive plan document. The firm drafted some areas of the plan; however, information gathered for the project through citizen surveys is dated and may no longer be useful or accurate. The City Administrator indicated he does not consider the document useful and the document remains incomplete.
- The city entered into a contract in April 2009 with a local company which agreed to maintain a minimum average number of full time jobs over 5 years (2009 through 2013) in exchange for 6.18 acres of city-owned land in the industrial park area. The written agreement requires the company to provide documentation of the average number of full time jobs maintained; however, the city did not receive this documentation in 2010, 2011, or 2012. As a result, the city has not properly monitored the contractual requirements. The city had no documentation of any attempt to request or gather the required information prior to a June 2012 Board meeting, when the newly elected Mayor reported this non-compliance to the Board. The Mayor explained at the June 2012 Board meeting she had contacted the company and anticipated a report would be filed with the city soon. As of December 31, 2012, no report had been filed.
- The city entered into a contract in July 2009 to lease the recycling center to a local sheltered workshop for \$1 per month for 18 months. Although this contract expired in December 2011, the city allowed the sheltered workshop to occupy the building until December 2012 without an updated contract. This arrangement no longer exists.



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Closely monitoring contractor performance and compliance with contract terms is important to ensure limited city resources and assets are used wisely and that expectations of city officials and the public are met.

## Recommendations

The Board of Aldermen:

- 7.1 Enter into written agreements defining services provided and benefits received. In addition, the Board should ensure written agreements include reporting requirements when city monies are paid for a specific purpose and allow for proper monitoring of contract requirements.
- 7.2 Monitor contracts for compliance and ensure satisfactory progress by contractors prior to payment.

## Auditee's Response

*The Board of Aldermen provided the following written response:*

*These recommendations have been implemented. The Board of Aldermen have initiated a process of identifying and acquiring copies of all contracts or lack thereof; and have begun identifying requirements of the contracts and services to be provided. The Board will prepare a contract management plan so that periodic reviews of contract requirements are met.*

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## 8. Disbursements

Weaknesses exist in controls and procedures over disbursements.

### 8.1 Approval process and oversight

The approval process for disbursements and oversight of bank account activity is not adequate.

- The list of bills approved by the Board each month is not complete, and a comparison of this list to approved invoices and the actual checks written is not performed. The list of bills does not include payroll or some non-payroll expenditures, and some amounts listed are not accurate. The July, August, and September 2012 list of bills did not include \$266,363 in payroll and \$393,600 in non-payroll related disbursements, which together represent 50 percent of total disbursements. The types of non-payroll disbursements omitted varied each month.
- The Board does not review or approve the closing of bank accounts or transfers between bank accounts. Between January and April 2012, the City Accountant closed five bank accounts containing restricted water, sewer, and cemetery funds totaling approximately \$332,700, and deposited those funds into the pooled cash account without Board approval. Also, between July and December 2012, the City Accountant made 30 online banking transfers, totaling more than \$420,500.



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Transfers were made between bank accounts containing restricted funds without documented supervisory approval and from the pooled cash account using online banking to pay vehicle lease payments totaling \$6,436. As a result of using this payment method the Board did not approve these disbursements.

- Some invoices were not approved prior to payment and purchase orders were not always approved prior to the date of purchase. The numerical sequence of purchase orders issued is not tracked. City purchasing policy requires purchase orders for some purchases and excludes certain types of transactions from the policy (bond payments and fees, utilities, utility customer refunds, employee benefits, postage, drug testing, professional services, and sales tax remittance). Of 19 disbursements reviewed not requiring a purchase order, 14 disbursements totaling approximately \$162,900 were made without documented approval of the invoice. In addition, of 27 disbursements reviewed which required purchase orders, 9 of the purchase orders completed were approved after the date of purchase.

Payment of invoices without documented approval from a department head and/or the City Administrator and a properly completed purchase order increases the risk of paying for goods or services not actually received.

To ensure disbursements and transfers are appropriate, the Board should require complete and accurate financial information be provided for its review and approval. The Board should also develop policies and procedures to review and approve bank account closures and transfers.

## 8.2 Fuel and usage records

The city does not effectively use available information to evaluate appropriateness of fuel use, verify accuracy of fuel billings, and properly allocate fuel costs to various city departments. The city uses a combination of bulk fuel tanks and fuel cards to provide fuel for city vehicles and equipment. The city requires bulk fuel pumped to be recorded on department logs kept at the tanks. The logs document the employee pumping fuel, vehicle number, mileage, date, number of gallons and description of equipment for each fill. Vehicle and equipment logs are also maintained in each vehicle and document date of vehicle use, employee using the vehicle, beginning and ending odometer readings, purpose of use, indication of business or personal use, gallons of fuel pumped, and odometer reading at time of fueling. Combined fuel use recorded on bulk fuel department and vehicle and equipment logs should represent total fuel use (from bulk fuel tanks and fuel cards) for a given time period and provide a basis for the allocation of related costs. Fuel purchases totaled \$87,987 during the year ended December 31, 2012.



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- The flow meter installed on the bulk fuel tank tracks the amount of fuel pumped per fill but not the overall flow from the tank. As a result, the city cannot reconcile total fuel pumped from the tank to bulk fuel purchased or fuel usage records maintained at the tank.
- The City Accountant does not reconcile usage records to individual vehicle and equipment logs to ensure fuel use is for a business purpose or to support the allocation of fuel costs.
- Calculations completed to allocate fuel costs are inaccurate. The City Accountant used bulk fuel logs and fuel card invoices to allocate total fuel purchases to each department. The worksheet used identifies the department, total gallons pumped for each department, and the cost per gallon. The total gallons pumped by each department multiplied by the various per gallon prices should equal the total bulk and fuel card purchases. If the amounts do not equal, the differences should be investigated. However, rather than investigating the differences the price per gallon of fuel purchased or number of gallons shown as pumped by each department were arbitrarily adjusted so that total fuel costs were allocated. As a result, inaccurate amounts were charged to each department.

For example, in March 2012 the City Accountant inflated the price per gallon charged to departments. Departments were charged \$5.81 per gallon for gasoline and \$4.40 per gallon for diesel fuel used, although fuel tickets for the same billing period show a cost of \$3.19 per gallon for gasoline and \$3.36 per gallon for diesel fuel. Also, the City Accountant increased the number of gallons used by the Police Department from 599 gallons (number of gallons actually recorded as used by the department on bulk fuel department logs) to 744 gallons, to account for 145 gallons of unaccounted for gallons on the June 2012 calculation of costs allocated to each department.

- The City Accountant unnecessarily combined bulk fuel and fuel card purchases to calculate the allocation of fuel costs. Fuel card invoices identify individual vehicle and equipment usage and costs. For example, a fuel card is used for all fuel purchased for the city bus. In May 2012, the fuel card statement showed 278 gallons of gasoline costing \$910 was purchased for the bus; however, after the allocation was completed, only \$727 was allocated as fuel expense to the bus department.

Procedures for reviewing fuel used and reconciling use to fuel purchased and on hand, are necessary to ensure the reasonableness and propriety of fuel use and disbursements. Proper allocation of fuel costs is needed to ensure city departments and funds are assessed the appropriate amount.



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Failure to account for fuel purchases could result in theft and misuse of fuel going undetected.

### 8.3 Conflicts of interest

Former Alderman Noland, who served on the Board until April 2012 and who also serves as Deputy Fire Chief and receives payment for fire calls, did not always abstain from the approval of disbursements made for the operation of the city Fire Department. For example, he voted to approve the purchase of a sport utility vehicle in January 2012. The Marshfield Fire Protection District and city Fire Department split the associated costs. The city paid \$14,700.

The Public Works Superintendent approved purchases of ready mix totaling \$14,135 from a company owned by his cousin. The Public Works Superintendent indicated other companies were contacted and goods were purchased based upon availability; however, no supporting documentation of this process was maintained. The Public Works Superintendent provided the only approval for approximately \$11,000 of the \$14,000 paid to this vendor during 2012.

Board members serve in a fiduciary capacity and approving disbursements to a department for which they work, could create a conflict of interest. Also, personal interests by employees in business matters of the city could create actual or the appearance of conflicts of interest and should be avoided.

### 8.4 Bidding

The city does not always comply with its own purchasing policy. City policy requires city officials to advertise and solicit written bids for goods or services costing more than \$5,000, solicit written bids for goods or services costing more than \$3,000 but less than \$5,000, and document oral quotes received for goods or services costing more than \$1,000 but less than \$3,000. City policy also requires documentation supporting sole source procurements.

Bids were not solicited for the purchase of accounting software (\$60,185), information technology services (\$39,327), accounting services (\$5,548), surveying services (\$5,500), and trash services (\$4,085), and oral quotes were not documented for roofing services (\$2,390). Documentation to support bids received for auditing services (\$29,000) could not be located. In addition, no documentation was maintained for several sole source purchases including handheld meters (\$5,995), concrete (\$1,172), or fire department radios (\$1,009).

Competitive bidding not only ensures the city is complying with city policy, but also helps ensure all parties are given an equal opportunity to participate in city business. Documentation of the selection process and criteria,



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including sole source procurement, should be retained to support purchasing decisions.

## 8.5 Supporting documentation

The city does not always receive or retain adequate supporting documentation to support disbursements or show compliance with grant agreements.

- The city did not retain documentation to support amounts paid to various vendors including \$23,625 paid to an accounting software company, \$3,982 paid to an electrical contractor, \$2,390 paid to a roofing company, \$2,527 paid to a veterinary clinic, and \$493 paid to reimburse the petty cash fund. In addition, the city did not retain bulk fuel and fuel card statements for 2 months. As a result, the city is not able to provide an audit trail to support that purchases were for city business and the purchased items were received.
- The city pays fire call payments without obtaining adequate documentation. The annual report submitted by the fire chief only includes the employee's name, elected deductions for donations, and total to be paid to each person. It does not include the calculation used to support the amount to be paid, number of calls responded to, or rate of pay for each employee.
- The city has not established procedures to ensure documentation is retained for federal and state grants. Grant related documentation is scattered throughout several city offices and city personnel had difficulty locating or could not locate requested grant related documentation, including disbursement documentation and grant agreements. Failure to retain adequate documentation of grant projects and disbursements limits the city's ability to prove compliance with grant agreement terms and conditions.

Detailed supporting documentation, such as itemized receipts and vendor invoices, is necessary to ensure disbursements are proper. Organization of grant records ensures ability to readily access such records and demonstrate compliance with grant agreement terms and conditions.

## 8.6 Untimely payments

The city did not pay several invoices timely. For example, the city did not pay bulk fuel purchases totaling \$23,050 made between May and September 2012 until October 2012. The city incurred unnecessary late payment fees for these errors, and paying other invoices late could cause the city to incur additional unnecessary costs and discourage vendors from bidding on future city projects.

Further, invoice due dates are not correctly recorded in the accounting system. The City Accountant records the board meeting date rather than



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invoice due date. Inaccurate information hinders the Board's ability to monitor timely payment of invoices.

## 8.7 Vendor information

As of December 2012, the city vendor list contained 18 duplicate vendor names, each with a separate vendor number. The city does not review the vendor list and was not aware of these duplications. For one of the duplicate vendors, the city entered an invoice totaling \$316 into the accounting system twice in June 2012, under two different spellings of the vendor's name and made a duplicate payment to the vendor. The city requested a refund for the duplicate payment after our inquiry. As of June 2013, the city had not received a refund. In addition, the vendor list did not include addresses for 50 vendors. Requiring review and approval of new vendors entered into the accounting system, deleting duplicate vendor names, and ensuring all vendor information is complete and accurate would give the city better control over vendor information and result in a more efficient operation. In addition, inaccurate, unverified vendor information increases the risk false vendors could be established resulting in the loss, theft, or misuse of city funds going undetected.

## Recommendations

The Board of Aldermen:

- 8.1 Ensure the list of bills provided for approval at monthly meetings is complete, all invoices are reviewed and approved by appropriate officials prior to payment, purchase orders are approved prior to the date of purchase, and the numerical sequence of purchase orders issued is accounted for properly, and establish adequate review and approval procedures for transfers and bank account closures.
- 8.2 Require total flow of bulk fuel be monitored and used to reconcile total fuel used to total fuel recorded on usage records, review and reconcile individual vehicle and equipment logs to fuel usage records, and investigate any discrepancies. In addition, the Board should ensure procedures used to allocate fuel expenses are accurate and consistent.
- 8.3 More closely examine city transactions to identify and avoid apparent and actual conflicts of interest.
- 8.4 Ensure bids are solicited for all applicable purchases in accordance with city policy and sufficient documentation is maintained.
- 8.5 Ensure sufficient supporting documentation is maintained for all disbursements and grants.
- 8.6 Ensure all invoices are paid in a timely manner and invoice due dates are correctly recorded in the accounting system.





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- 8.7 Ensure new vendors added to the accounting system are reviewed and approved. In addition, existing vendor files should be periodically reviewed by someone independent of the disbursement process and duplicate vendors should be eliminated.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 8.1 *The Board now approves all non-payroll related disbursements. In the future, the Board will be provided with payroll related disbursements. Also, the Board will approve the closure of all bank accounts and the City Administrator will approve all transfers between bank accounts. The city is in the process of working on tracking and approving purchase orders properly.*
- 8.2 *The city no longer uses a bulk fuel tank and has bid a fuel purchasing agreement. The fuel program has assigned cards for individuals and vehicles. A monthly invoice and report is generated and checked against receipts given at time of purchase. Fuel costs are then allocated to funds.*
- 8.3 *The city will conduct a thorough review of all vendors against the State requirements for degrees of separation. Where a conflict of interest exists an annual bid or review and signature by the City Administrator will be used. The Board continues to approve an annual Conflict of Interest Ordinance for the Missouri Ethics Commission and requires all transactions comply.*
- 8.4 *This recommendation has been implemented.*
- 8.5 *The city continues to improve in documentation and retention of documents.*
- 8.6 *The city continues to improve in processing of claims in a timely manner.*
- 8.7 *The city has reviewed the vendor list and has eliminated duplications identified. We will continue to monitor this area. We received a credit memo in July 2013 from the vendor who was paid twice.*

## 9. Computer Controls and Procedures

Controls over computer systems and assets are not sufficient for proper accountability and to prevent unauthorized access.

### 9.1 Computer access

Access to the accounting and utility billing system was not adequately restricted. Prior to January 2013, the City Accountant had administrative



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City of Marshfield  
Management Advisory Report - State Auditor's Findings

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rights to the system, giving her unlimited access to information recorded in the system. The city purchased and installed a new computerized accounting and utility billing system between July and September 2012. At the time of the installation, the city did not have a City Administrator so the City Accountant was given administrative rights. The city did not restrict these rights after the City Administrator was hired in September 2012. The City Accountant accessed the administrative module containing all user identifications, passwords, and user rights 48 times between October 1, 2012, and January 7, 2013. City officials could not explain why the City Accountant would need to access this information so often given her job responsibilities. After we brought this to the City Administrator's attention, he had the programmer limit the City Accountant's access rights in January 2013. Unrestricted access can result in the unauthorized deletion or alteration of data, change of another employee's user rights, or use of another employee's user identification and password. To prevent unauthorized changes, access should be limited based on user needs.

## 9.2 User identifications and passwords

Separate user identifications and passwords are not required for access to the accounting and utility billing software. The City Clerk, Waste Water Treatment Plant Director, and Public Works Director share the same user identification and password to access the accounting system. Also, four employees who work in the City Collector's office share the same user identification and password to access the utility billing system. Additionally, passwords are not changed on a periodic basis. The lack of an effective system of user identifications and passwords may allow unauthorized access and/or changes to the system. To control access and monitor user activity, a unique user identification and password should be assigned to each user of a system. User identifications and passwords should be kept confidential and changed periodically.

## 9.3 Computer inactivity

The city does not utilize security controls to shut down accounting and utility billing system computers after a certain period of inactivity and detect or prevent incorrect login attempts. As a result, unauthorized individuals could access an unattended computer and have unrestricted access to programs and data files. To help protect computer files, security controls should be implemented to shut down the system after a certain period of inactivity and to detect and prevent incorrect login attempts.

## Recommendations

The Board of Aldermen:

- 9.1 Ensure accounting and utility billing system access rights are limited to only what is needed for the users to perform their job duties and responsibilities.



City of Marshfield  
Management Advisory Report - State Auditor's Findings

- 9.2 Require unique user identifications and passwords for all employees who have access to the accounting and utility billing systems, and require passwords be kept confidential and changed periodically.
- 9.3 Establish a security control requiring computers to shut down after a certain period of inactivity and lock computers after a specified number of incorrect logon attempts.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 9.1 *The City Administrator or the accounting system programmer, with authorization from the City Administrator, can make changes to authorization level in the accounting system. All authorizations are reviewed for need by the employee in conducting their required duties.*
- 9.2 *This recommendation has been implemented.*
- 9.3 *This recommendation will be added to the city's Computer Use Policy.*

## 10. Utility Controls and Procedures

Weaknesses exist in control procedures for the utility system. Per city accounting records, utility system operating receipts exceeded \$1.5 million for the year ended December 31, 2012.

### 10.1 Accounts Receivable Reconciliations

The city did not perform monthly reconciliations of total amounts billed, payments received, and amounts unpaid for utility services during 2012. At the request of the independent auditor the city completed a reconciliation as of December 31, 2011; however, the city did not continue this procedure. Monthly reconciliations are necessary to ensure accounting records balance, transactions are properly recorded, and errors or discrepancies are detected on a timely basis.

### 10.2 Water usage and billings

The city did not investigate significant differences identified in the monthly comparison of gallons of water billed to customers to gallons of water pumped. In addition, city water usage is not tracked, and the city failed to install meters and bill two other political subdivisions for water and sewer services at city properties leased by those political subdivisions. Without this information the city cannot properly perform the comparison. It is normal for a comparison of gallons of water billed to gallons pumped to show differences; however, city records showed significant and unexplained differences for several months. For January and May 2012, gallons of water pumped exceeded gallons billed by approximately 3 million gallons (18 percent of water pumped) and 6.6 million gallons (31 percent of water pumped), respectively. For March and September 2012, gallons of water billed exceeded gallons pumped by approximately 1.4 million gallons (12



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City of Marshfield  
Management Advisory Report - State Auditor's Findings

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percent of water pumped) and 4.1 million gallons (27 percent of water pumped), respectively. Significant differences may be indicative of water loss issues and/or possible unbilled usage or billing problems, and require follow up.

Tracking city and other unbilled usage, metering all properties as appropriate, and timely investigation of unexpected or significant differences between water billed and water pumped is necessary to help detect significant water loss on a timely basis and ensure water usage is properly billed. According to the U.S. Environmental Protection Agency, the water industry goal for unaccounted for water (water losses and leaks not accounted for) is 10 percent or less.<sup>1</sup>

### 10.3 Utility deposits and overpayments

Controls and procedures over utility deposits and customer overpayments need improvement. As of October 2012, the city held deposits totaling at least \$3,770 on 50 inactive customer accounts. Of these, 43 deposits totaling \$3,295 should be applied to outstanding balances, and 7 deposits totaling \$475 should be refunded. In addition, the city is holding \$1,105 in customer overpayments on 39 inactive accounts. Some accounts with deposits or overpayments held have been inactive since 2004. Applying deposits to outstanding balances reduces accounts receivable balances. In addition, to properly monitor customer accounts and ensure records are accurate deposits and overpayments should be refunded as appropriate.

## Recommendations

The Board of Aldermen:

- 10.1 Ensure monthly reconciliations of amounts billed to amounts collected and delinquent accounts are performed. In addition, the Board should ensure adequate documentation to support reconciliations is retained.
- 10.2 Investigate significant differences between gallons of water pumped to gallons billed, track city usage on a monthly basis, and ensure all usage is appropriately billed and collected.
- 10.3 Ensure deposits are refunded or applied to balances due and refund all overpayments of utility services in a timely manner.

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<sup>1</sup> United States Environmental Protection Agency, "Using Water Efficiently: Ideas for Utilities," <http://www.epa.gov/watersense/pubs/utilities.html>, updated on April 22, 2013



City of Marshfield  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 10.1 *The city prepares a monthly report of water and sewer billed, collected and outstanding. In the future, we will begin completing this reconciliation and the Mayor will review for adjustments and sign the document.*
- 10.2 *The city complies with Missouri Department of Natural Resources monthly determination of loss reporting requirements. If a significant difference is noted in the future, we will take action to investigate the matter.*
- 10.3 *This recommendation has been implemented.*

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## 11. Capital Asset and Insurance Procedures

City procedures to account for capital assets and maintain proper insurance coverage are not adequate. City owned capital assets including land, buildings, equipment, and other property are valued at approximately \$12 million.

The city lacks procedures to identify capital asset purchases and dispositions throughout the year. In addition, property is not tagged, numbered, or otherwise identified as city property, and an annual physical inventory is not performed for any items maintained at city hall. Other city offices and departments complete a physical inventory in conjunction with their budgetary review and property records for those offices and departments are updated at that time. Current property records are not available for city hall. As a result, overall city property records are not complete and up to date.

The city has also not obtained property insurance coverage to safeguard all property owned by the city. For example, the city did not have insurance coverage in 2012 for two residential lots with houses purchased in May and November 2011. In addition, the city did not require entities leasing city buildings to provide certificates of liability insurance, as required in the lease agreements.

Adequate capital asset records and procedures are necessary to secure better internal controls and safeguard city assets that are susceptible to loss, theft, or misuse; and to provide a basis for determining proper insurance coverage.

## Recommendation

The Board of Aldermen ensure complete and up to date property records are maintained; city property is properly tagged, numbered, or otherwise identified; and annual physical inventories are conducted of all city property. In addition, the Board should obtain insurance coverage for all city owned property, and require proof of insurance from entities leasing city property.



City of Marshfield  
Management Advisory Report - State Auditor's Findings

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**Auditee's Response**

*The Board of Aldermen provided the following written response:*

*The Board will take these recommendations into consideration for implementation of a policy to manage city assets. The city will continue to review assets for proper and needed insurance coverage and will require proof of insurance from entities leasing property from the city in the future.*

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# City of Marshfield

## Organization and Statistical Information

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The City of Marshfield is located in Webster County. The city was incorporated in 1869 and is currently a fourth-class city. The city employed 39 full-time employees and 2 part-time employees on December 31, 2012.

City operations include fire services, law enforcement, utilities (water and sewer), transportation services, a cemetery, and recreational facilities (parks).

### Mayor and Board of Aldermen

The city government consists of a mayor and four-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and members of the Board of Aldermen at December 31, 2012, are identified below. The Mayor is paid \$825 per quarter and members of the Board of Aldermen are paid \$375 per quarter. In addition, the Mayor was paid \$6,096 for May through August 2012, for duties as Interim City Administrator. The compensation of these officials is not established by ordinance.

Barbara Carroll, Mayor  
Champ Herren, Alderman  
Vicki Montgomery, Alderwoman  
Robert Williams, Alderman  
Vacant, Alderman\*

\* Alderman Bill Schroder resigned from his position on November 26, 2012. Alderman Ken Williams was appointed in January 2013 to fill the vacant position.



# Thomas A. Schweich

Missouri State Auditor

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## Mercer County



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September 2013

Report No. 2013-089

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<http://auditor.mo.gov>





# CITIZENS SUMMARY

## Findings in the audit of the Mercer County

County Collector-Treasurer Controls and Procedures	The County Collector-Treasurer does not prepare a monthly list of liabilities and reconcile it to the available cash balance. At our request, the County Collector-Treasurer's office prepared a list of liabilities, and liabilities exceeded the reconciled cash balance by \$192. A regular comparison of liabilities to the reconciled cash balance reduces the likelihood of errors and allows discrepancies to be adequately investigated.
Appointed Boards	Neither the Senior Citizens Board nor the Recreation District Board adequately monitors funding provided to various entities. Contracts with entities funded do not require the entities to provide financial reports or other documentation showing how the funds are spent. Contracts should contain provisions which allow the Boards to evaluate and monitor how these funds are being used.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Mercer County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Mercer County

We have audited certain operations of Mercer County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones & Associates, Certified Public Accountants, was engaged to audit the financial statements of Mercer County for the 2 years ended December 31, 2012. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Mercer County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible, and a middle initial "A" in between.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Julie A. Moulden, MBA, CPA
Audit Staff:	Andrew Behrens
	Robert Graham

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# Mercer County Management Advisory Report State Auditor's Findings

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## **1. County Collector-Treasurer Controls and Procedures**

The County Collector-Treasurer does not prepare a monthly list of liabilities and reconcile the list to the available cash balance. The County Collector-Treasurer's office processed property tax collections of approximately \$5 million during the year ending February 28, 2013.

At our request, the County Collector-Treasurer's office prepared a liabilities list as of February 28, 2013, and compared liabilities to the reconciled cash balance. Liabilities exceeded the reconciled cash balance by \$192.

Without a regular comparison of liabilities to the reconciled cash balance, there is less likelihood errors will be identified and the ability to resolve errors is diminished. Differences must be adequately investigated and explained.

### **Recommendation**

The County Collector-Treasurer prepare monthly lists of liabilities, reconcile the lists to the available cash balance, and promptly investigate any differences.

### **Auditee's Response**

*The County Collector-Treasurer provided the following written response:*

*I have already started implementing a listing of liabilities on the monthly reconciliation to make sure all funds are accounted for.*

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## **2. Appointed Boards**

The Senior Citizens Board and the Recreation District Board do not adequately monitor funding provided to various entities. Contracts with entities funded do not require the entities to provide financial reports or other documentation of how funds are spent. During the year ended December 31, 2012, the Senior Citizens Board provided funding totaling approximately \$27,000 and the Recreation District Board provided funding totaling approximately \$122,500.

Contract provisions requiring the submission of financial reports or other supporting documents are necessary to allow the Board to evaluate and monitor how the funds are used.

### **Recommendation**

The Senior Citizens Board and the Recreation District Board ensure written contracts require entities receiving funds to file financial reports or other documentation of how funds provided are spent.

### **Auditee's Response**

*The Senior Citizens Board provided the following response:*

*We have implemented the auditor's recommendation and will ensure contracts are in writing and entities file financial reports or other documentation of how funds provided are spent in the future.*



Mercer County  
Management Advisory Report - State Auditor's Findings

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*The Recreation District Board provided the following response:*

*We agree with the auditor's recommendation and are in the process of updating written contracts and will monitor the entities who receive funding in the future.*

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# Mercer County

## Organization and Statistical Information

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Mercer County is a township-organized, third-class county. The county seat is Princeton.

Mercer County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 27 full-time employees and 2 part-time employees on December 31, 2012. The townships maintain county roads.

In addition, county operations include a Senior Citizens Board and a Recreation District Board.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2013	2012
Clifford Shipley, Presiding Commissioner	\$	23,120
Thomas Shane Grooms, Associate Commissioner		21,120
Kenneth D. Wilson, Associate Commissioner		21,120
Patricia Stamper, Circuit Clerk and Ex Officio Recorder of Deeds (1)		54,005
Judy Hamilton, County Clerk		32,960
John L. Young, Prosecuting Attorney		40,170
Steve Stockman, Sheriff		39,140
Michael Greenlee, County Coroner		8,240
Kelli Judd, Public Administrator		20,600
Susan Moore, County Collector-Treasurer (2), year ended February 28,	33,964	
Norberta DeMoss, County Assessor, year ended August 31,		32,640

(1) Compensation is paid by the state.

(2) Includes \$839 of commissions earned for collecting city property taxes.



# Thomas A. Schweich

Missouri State Auditor

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## Livingston County



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September 2013  
Report No. 2013-090

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<http://auditor.mo.gov>





# CITIZENS SUMMARY

## Findings in the audit of Livingston County

Sheriff Controls and Procedures	The Sheriff's office does not adequately segregate accounting duties, and the Sheriff does not provide adequate oversight of financial functions and records. The office manager does not timely deposit all receipts. The Sheriff is charging an additional, unauthorized sex offender registry fee not allowed by state law. In addition, the Sheriff has been depositing these funds into the Inmate Security Fund rather than the General Revenue Fund.
Credit Cards	The County Commission approves the Sheriff's credit card statements for payment without adequate documentation for some charges. For the 6 statements audit staff reviewed, documentation was missing for 13 of 76 transactions (17 percent), totaling \$1,449 of the \$6,788 spent (21 percent).
County Collector-Treasurer Procedures	As discussed in several prior audit reports, the County Collector-Treasurer does not prepare a monthly list of liabilities and reconcile the list to the available cash balance. The reconciliation performed at our request revealed the cash balance exceeded liabilities by \$769.
Compensation	The county made additional salary payments of \$300 to each full time employee in February and March 2011, which may violate the Missouri Constitution prohibition against additional discretionary pay to government employees and officials.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
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- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Livingston County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Livingston County

We have audited certain operations of Livingston County in fulfillment of our duties under Section 29.230, RSMo. In addition, Nichols, Stopp & VanHoy, LLC, Certified Public Accountants, was engaged to audit the financial statements of Livingston County for the year ended December 31, 2012. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Livingston County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Lori Bryant
Audit Staff:	Wayne Kauffman, MBA Amanda Messick

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# Livingston County

## Management Advisory Report

### State Auditor's Findings

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#### 1. Sheriff Controls and Procedures

Weakness exist in accounting controls and procedures in the Sheriff's office. The Sheriff's office received monies for civil fees, carry and conceal permits, bonds, board bills, and other miscellaneous receipts totaling approximately \$200,000 for the year ended December 31, 2012.

##### 1.1 Segregation of duties

Accounting duties are not adequately segregated and the Sheriff does not provide adequate oversight of financial functions and records. The office manager is responsible for receipting, recording, depositing and disbursing monies, and reconciles the bank accounts. The Sheriff does not review the accuracy of the accounting records, but indicated he looks at the bank reconciliations and asks the office manager questions about one or two disbursements each month.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are safeguarded. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of accounting and bank records are essential.

##### 1.2 Deposits

The office manager did not make deposits into the Sheriff's fee account timely and deposits did not include all receipts on hand. As a result, there is an increased risk monies received could be misused or lost. Our review of deposits made in December 2012 revealed that 43 of the 132 receipts (33 percent) were deposited more than 7 days after received and several receipts were held for over 2 weeks before being deposited. In addition, some monies receipted prior to the deposit date were not included in the deposit. For example, one receipt for \$20 received on December 27, 2012, was not included in the December 28, 2012, deposit, but instead was held and subsequently deposited on January 7, 2013. In another instance, two receipts totaling \$95 received on December 10, 2012, were not included in the deposit made on December 11, 2012, but were instead deposited on December 19, 2012.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, deposits should be made timely and include all monies received at the time the deposit is prepared.

##### 1.3 Sex offender registry fees

The Sheriff charges an extra \$5 sex offender registry fee which is not in accordance with state law. The Sheriff's office collects a \$10 fee for initial sex offender registration and \$5 for any changes in registration, in accordance with state law; however, the Sheriff also assesses an additional \$5 fee every 90 days a person is on the sex offender registry. The Sheriff does not have statutory authority to collect this additional \$5 fee every 90 days. A total of approximately \$1,800 has been collected from 2010 through January 31, 2013, for sex offender registration fees, which includes the unauthorized amounts. In addition, the Sheriff directed the County Collector-Treasurer to deposit these fees to the Inmate Security Fund, rather



## Livingston County Management Advisory Report - State Auditor's Findings

than the General Revenue Fund, which is the fund from which the majority of Sheriff's office operating costs are paid. Unless otherwise provided by state law, fees for services should be credited to the same fund from which related costs are paid.

Sections 589.400.4 and 589.400.5, RSMo, provide for fees for processing sex offender registrations but do not specify to what fund these fees should be deposited.

### Recommendations

The Sheriff:

- 1.1 Adequately segregate accounting duties to the extent possible or ensure documented supervisory reviews of accounting and bank records are performed.
- 1.2 Ensure deposits are made timely and include all monies on hand at the time the deposit is prepared.
- 1.3 Discontinue collecting the additional \$5 fee for every 90 days on the sex offender registry and deposit fees collected to the General Revenue Fund. In addition, the Sheriff should ensure the \$1,800 in fees already collected is transferred from the Inmate Security Fund to the General Revenue Fund.

### Auditee's Response

*The Sheriff provided the following responses:*

- 1.1 *I agree with the recommendation and will include the Chief Deputy in the review process.*
- 1.2 *Due to the closing of our county jail, a decrease in the volume of activity, and a decrease in collection points, we are now making deposits more timely and ensuring deposits are made intact.*
- 1.3 *This was corrected the same day the auditor's brought this to our attention and the \$1,800 has been transferred to the General Revenue Fund.*

## 2. Credit Cards

The County Commission approves the Sheriff's credit card statements for payment without obtaining and reviewing adequate supporting documentation for some charges. The Sheriff's office has two credit cards used by employees. The office manager receives the monthly credit card statements and is responsible for comparing invoices and supporting documentation received from employees to monthly statements. However, this documentation is not always obtained. Supporting documentation was not available for 13 of 76 transactions (17 percent) charged to credit cards for the six billing statements reviewed for the year ended December 31,



Livingston County  
Management Advisory Report - State Auditor's Findings

2012. These transactions represent \$1,449 of the \$6,788 billed for the six statements reviewed.

To ensure the validity and propriety of disbursements, adequate supporting documentation and approval should be obtained for each charge.

## Recommendation

The County Commission ensure adequate supporting documentation is obtained to support all charges on the credit card statement.

## Auditee's Response

*The County Commission provided the following response:*

*We will develop a policy by January 1, 2014, that supporting documentation will be obtained for all charges on credit card statements.*

## 3. County Collector-Treasurer Procedures

The County Collector-Treasurer does not prepare a monthly list of liabilities and reconcile the list to the available cash balance. The County Collector-Treasurer's office processed property tax collections of approximately \$11.5 million during the year ending February 28, 2013.

As similarly discussed in several prior audit reports, throughout the audit period there was no procedure in place to reconcile the bank account balance to existing liabilities at month-end. At our request, the County Collector-Treasurer prepared a liabilities list and performed such a reconciliation as of December 31, 2012, and determined the reconciled cash balance of approximately \$8.6 million exceeded total liabilities by \$1,345. After some additional work and discussion with the County Collector-Treasurer, it was determined the cash balance exceeded identified liabilities by \$769.

Without a regular comparison of liabilities to the reconciled cash balance, there is less likelihood errors will be identified and the ability to resolve errors is diminished. Differences must be adequately investigated and explained.

## Recommendation

The County Collector-Treasurer prepare monthly lists of liabilities, reconcile the lists to the available cash balance, and promptly investigate any differences.

## Auditee's Response

*The County Collector-Treasurer provided the following response:*

*I am now comparing my reconciled balance to my liabilities monthly and have identified most of the difference.*

## 4. Compensation

The county made additional salary payments in lieu of permanent cost of living adjustments (COLAs) to employees which may be in conflict with the



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Livingston County  
Management Advisory Report - State Auditor's Findings

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Missouri Constitution. These payments were made in two installments during 2011 and totaled \$18,000.

Payments were made to full time employees who were employed as of January 1, 2011. Each full time employee received a \$300 salary supplement in February and March 2011. The payments were not based on additional duties performed. In addition, the payments were not considered raises or added to the base compensation of employees. The County Commission indicated COLAs were handled in this manner to be fiscally responsible by not permanently increasing employee salaries.

However, awarding additional pay to employees and officials on a discretionary basis appears to conflict with Article III, Section 39, Missouri Constitution, which prohibits granting any extra compensation, fee, or allowance to employees for services already rendered.

## Recommendation

The County Commission discontinue additional payments in lieu of COLA salary increases to employees and ensure employee compensation is in compliance with state law.

## Auditee's Response

*The County Commission provided the following response:*

*We will discuss this situation with our attorney and will ensure future employees compensation is in compliance with state law.*



# Livingston County

## Organization and Statistical Information

Livingston County is a township-organized, third-class county. The county seat is Chillicothe.

Livingston County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 36 full-time employees and 8 part-time employees on December 31, 2012. The townships maintain county roads.

In addition, county operations include a Senate Bill 40 Board.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2013	2012
Eva Danner Horton, Presiding Commissioner	\$	32,837
Todd Rodenberg, Associate Commissioner		30,837
Ken Lauhoff, Associate Commissioner		30,837
Kelly Christopher, Recorder of Deeds		46,183
Sherry Parks, County Clerk		46,183
Adam L. Warren, Prosecuting Attorney		64,281
Steve Cox, Sheriff		50,696
J. Scott Lindley, County Coroner		14,588
Sherry Parks, Public Administrator		46,183
Martha Peery, County Collector-Treasurer (1), year ended March 31,	54,443	
Steve Ripley, County Assessor , year ended August 31,		45,881

(1) Includes \$8,260 of commissions earned for collecting city property taxes.

### Financing Arrangements

In 2006, the county entered into a lease purchase agreement with United Missouri Bank to finance the purchase and installation of a new heating and cooling system. In August 2006, county voters approved a 3/4-cent county use tax and the county intends to use revenues generated from this tax to make the principal and interest payments. The county refinanced the lease in April 2012. The lease is scheduled to be paid off in 2021. The remaining principal and interest due on the lease at December 31, 2012, was \$460,000 and \$45,942, respectively.



# THOMAS A. SCHWEICH

## Missouri State Auditor

To the County Commission  
and  
Officeholders of Crawford County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Crawford County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Davis, Lynn, & Moots, P.C., Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich".

Thomas A. Schweich  
State Auditor

September 2013  
Report No. 2013-091

**CRAWFORD COUNTY, MISSOURI**

**FINANCIAL STATEMENTS**

**Years Ended December 31, 2012 and 2011**

# CRAWFORD COUNTY, MISSOURI

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MOOTS, P.C.  
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## **INDEPENDENT AUDITORS' REPORT**

Crawford County Commission  
Crawford County  
Steelville, Missouri

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Crawford County, Missouri, which comprise the cash balances of each fund as of December 31, 2012 and 2011, and the related receipts, disbursements and budgetary results for each fund for the years then ended and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements prepared using accounting practices prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note A, the financial statements are prepared by Crawford County, Missouri, using accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the State of Missouri. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Crawford County, Missouri, as of December 31, 2012 and 2011, the changes in its financial position, or, where applicable, its cash flows for the years then ended.

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of Crawford County, Missouri, as of December 31, 2012 and 2011, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of the financial reporting provisions of the State of Missouri as described in Note A.

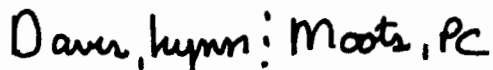
### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2013, on our consideration of Crawford County, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Crawford County, Missouri's internal control over financial reporting and compliance.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Crawford County, Missouri's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Davis, Lynn & Moots, PC". The signature is written in a cursive, slightly slanted style.

DAVIS, LYNN & MOOTS, P.C.  
June 17, 2013

CRAWFORD COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – ALL  
GOVERNMENTAL FUNDS – REGULATORY BASIS  
Year Ended December 31, 2012

FUND	Cash Balance	Receipts	Disbursements	Cash Balance
	January 1			December 31
General Revenue	\$ 209,636	\$ 2,547,460	\$ 2,637,223	\$ 119,873
Special Road and Bridge	740,290	2,132,512	2,149,773	723,029
Assessment	225,317	269,073	215,812	278,578
Children's Trust	697	653	704	646
Unclaimed Fees	210	1	-	211
Criminal Costs	-	24,825	24,824	1
Tax Maintenance	45,197	38,822	40,225	43,794
Records Preservation	37,786	10,462	28,643	19,605
Law Enforcement Training	13,176	8,865	8,935	13,106
Prosecuting Attorney's Bad Check Fee	-	11,497	11,496	1
Prosecuting Attorney's Training	3,961	1,550	4,847	664
Prosecuting Attorney's Tax Collection	9,763	983	2,798	7,948
Courthouse & Jail Capital Improvement	348,429	153,347	130,901	370,875
Law Enforcement Equipment	61,106	46,635	55,795	51,946
American Disability Act	50,759	2,336	4,106	48,989
Inmate Security	7,643	5,918	11,698	1,863
Sheriff's Special	40,154	43,583	38,345	45,392
Family Access	1,360	62	-	1,422
Election Services	5,097	9,625	12,623	2,099
County Jail Project	117,399	1,825,022	1,753,319	189,102
Recorder's Technology	17,330	6,050	3,800	19,580
Sheriff's Revolving	38,244	27,446	9,771	55,919
Law Enforcement Restitution	207,124	219,939	320,480	106,583
National Forest	-	229,700	229,700	-
Scenic Railway	26,901	1,242	890	27,253
Global Imaging System	5,222	10,533	6,776	8,979
CDBG Grant	-	420,687	263,721	156,966
Law Library	26,411	10,974	6,845	30,540
Senior Citizens Services	51,726	117,812	116,752	52,786
TOTAL	<u>\$ 2,290,938</u>	<u>\$ 8,177,614</u>	<u>\$ 8,090,802</u>	<u>\$ 2,377,750</u>

See accompanying notes.



CRAWFORD COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – ALL  
GOVERNMENTAL FUNDS – REGULATORY BASIS  
Year Ended December 31, 2011

FUND	Cash Balance	Receipts	Disbursements	Cash Balance
	January 1			December 31
General Revenue	\$ 181,982	\$ 2,671,823	\$ 2,644,169	\$ 209,636
Special Road and Bridge	711,002	2,097,914	2,068,626	740,290
Assessment	168,654	264,693	208,030	225,317
Children's Trust	613	1,236	1,152	697
Unclaimed Fees	210	-	-	210
Criminal Costs	-	418,334	418,334	-
Tax Maintenance	37,055	39,847	31,705	45,197
Records Preservation	27,877	10,689	780	37,786
Law Enforcement Training	14,312	9,084	10,220	13,176
Prosecuting Attorney's Bad Check Fee	346	10,458	10,804	-
Prosecuting Attorney's Training	2,927	1,547	513	3,961
Prosecuting Attorney's Tax Collection	19,591	1,152	10,980	9,763
Courthouse & Jail Capital Improvement	278,007	143,392	72,970	348,429
Law Enforcement Equipment	66,994	59,652	65,540	61,106
American Disability Act	54,266	2,163	5,670	50,759
Inmate Security	8,387	5,934	6,678	7,643
Sheriff's Special	37,858	44,140	41,844	40,154
Family Access	1,307	53	-	1,360
Election Services	3,160	3,808	1,871	5,097
County Jail Project	21,343	1,883,533	1,787,477	117,399
Recorder's Technology	13,193	5,769	1,632	17,330
Sheriff's Revolving	35,012	21,802	18,570	38,244
Law Enforcement Restitution	79,155	182,622	54,653	207,124
National Forest	-	215,695	215,695	-
Scenic Railway	26,537	1,072	708	26,901
Global Imaging System	5,636	8,978	9,392	5,222
CDBG Grant	-	4,000	4,000	-
Law Library	21,317	12,509	7,415	26,411
Senior Citizens Services	56,543	114,933	119,750	51,726
TOTAL	<u>\$ 1,873,284</u>	<u>\$ 8,236,832</u>	<u>\$ 7,819,178</u>	<u>\$ 2,290,938</u>

See accompanying notes.

**CRAWFORD COUNTY, MISSOURI**  
**COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH**  
**BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS**

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<b>GENERAL REVENUE FUND</b>						
<b>RECEIPTS</b>						
Property taxes	\$ 323,900	\$ 339,609	\$ 15,709	\$ 321,700	\$ 319,006	\$ (2,694)
Sales taxes	986,097	1,017,897	31,800	940,000	976,333	36,333
Intergovernmental	534,926	535,779	853	630,310	596,695	(33,615)
Charges for services	559,784	523,640	(36,144)	599,150	623,501	24,351
Interest	17,200	20,249	3,049	8,100	15,193	7,093
Other	28,565	43,095	14,530	46,300	36,832	(9,468)
Transfers in	77,500	67,191	(10,309)	110,402	104,263	(6,139)
<b>TOTAL RECEIPTS</b>	<b>2,527,972</b>	<b>2,547,460</b>	<b>19,488</b>	<b>2,655,962</b>	<b>2,671,823</b>	<b>15,861</b>
<b>DISBURSEMENTS</b>						
Administration	378,490	290,176	88,314	346,976	223,019	123,957
Child Support	114,150	108,348	5,802	116,676	114,466	2,210
Collector of Revenue	122,401	105,508	16,893	115,030	104,142	10,888
Treasurer	48,590	51,397	(2,807)	47,898	47,190	708
Recorder of Deeds	86,546	90,354	(3,808)	88,470	86,868	1,602
County Commission	97,745	108,048	(10,303)	102,188	104,085	(1,897)
Extension Council	47,656	43,694	3,962	49,140	49,140	-
Public Administrator	49,448	48,530	918	49,719	48,422	1,297
Elections	183,382	160,448	22,934	84,846	77,918	6,928
County Clerk	80,781	99,276	(18,495)	99,618	99,213	405
Crime Victim's Advocate	23,770	24,425	(655)	22,773	23,198	(425)
Court Reporter	1,000	768	232	1,000	968	32
Building and Grounds	80,697	82,345	(1,648)	93,375	77,399	15,976
Court Administration	5,075	10,726	(5,651)	11,550	8,426	3,124
Circuit Clerk	25,123	46,758	(21,635)	37,906	39,634	(1,728)
Coroner	44,396	52,053	(7,657)	44,024	52,528	(8,504)
Juvenile Officer	74,965	74,964	1	75,732	76,424	(692)
Prosecuting Attorney	289,522	315,271	(25,749)	285,552	289,033	(3,481)
Sheriff	559,773	582,777	(23,004)	570,285	581,467	(11,182)
Public Health and Welfare Services	324,406	333,964	(9,558)	336,907	322,519	14,388
Public Defender	7,085	7,393	(308)	6,825	7,110	(285)
Transfers out	6,845	-	6,845	211,000	211,000	-
<b>TOTAL DISBURSEMENTS</b>	<b>2,651,846</b>	<b>2,637,223</b>	<b>14,623</b>	<b>2,797,490</b>	<b>2,644,169</b>	<b>153,321</b>
<b>RECEIPTS OVER (UNDER)</b>						
<b>DISBURSEMENTS</b>	<b>(123,874)</b>	<b>(89,763)</b>	<b>34,111</b>	<b>(141,528)</b>	<b>27,654</b>	<b>169,182</b>
<b>CASH BALANCE, January 1</b>	<b>209,636</b>	<b>209,636</b>	<b>-</b>	<b>181,982</b>	<b>181,982</b>	<b>-</b>
<b>CASH BALANCE, December 31</b>	<b>\$ 85,762</b>	<b>\$ 119,873</b>	<b>\$ 34,111</b>	<b>\$ 40,454</b>	<b>\$ 209,636</b>	<b>\$ 169,182</b>

See accompanying notes.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	\$ 514,245	\$ 533,630	\$ 19,385	\$ 548,240	\$ 521,375	\$ (26,865)
Sales taxes	1,504,881	1,447,854	(57,027)	1,373,000	1,385,020	12,020
Intergovernmental	-	25,183	25,183	40,000	70,922	30,922
Interest	35,150	43,121	7,971	30,000	35,028	5,028
Other	4,500	25,299	20,799	2,860	31,645	28,785
Transfer in	-	57,425	57,425	54,000	53,924	(76)
TOTAL RECEIPTS	2,058,776	2,132,512	73,736	2,048,100	2,097,914	49,814
DISBURSEMENTS						
Salaries	657,000	661,364	(4,364)	607,000	613,742	(6,742)
Employee fringe benefits	120,461	102,239	18,222	111,052	93,940	17,112
Equipment	541,447	146,603	394,844	304,000	244,966	59,034
Construction and maintenance	543,000	735,818	(192,818)	807,000	643,260	163,740
Supplies	410,100	337,719	72,381	315,000	322,030	(7,030)
Insurance	59,874	82,230	(22,356)	10,000	67,778	(57,778)
Other	-	33,800	(33,800)	56,600	13,832	42,768
Transfers out	50,000	50,000	-	69,077	69,078	(1)
TOTAL DISBURSEMENTS	2,381,882	2,149,773	232,109	2,279,729	2,068,626	211,103
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(323,106)	(17,261)	305,845	(231,629)	29,288	260,917
CASH BALANCE, January 1	740,290	740,290	-	711,002	711,002	-
CASH BALANCE, December 31	\$ 417,184	\$ 723,029	\$ 305,845	\$ 479,373	\$ 740,290	\$ 260,917

See accompanying notes.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(CONTINUED)

Year Ended December 31,						
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	\$ 263,500	\$ 257,795	\$ (5,705)	\$ 277,000	\$ 254,928	\$ (22,072)
Interest	9,900	11,278	1,378	7,000	9,678	2,678
Other	-	-	-	-	87	87
TOTAL RECEIPTS	273,400	269,073	(4,327)	284,000	264,693	(19,307)
DISBURSEMENTS						
Assessor	251,983	215,812	36,171	245,608	208,030	37,578
TOTAL DISBURSEMENTS	251,983	215,812	36,171	245,608	208,030	37,578
RECEIPTS OVER DISBURSEMENTS	21,417	53,261	31,844	38,392	56,663	18,271
CASH BALANCE, January 1	225,317	225,317	-	168,654	168,654	-
CASH BALANCE, December 31	\$ 246,734	\$ 278,578	\$ 31,844	\$ 207,046	\$ 225,317	\$ 18,271
<u>CHILDREN'S TRUST FUND</u>						
RECEIPTS						
Charges for services	\$ 1,155	\$ 637	\$ (518)	\$ 1,200	\$ 1,220	\$ 20
Interest	-	16	16	10	16	6
TOTAL RECEIPTS	1,155	653	(502)	1,210	1,236	26
DISBURSEMENTS						
Other	1,200	704	496	1,823	1,152	671
TOTAL DISBURSEMENTS	1,200	704	496	1,823	1,152	671
RECEIPTS OVER (UNDER) DISBURSEMENTS	(45)	(51)	(6)	(613)	84	697
CASH BALANCE, January 1	697	697	-	613	613	-
CASH BALANCE, December 31	\$ 652	\$ 646	\$ (6)	\$ -	\$ 697	\$ 697
<u>UNCLAIMED FEES FUND</u>						
RECEIPTS						
Interest	\$ -	\$ 1	\$ 1	\$ -	\$ -	\$ -
TOTAL RECEIPTS	-	1	1	-	-	-
CASH BALANCE, January 1	210	210	-	210	210	-
CASH BALANCE, December 31	\$ 210	\$ 211	\$ 1	\$ 210	\$ 210	\$ -

See accompanying notes.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>CRIMINAL COSTS FUND</u>						
RECEIPTS						
Charges for services	\$ -	\$ 24,824	\$ 24,824	\$ 209,000	\$ 206,394	\$ (2,606)
Interest	-	1	1	4,000	940	(3,060)
Transfer in	-	-	-	211,000	211,000	-
TOTAL RECEIPTS	-	24,825	24,825	424,000	418,334	(5,666)
DISBURSEMENTS						
Other	-	17,737	(17,737)	-	31,962	(31,962)
Transfer out	-	7,087	(7,087)	410,000	386,372	23,628
TOTAL DISBURSEMENTS	-	24,824	(24,824)	410,000	418,334	(8,334)
RECEIPTS OVER DISBURSEMENTS	-	1	1	14,000	-	(14,000)
CASH BALANCE, January 1	-	-	-	-	-	-
CASH BALANCE, December 31	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 14,000</u>	<u>\$ -</u>	<u>\$ (14,000)</u>
<u>TAX MAINTENANCE FUND</u>						
RECEIPTS						
Charges for services	\$ 23,000	\$ 35,515	\$ 12,515	\$ 40,000	\$ 38,302	\$ (1,698)
Interest	1,300	2,448	1,148	1,600	1,335	(265)
Other	-	859	859	-	210	210
TOTAL RECEIPTS	24,300	38,822	14,522	41,600	39,847	(1,753)
DISBURSEMENTS						
Collector of Revenue	55,100	40,225	14,875	28,950	31,705	(2,755)
TOTAL DISBURSEMENTS	55,100	40,225	14,875	28,950	31,705	(2,755)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(30,800)	(1,403)	29,397	12,650	8,142	(4,508)
CASH BALANCE, January 1	45,197	45,197	-	37,055	37,055	-
CASH BALANCE, December 31	<u>\$ 14,397</u>	<u>\$ 43,794</u>	<u>\$ 29,397</u>	<u>\$ 49,705</u>	<u>\$ 45,197</u>	<u>\$ (4,508)</u>

See accompanying notes.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>RECORDS PRESERVATION FUND</u>						
RECEIPTS						
Charges for services	\$ 9,100	\$ 9,176	\$ 76	\$ 9,100	\$ 9,393	\$ 293
Interest	1,300	1,286	(14)	-	1,296	1,296
TOTAL RECEIPTS	10,400	10,462	62	9,100	10,689	1,589
DISBURSEMENTS						
Recorder of Deeds	22,780	28,643	(5,863)	6,910	780	6,130
TOTAL DISBURSEMENTS	22,780	28,643	(5,863)	6,910	780	6,130
RECEIPTS OVER (UNDER) DISBURSEMENTS	(12,380)	(18,181)	(5,801)	2,190	9,909	7,719
CASH BALANCE, January 1	37,786	37,786	-	27,877	27,877	-
CASH BALANCE, December 31	<u>\$ 25,406</u>	<u>\$ 19,605</u>	<u>\$ (5,801)</u>	<u>\$ 30,067</u>	<u>\$ 37,786</u>	<u>\$ 7,719</u>
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Intergovernmental	\$ 3,000	\$ 2,531	\$ (469)	\$ -	\$ 2,915	\$ 2,915
Charges for services	5,600	5,699	99	6,500	5,633	(867)
Interest	550	635	85	-	536	536
TOTAL RECEIPTS	9,150	8,865	(285)	6,500	9,084	2,584
DISBURSEMENTS						
Sheriff	7,500	8,935	(1,435)	7,500	10,220	(2,720)
TOTAL DISBURSEMENTS	7,500	8,935	(1,435)	7,500	10,220	(2,720)
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,650	(70)	(1,720)	(1,000)	(1,136)	(136)
CASH BALANCE, January 1	13,176	13,176	-	8,479	14,312	5,833
CASH BALANCE, December 31	<u>\$ 14,826</u>	<u>\$ 13,106</u>	<u>\$ (1,720)</u>	<u>\$ 7,479</u>	<u>\$ 13,176</u>	<u>\$ 5,697</u>

See accompanying notes.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>PROSECUTING ATTORNEY'S</u>						
<u>BAD CHECK FEE FUND</u>						
RECEIPTS						
Charges for services	\$ 10,400	\$ 11,496	\$ 1,096	\$ 10,400	\$ 10,448	\$ 48
Interest	100	1	(99)	100	10	(90)
TOTAL RECEIPTS	10,500	11,497	997	10,500	10,458	(42)
DISBURSEMENTS						
Prosecuting Attorney	9,400	1,392	8,008	1,400	2,179	(779)
Transfers out	9,000	10,104	(1,104)	9,000	8,625	375
TOTAL DISBURSEMENTS	18,400	11,496	6,904	10,400	10,804	(404)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(7,900)	1	7,901	100	(346)	(446)
CASH BALANCE, January 1	-	-	-	346	346	-
CASH BALANCE, December 31	\$ (7,900)	\$ 1	\$ 7,901	\$ 446	\$ -	\$ (446)
<u>PROSECUTING ATTORNEY'S</u>						
<u>TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 1,800	\$ 1,431	\$ (369)	\$ 2,000	\$ 1,417	\$ (583)
Interest	100	119	19	-	130	130
TOTAL RECEIPTS	1,900	1,550	(350)	2,000	1,547	(453)
DISBURSEMENTS						
Prosecuting Attorney	1,500	4,847	(3,347)	-	513	(513)
TOTAL DISBURSEMENTS	1,500	4,847	(3,347)	-	513	(513)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	400	(3,297)	(3,697)	2,000	1,034	(966)
CASH BALANCE, January 1	3,961	3,961	-	2,927	2,927	-
CASH BALANCE, December 31	\$ 4,361	\$ 664	\$ (3,697)	\$ 4,927	\$ 3,961	\$ (966)

See accompanying notes.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>PROSECUTING ATTORNEY'S</u>						
<u>TAX COLLECTION FUND</u>						
RECEIPTS						
Charges for services	\$ 500	\$ 602	\$ 102	\$ 1,500	\$ 385	\$ (1,115)
Interest	500	381	(119)	-	641	641
Other	-	-	-	-	126	126
TOTAL RECEIPTS	1,000	983	(17)	1,500	1,152	(348)
DISBURSEMENTS						
Prosecuting Attorney	3,000	2,798	202	19,500	10,980	8,520
TOTAL DISBURSEMENTS	3,000	2,798	202	19,500	10,980	8,520
RECEIPTS (UNDER)	(2,000)	(1,815)	185	(18,000)	(9,828)	8,172
DISBURSEMENTS	(2,000)	(1,815)	185	(18,000)	(9,828)	8,172
CASH BALANCE, January 1	9,763	9,763	-	19,591	19,591	-
CASH BALANCE, December 31	\$ 7,763	\$ 7,948	\$ 185	\$ 1,591	\$ 9,763	\$ 8,172
<u>COURTHOUSE &amp; JAIL</u>						
<u>CAPITAL IMPROVEMENT FUND</u>						
RECEIPTS						
Sales taxes	\$ 131,250	\$ 136,483	\$ 5,233	\$ 130,000	\$ 131,391	\$ 1,391
Interest	12,500	16,864	4,364	5,000	12,001	7,001
TOTAL RECEIPTS	143,750	153,347	9,597	135,000	143,392	8,392
DISBURSEMENTS						
Capital outlay	205,000	130,901	74,099	159,000	72,970	86,030
TOTAL DISBURSEMENTS	205,000	130,901	74,099	159,000	72,970	86,030
RECEIPTS OVER (UNDER)	(61,250)	22,446	83,696	(24,000)	70,422	94,422
DISBURSEMENTS	(61,250)	22,446	83,696	(24,000)	70,422	94,422
CASH BALANCE, January 1	348,429	348,429	-	278,007	278,007	-
CASH BALANCE, December 31	\$ 287,179	\$ 370,875	\$ 83,696	\$ 254,007	\$ 348,429	\$ 94,422

See accompanying notes.



CRAWFORD COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT</u>						
<u>EQUIPMENT FUND</u>						
RECEIPTS						
Interest	\$ 2,300	\$ 2,671	\$ 371	\$ 2,040	\$ 2,332	\$ 292
Other	58,025	43,964	(14,061)	62,000	57,320	(4,680)
TOTAL RECEIPTS	60,325	46,635	(13,690)	64,040	59,652	(4,388)
DISBURSEMENTS						
Sheriff	55,300	55,795	(495)	79,122	65,540	13,582
TOTAL DISBURSEMENTS	55,300	55,795	(495)	79,122	65,540	13,582
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	5,025	(9,160)	(14,185)	(15,082)	(5,888)	9,194
CASH BALANCE, January 1	61,106	61,106	-	66,994	66,994	-
CASH BALANCE, December 31	\$ 66,131	\$ 51,946	\$ (14,185)	\$ 51,912	\$ 61,106	\$ 9,194
<u>AMERICAN DISABILITY ACT FUND</u>						
RECEIPTS						
Interest	\$ 2,000	\$ 2,336	\$ 336	\$ 1,800	\$ 2,163	\$ 363
TOTAL RECEIPTS	2,000	2,336	336	1,800	2,163	363
DISBURSEMENTS						
Other	6,000	4,106	1,894	8,000	5,670	2,330
TOTAL DISBURSEMENTS	6,000	4,106	1,894	8,000	5,670	2,330
RECEIPTS (UNDER)						
DISBURSEMENTS	(4,000)	(1,770)	2,230	(6,200)	(3,507)	2,693
CASH BALANCE, January 1	50,759	50,759	-	54,266	54,266	-
CASH BALANCE, December 31	\$ 46,759	\$ 48,989	\$ 2,230	\$ 48,066	\$ 50,759	\$ 2,693

See accompanying notes.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>INMATE SECURITY FUND</u>						
RECEIPTS						
Charges for services	\$ 4,600	\$ 5,686	\$ 1,086	\$ 6,500	\$ 5,618	\$ (882)
Interest	325	232	(93)	800	316	(484)
TOTAL RECEIPTS	4,925	5,918	993	7,300	5,934	(1,366)
DISBURSEMENTS						
Sheriff	8,800	11,698	(2,898)	6,700	6,678	22
TOTAL DISBURSEMENTS	8,800	11,698	(2,898)	6,700	6,678	22
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(3,875)	(5,780)	(1,905)	600	(744)	(1,344)
CASH BALANCE, January 1	7,643	7,643	-	8,387	8,387	-
CASH BALANCE, December 31	\$ 3,768	\$ 1,863	\$ (1,905)	\$ 8,987	\$ 7,643	\$ (1,344)
<u>SHERIFF'S SPECIAL FUND</u>						
RECEIPTS						
Intergovernmental	\$ 14,500	\$ 13,110	\$ (1,390)	\$ 15,000	\$ 14,425	\$ (575)
Charges for services	28,500	29,022	522	35,000	28,435	(6,565)
Interest	1,275	1,451	176	900	1,280	380
TOTAL RECEIPTS	44,275	43,583	(692)	50,900	44,140	(6,760)
DISBURSEMENTS						
Sheriff	60,500	38,345	22,155	54,000	41,844	12,156
TOTAL DISBURSEMENTS	60,500	38,345	22,155	54,000	41,844	12,156
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(16,225)	5,238	21,463	(3,100)	2,296	5,396
CASH BALANCE, January 1	40,154	40,154	-	37,858	37,858	-
CASH BALANCE, December 31	\$ 23,929	\$ 45,392	\$ 21,463	\$ 34,758	\$ 40,154	\$ 5,396

See accompanying notes.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>FAMILY ACCESS FUND</u>						
RECEIPTS						
Interest	\$ 55	\$ 62	\$ 7	\$ 40	\$ 53	\$ 13
TOTAL RECEIPTS	55	62	7	40	53	13
CASH BALANCE, January 1	1,360	1,360	-	1,307	1,307	-
CASH BALANCE, December 31	<u>\$ 1,415</u>	<u>\$ 1,422</u>	<u>\$ 7</u>	<u>\$ 1,347</u>	<u>\$ 1,360</u>	<u>\$ 13</u>
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Intergovernmental	\$ 3,750	\$ 9,317	\$ 5,567	\$ 1,500	\$ 3,621	\$ 2,121
Interest	150	308	158	150	187	37
TOTAL RECEIPTS	3,900	9,625	5,725	1,650	3,808	2,158
DISBURSEMENTS						
Elections	2,500	12,623	(10,123)	4,500	1,871	2,629
TOTAL DISBURSEMENTS	2,500	12,623	(10,123)	4,500	1,871	2,629
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,400	(2,998)	(4,398)	(2,850)	1,937	4,787
CASH BALANCE, January 1	5,097	5,097	-	3,160	3,160	-
CASH BALANCE, December 31	<u>\$ 6,497</u>	<u>\$ 2,099</u>	<u>\$ (4,398)</u>	<u>\$ 310</u>	<u>\$ 5,097</u>	<u>\$ 4,787</u>

See accompanying notes.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>COUNTY JAIL PROJECT FUND</u>						
RECEIPTS						
Sales Tax	\$ 884,684	\$ 929,046	\$ 44,362	\$ 840,000	\$ 875,916	\$ 35,916
Charges for services	933,000	888,476	(44,524)	582,000	617,854	35,854
Interest	2,000	7,375	5,375	7,500	2,812	(4,688)
Other	-	125	125	-	579	579
Transfers in	6,845	-	(6,845)	421,000	386,372	(34,628)
TOTAL RECEIPTS	1,826,529	1,825,022	(1,507)	1,850,500	1,883,533	33,033
DISBURSEMENTS						
Jail	1,825,739	1,753,319	72,420	1,850,491	1,787,477	63,014
TOTAL DISBURSEMENTS	1,825,739	1,753,319	72,420	1,850,491	1,787,477	63,014
RECEIPTS OVER DISBURSEMENTS	790	71,703	70,913	9	96,056	96,047
CASH BALANCE, January 1	117,399	117,399	-	21,343	21,343	-
CASH BALANCE, December 31	\$ 118,189	\$ 189,102	\$ 70,913	\$ 21,352	\$ 117,399	\$ 96,047
<u>RECORDER'S TECHNOLOGY FUND</u>						
RECEIPTS						
Charges for services	\$ 5,375	\$ 5,185	\$ (190)	\$ 5,375	\$ 5,145	\$ (230)
Interest	625	865	240	450	624	174
TOTAL RECEIPTS	6,000	6,050	50	5,825	5,769	(56)
DISBURSEMENTS						
Recorder of Deeds	5,000	3,800	1,200	4,000	1,632	2,368
TOTAL DISBURSEMENTS	5,000	3,800	1,200	4,000	1,632	2,368
RECEIPTS OVER DISBURSEMENTS	1,000	2,250	1,250	1,825	4,137	2,312
CASH BALANCE, January 1	17,330	17,330	-	13,193	13,193	-
CASH BALANCE, December 31	\$ 18,330	\$ 19,580	\$ 1,250	\$ 15,018	\$ 17,330	\$ 2,312

See accompanying notes.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SHERIFF'S REVOLVING FUND</u>						
RECEIPTS						
Charges for services	\$ 20,250	\$ 25,316	\$ 5,066	\$ 14,000	\$ 20,253	\$ 6,253
Interest	1,600	2,130	530	1,000	1,549	549
TOTAL RECEIPTS	21,850	27,446	5,596	15,000	21,802	6,802
DISBURSEMENTS						
Sheriff	11,100	9,771	1,329	10,200	18,570	(8,370)
TOTAL DISBURSEMENTS	11,100	9,771	1,329	10,200	18,570	(8,370)
RECEIPTS OVER DISBURSEMENTS	10,750	17,675	6,925	4,800	3,232	(1,568)
CASH BALANCE, January 1	38,244	38,244	-	35,012	35,012	-
CASH BALANCE, December 31	<u>\$ 48,994</u>	<u>\$ 55,919</u>	<u>\$ 6,925</u>	<u>\$ 39,812</u>	<u>\$ 38,244</u>	<u>\$ (1,568)</u>
<u>LAW ENFORCEMENT RESTITUTION FUND</u>						
RECEIPTS						
Charges for services	\$ 150,000	\$ 211,765	\$ 61,765	\$ 50,000	\$ 176,875	\$ 126,875
Interest	3,000	8,174	5,174	2,500	4,417	1,917
Other	-	-	-	-	1,330	1,330
TOTAL RECEIPTS	153,000	219,939	66,939	52,500	182,622	130,122
DISBURSEMENTS						
Other	52,894	320,480	(267,586)	74,290	33,093	41,197
Transfers out	-	-	-	-	21,560	(21,560)
TOTAL DISBURSEMENTS	52,894	320,480	(267,586)	74,290	54,653	19,637
RECEIPTS OVER (UNDER) DISBURSEMENTS	100,106	(100,541)	(200,647)	(21,790)	127,969	149,759
CASH BALANCE, January 1	207,124	207,124	-	79,155	79,155	-
CASH BALANCE, December 31	<u>\$ 307,230</u>	<u>\$ 106,583</u>	<u>\$ (200,647)</u>	<u>\$ 57,365</u>	<u>\$ 207,124</u>	<u>\$ 149,759</u>

See accompanying notes.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>NATIONAL FOREST FUND</u>						
RECEIPTS						
Intergovernmental	\$ 225,000	\$ 229,700	\$ 4,700	\$ 195,000	\$ 215,695	\$ 20,695
TOTAL RECEIPTS	225,000	229,700	4,700	195,000	215,695	20,695
DISBURSEMENTS						
Other	225,000	172,275	52,725	195,000	161,771	33,229
Transfer out	-	57,425	(57,425)	-	53,924	(53,924)
TOTAL DISBURSEMENTS	225,000	229,700	(4,700)	195,000	215,695	(20,695)
RECEIPTS OVER DISBURSEMENTS	-	-	-	-	-	-
CASH BALANCE, January 1	-	-	-	-	-	-
CASH BALANCE, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>SCENIC RAILWAY FUND</u>						
RECEIPTS						
Interest	\$ 950	\$ 1,242	\$ 292	\$ 900	\$ 1,072	\$ 172
TOTAL RECEIPTS	950	1,242	292	900	1,072	172
DISBURSEMENTS						
Other	300	890	(590)	800	708	92
TOTAL DISBURSEMENTS	300	890	(590)	800	708	92
RECEIPTS OVER DISBURSEMENTS	650	352	(298)	100	364	264
CASH BALANCE, January 1	26,901	26,901	-	26,537	26,537	-
CASH BALANCE, December 31	<u>\$ 27,551</u>	<u>\$ 27,253</u>	<u>\$ (298)</u>	<u>\$ 26,637</u>	<u>\$ 26,901</u>	<u>\$ 264</u>

See accompanying notes.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>GLOBAL IMAGING SYSTEM FUND</u>						
RECEIPTS						
Charges for services	\$ 8,000	\$ 10,128	\$ 2,128	\$ 10,000	\$ 8,743	\$ (1,257)
Interest	250	405	155	150	235	85
TOTAL RECEIPTS	8,250	10,533	2,283	10,150	8,978	(1,172)
DISBURSEMENTS						
Other	-	6,776	(6,776)	10,000	4,392	5,608
Transfer out	5,000	-	5,000	5,000	5,000	-
TOTAL DISBURSEMENTS	5,000	6,776	(1,776)	15,000	9,392	5,608
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	3,250	3,757	507	(4,850)	(414)	4,436
CASH BALANCE, January 1	5,222	5,222	-	5,636	5,636	-
CASH BALANCE, December 31	\$ 8,472	\$ 8,979	\$ 507	\$ 786	\$ 5,222	\$ 4,436
<u>CDBG GRANT FUND</u>						
RECEIPTS						
Intergovernmental	\$ -	\$ 420,687	\$ 420,687	\$ -	\$ 4,000	\$ 4,000
TOTAL RECEIPTS	-	420,687	420,687	-	4,000	4,000
DISBURSEMENTS						
Other	-	3,290	(3,290)	-	-	-
Grants	-	260,431	(260,431)	-	4,000	(4,000)
TOTAL DISBURSEMENTS	-	263,721	(263,721)	-	4,000	(4,000)
RECEIPTS OVER						
DISBURSEMENTS	-	156,966	156,966	-	-	-
CASH BALANCE, January 1	-	-	-	-	-	-
CASH BALANCE, December 31	\$ -	\$ 156,966	\$ 156,966	\$ -	\$ -	\$ -

See accompanying notes.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
(CONTINUED)

	Year Ended December 31,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW LIBRARY FUND</u>						
RECEIPTS						
Charges for services	\$ -	\$ 10,974	\$ 10,974	\$ -	\$ 12,509	\$ 12,509
TOTAL RECEIPTS	-	10,974	10,974	-	12,509	12,509
DISBURSEMENTS						
Prosecuting Attorney	-	6,845	(6,845)	-	7,415	(7,415)
TOTAL DISBURSEMENTS	-	6,845	(6,845)	-	7,415	(7,415)
RECEIPTS OVER DISBURSEMENTS	-	4,129	4,129	-	5,094	5,094
CASH BALANCE, January 1	26,411	26,411	-	21,317	21,317	-
CASH BALANCE, December 31	<u>\$ 26,411</u>	<u>\$ 30,540</u>	<u>\$ 4,129</u>	<u>\$ 21,317</u>	<u>\$ 26,411</u>	<u>\$ 5,094</u>
<u>SENIOR CITIZENS SERVICES FUND</u>						
RECEIPTS						
Property taxes	\$ 116,000	117,544	\$ 1,544	\$ 115,000	114,706	\$ (294)
Interest	-	268	268	-	227	227
TOTAL RECEIPTS	116,000	117,812	1,812	115,000	114,933	(67)
DISBURSEMENTS						
Other	125,500	116,752	8,748	119,750	119,750	-
TOTAL DISBURSEMENTS	125,500	116,752	8,748	119,750	119,750	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,500)	1,060	10,560	(4,750)	(4,817)	(67)
CASH BALANCE, January 1	51,726	51,726	-	56,543	56,543	-
CASH BALANCE, December 31	<u>\$ 42,226</u>	<u>\$ 52,786</u>	<u>\$ 10,560</u>	<u>\$ 51,793</u>	<u>\$ 51,726</u>	<u>\$ (67)</u>

See accompanying notes.



## CRAWFORD COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH AND INVESTMENT TRANSACTIONS – AGENCY FUNDS –  
REGULATORY BASIS

December 31, 2012

	Collector of Revenue Fund	Collector's Bankruptcy Fund	Collector's Installment Plan Fund	Collector's Payment Plan Fund	Collector's Protested Tax Fund	Landfill Fund	Sheriff's Fee Fund	Jail Commissary Fund
ASSETS								
Cash and investments	\$ 8,384,163	\$ 104	\$ 1,219	\$ 20,093	\$ 30,695	\$ 63,398	\$ 9,245	\$ 3,049
TOTAL ASSETS	<u>\$ 8,384,163</u>	<u>\$ 104</u>	<u>\$ 1,219</u>	<u>\$ 20,093</u>	<u>\$ 30,695</u>	<u>\$ 63,398</u>	<u>\$ 9,245</u>	<u>\$ 3,049</u>
LIABILITIES								
Due to other funds	\$ 963,922	\$ -	\$ -	\$ -	\$ 30,695	\$ -	\$ -	\$ -
Due to other governments	7,420,241	104	1,219	20,093	-	63,398	9,245	-
Due to others	-	-	-	-	-	-	-	3,049
TOTAL LIABILITIES	<u>\$ 8,384,163</u>	<u>\$ 104</u>	<u>\$ 1,219</u>	<u>\$ 20,093</u>	<u>\$ 30,695</u>	<u>\$ 63,398</u>	<u>\$ 9,245</u>	<u>\$ 3,049</u>

See accompanying notes.

## CRAWFORD COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH AND INVESTMENT TRANSACTIONS – AGENCY FUNDS –  
REGULATORY BASIS (CONTINUED)

December 31, 2012

	Sheriff's ATM Fund	Recorder's Fund	Prosecuting Attorney's Bad Check Fund	Fines Fund	Political Subdivision Fund	Surplus Land Fund	Cemetery Fund	Total
ASSETS								
Cash and investments	\$ 1,000	\$ 13,428	\$ 3,118	\$ 59,273	\$ 32,983	\$ 10,725	\$ 692,725	\$ 9,325,218
TOTAL ASSETS	<u>\$ 1,000</u>	<u>\$ 13,428</u>	<u>\$ 3,118</u>	<u>\$ 59,273</u>	<u>\$ 32,983</u>	<u>\$ 10,725</u>	<u>\$ 692,725</u>	<u>\$ 9,325,218</u>
LIABILITIES								
Due to other funds	\$ 1,000	\$ 9,949	\$ 672	\$ -	\$ -	\$ -	\$ -	\$ 1,006,238
Due to other governments	-	3,479	2,446	59,273	32,983	10,725	-	7,623,206
Due to others	-	-	-	-	-	-	692,725	695,774
TOTAL LIABILITIES	<u>\$ 1,000</u>	<u>\$ 13,428</u>	<u>\$ 3,118</u>	<u>\$ 59,273</u>	<u>\$ 32,983</u>	<u>\$ 10,725</u>	<u>\$ 692,725</u>	<u>\$ 9,325,218</u>

See accompanying notes.

## CRAWFORD COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH AND INVESTMENT TRANSACTIONS – AGENCY FUNDS –  
REGULATORY BASIS

December 31, 2011

	Collector of Revenue Fund	Collector's Bankruptcy Fund	Collector's Installment Plan Fund	Collector's Payment Plan Fund	Landfill Fund	Sheriff's Fee Fund	Jail Commissary Fund
ASSETS							
Cash and investments	\$ 7,250,245	\$ 122	\$ 47	\$ 1,852	\$ 61,167	\$ 11,762	\$ 4,913
TOTAL ASSETS	<u>\$ 7,250,245</u>	<u>\$ 122</u>	<u>\$ 47</u>	<u>\$ 1,852</u>	<u>\$ 61,167</u>	<u>\$ 11,762</u>	<u>\$ 4,913</u>
LIABILITIES							
Due to other funds	\$ 747,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	6,503,182	122	47	1,852	61,167	11,762	-
Due to others	-	-	-	-	-	-	4,913
TOTAL LIABILITIES	<u>\$ 7,250,245</u>	<u>\$ 122</u>	<u>\$ 47</u>	<u>\$ 1,852</u>	<u>\$ 61,167</u>	<u>\$ 11,762</u>	<u>\$ 4,913</u>

See accompanying notes.

## CRAWFORD COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH AND INVESTMENT TRANSACTIONS – AGENCY FUNDS –  
REGULATORY BASIS (CONTINUED)

December 31, 2011

	Sheriff's ATM Fund	Recorder's Fund	Prosecuting Attorney's Bad Check Fund	Fines Fund	Surplus Land Fund	Cemetery Fund	Total
ASSETS							
Cash and investments	\$ 1,000	\$ 13,871	\$ 2,252	\$ 45,106	\$ 10,281	\$ 689,632	\$ 8,092,250
TOTAL ASSETS	<u>\$ 1,000</u>	<u>\$ 13,871</u>	<u>\$ 2,252</u>	<u>\$ 45,106</u>	<u>\$ 10,281</u>	<u>\$ 689,632</u>	<u>\$ 8,092,250</u>
LIABILITIES							
Due to other funds	\$ 1,000	\$ 11,711	\$ 670	\$ -	\$ -	\$ -	\$ 760,444
Due to other governments	-	2,160	1,582	45,106	10,281	-	6,637,261
Due to others	-	-	-	-	-	689,632	694,545
TOTAL LIABILITIES	<u>\$ 1,000</u>	<u>\$ 13,871</u>	<u>\$ 2,252</u>	<u>\$ 45,106</u>	<u>\$ 10,281</u>	<u>\$ 689,632</u>	<u>\$ 8,092,250</u>

See accompanying notes.

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Crawford County, Missouri, (“County”) is governed by a three-member board of commissioners. In addition to the three Commissioners, there are ten elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder, Coroner, Collector, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note A, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

### Reporting Entity

The County’s operations include tax assessments and collections, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Crawford County, Missouri, which consists of all funds, organizations, agencies, departments, and offices that comprise the County’s legal entity. The Senate Bill 40 Board is audited and separately reported on by other independent auditors and is not presented in the accompanying financial statements. Requests for copies of those financial statements should be directed to the Senate Bill 40 Board.

### Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statements of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash and Investment Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following funds are used by the County:

Governmental Funds – Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds (agency funds) are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector and other officeholders.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measureable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County adopts a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. For the year ended December 31, 2012, a deficit was budgeted in the Prosecuting Attorney's Bad Check Fee Fund.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Adjustments made during the year were not significant and are reflected in the budget information in the financial statements. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.
8. Budgets are prepared and adopted on the cash basis of accounting.

CRAWFORD COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Although adoption of a formal budget is required by law, the County did not adopt a formal budget for the Law Library Fund.
10. Section 50.740 RSMo, prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for several funds of the County.

Cash

The County pools cash resources of various funds in the County Treasurer's office in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. Some County offices also hold cash in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2012 and 2011, all bank balances on deposit are entirely insured or collateralized with securities.

NOTE B – INVESTMENTS

Investments of the County consist of certificates of deposit with local banking institutions held as agency funds. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2012 and 2011, all certificates of deposit are not entirely insured or collateralized with securities.

The County's investments at December 31, 2012 and 2011, are as follows:

Investment Type	Year Ended December 31,		
	Maturity	2012	2011
Certificates of Deposit	1/15/2013 - 9/15/2016	\$ 692,387	\$ 689,065

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the County's deposits be collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2012 and 2011, \$139,915 and \$142,220, respectively, was not insured or collateralized with securities.

The County does not have a policy on interest rate risk.

## NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

### Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2012 and 2011, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

## NOTE D – PENSION PLAN – CERF

### *STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND*

#### Plan Description

Crawford County participates in the County Employees' Retirement Fund (CERF), a cost-sharing multiple-employer pension plan. CERF is a defined benefit pension plan which provides retirement and death benefits to plan members and beneficiaries. CERF was created and is governed by state statute, RSMo. 50.1000 to 50.1300. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The County Employees' Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to CERF Plan Administrator, 2121 Schotthill Woods Drive, Jefferson City, MO 65101.

#### Funding Policy

Crawford County's full-time employees hired before February 25, 2002, are required by state statute to contribute 2% of annual payroll to the pension plan. Crawford County's full-time employees hired after February 25, 2002, are required by state statute to contribute 6% of annual covered payroll to the pension plan. The County is required by state statute to remit the fees collected under RSMo. Sections 52.290, 150.150, 137.280, 137.345 and Chapters 59 and 54, RSMo, plus interest. The required contributions have been made.



CRAWFORD COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by December 31.

The 2012 and 2011 assessed valuation of the tangible taxable property (excluding railroad and utilities) and the tax levies per \$100 assessed valuation of that property were as follows:

	<u>2012</u>	<u>2011</u>
ASSESSED VALUATION		
Real estate	\$ 220,628,946	\$ 214,386,918
Personal property	59,535,782	60,239,236
	<u>\$ 280,164,728</u>	<u>\$ 274,626,154</u>
TAX LEVY		
General Revenue	\$ .1271	\$ .1035
Special Road and Bridge	.2036	.1869
Senior Citizens Services	.0462	.0424
	<u>\$ .3769</u>	<u>\$ .3328</u>

The legal debt margin at December 31, 2012 and 2011, is computed as follows:

	<u>2012</u>	<u>2011</u>
Constitutional debt limit	\$ 28,016,473	\$ 27,462,615
General obligation bonds payable	<u>-</u>	<u>-</u>
LEGAL DEBT MARGIN	<u>\$ 28,016,473</u>	<u>\$ 27,462,615</u>

Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

CRAWFORD COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE F – RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

NOTE G – INTERFUND TRANSFERS

Interfund transfers for the years ended December 31, 2012 and 2011, consisted of the following:

	Transfers In (Out)	
	2012	2011
General Revenue Fund	\$ 67,191	\$ (106,737)
Special Road and Bridge Fund	7,425	(15,154)
Criminal Costs Fund	(7,087)	(175,372)
Prosecuting Attorney's Bad Check Fee Fund	(10,104)	(8,625)
County Jail Project Fund	-	386,372
Law Enforcement Restitution Fund	-	(21,560)
National Forest Fund	(57,425)	(53,924)
Global Imaging System Fund	-	(5,000)
	<u>\$ -</u>	<u>\$ -</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CRAWFORD COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE H – LONG-TERM DEBT

Certificates of Participation

During 2011, the County issued \$3,305,000 in Refunding Certificates of Participation to refinance the 2001 and 2002 Leasehold Revenue Bonds. The 2011 certificates bear interest at 3.0% to 4.2%. Interest payments are due in semi-annual installments on May 1 and November 1 of each year with annual principal payments due November 1 of each year.

The annual debt service requirements to amortize the principal on the 2011 Refunding Certificates of Participation outstanding at December 31, 2012, are as follows:

Year Ended December 31,	Amount Due		
	Principal	Interest	Total
2013	\$ 275,000	\$ 95,604	\$ 370,604
2014	280,000	87,354	367,354
2015	290,000	78,954	368,954
2016	300,000	70,254	370,254
2017	305,000	61,254	366,254
2018	315,000	51,723	366,723
2019	325,000	40,698	365,698
2020	340,000	28,510	368,510
2021	355,000	14,910	369,910
	<u>\$ 2,785,000</u>	<u>\$ 529,261</u>	<u>\$ 3,314,261</u>

The following is the changes in long-term debt for the years ended December 31, 2012 and 2011:

	Balance December 31,			Balance December 31,			Balance December 31,
	2010	Additions	Retirements	2011	Additions	Retirements	2012
2001 Leasehold Revenue Bonds	\$ 2,975,000	\$ -	\$ 2,975,000	\$ -	\$ -	\$ -	\$ -
2002 Leasehold Revenue Bonds	515,000	-	515,000	-	-	-	-
2011 Certificates of Participation	-	3,305,000	255,000	3,050,000	-	265,000	2,785,000
	<u>\$ 3,490,000</u>	<u>\$ 3,305,000</u>	<u>\$ 3,745,000</u>	<u>\$ 3,050,000</u>	<u>\$ -</u>	<u>\$ 265,000</u>	<u>\$ 2,785,000</u>

CRAWFORD COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE I – COMPENSATED ABSENCES PAYABLE

Compensated absences payable consists of one half of the unused sick time and unused accumulated comp time up to 240 hours for employees. The balance at December 31, 2011 and 2012, totaled \$114,675 and \$123,439, respectively.

NOTE J – DEBT REFUNDING

On June 28, 2011, the County issued \$3,305,000 in Series 2011 Refunding Certificates of Participation with interest rates ranging from 3.0% to 4.2%. The County issued and used the net lease proceeds to pay off on November 1, 2011, and November 1, 2012, respectively, \$2,975,000 of outstanding principal and accrued interest on Series 2001 Leasehold Revenue Bonds with interest rates ranging from 4.1% to 5.0% and \$515,000 of outstanding principal and accrued interest on Series 2002 Leasehold Revenue Bonds with interest rate of 5.25%. The County deposited lease proceeds totaling \$553,981 in irrevocable escrow accounts at UMB Bank to earn interest and pay principal and accrued interest on Series 2002 Leasehold Revenue Bonds on November 1, 2011 and May 1, 2012.

As a result of the refunding, the County reduced its debt service requirements by \$215,244, which resulted in an economic gain (difference between the present value of the debt service payments on old and new debt) of \$220,417.

NOTE K – RESTATEMENT OF CASH BALANCES

Beginning cash balances have been restated to remove the Emergency 911 Board, which is considered a separate political subdivision. Cash balances have also been restated to include the Law Library Fund, which is considered a special revenue fund due to being maintained by the Prosecuting Attorney's office.

The restatement is as follows:

Ending Cash Balance, as previously stated, December 31, 2010	\$ 2,072,918
E911 Board	(220,951)
Law Library	21,317
Cash Balance, as restated, January 1, 2011	<u>\$ 1,873,284</u>

## **SUPPLEMENTARY SCHEDULES**



DAVIS, LYNN &  
MOOTS, P.C.  
Certified Public  
Accountants

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**INDEPENDENT AUDITORS' REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Crawford County Commission  
Crawford County  
Steelville, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Crawford County, Missouri, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise Crawford County, Missouri's financial statements, and have issued our report thereon, dated June 17, 2013. In our report, our opinion was modified because the County prepares its financial statements using accounting practices prescribed or permitted by Missouri law, which differs from accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Crawford County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Crawford County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. They are identified as items 12-1 and 12-2.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Crawford County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Crawford County, Missouri's Response to Findings and Other Matters**

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We noted certain other matters that we have reported to management of the County in a separate letter dated June 17, 2013.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Crawford County, Missouri's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Crawford County, Missouri's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Davis, Lynn; Moots, PC*

DAVIS, LYNN & MOOTS, P.C.  
June 17, 2013



DAVIS, LYNN &  
MOOTS, P.C.  
Certified Public  
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Crawford County Commission  
Crawford County  
Steelville, Missouri

**Compliance**

We have audited Crawford County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the County's major federal programs for the years ended December 31, 2012 and 2011. Crawford County, Missouri's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the Crawford County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on major federal programs occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.



We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal programs. However, our audit does not provide a legal determination on the Crawford County, Missouri's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the Crawford County, Missouri complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the years ended December 31, 2012 and 2011.

### **Internal Control over Compliance**

Management of the Crawford County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Crawford County Commission  
Crawford County  
Steeleville, Missouri

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB A-133. Accordingly, this report is not suitable for any other purpose.

*Davis, Lynn; Moots, PC*

DAVIS, LYNN & MOOTS, P.C.  
June 17, 2013

CRAWFORD COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Years Ended December 31, 2012 and 2011

Federal Grantor	Federal		Federal Expenditures	
Pass Through Grantor/ Program Title	CFDA Number	Pass-through Grantor's Number	Year Ended December 31, 2012	2011
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Missouri Office of Administration				
Schools and Roads - Grants to States	10.665	-	\$ 229,700	\$ 215,695
Missouri Department of Health & Senior Services				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	-	113,892	112,111
Summer Food Service Program for Children	10.559	ERS219-9128i	-	560
		ERS219-12029	270	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			343,862	328,366
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Missouri Department of Economic Development				
Community Development Block Grant	14.228	10-PF-03	5,000	4,000
		2008-DI-37	258,721	-
		2010-PF-35	156,966	-
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			420,687	4,000
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
University of Central Missouri				
Highway Safety Cluster				
DWI Grant	20.601	SAF006	-	1,800
Child Safety and Child Booster Seats Incentive Grant	20.613	SAF008	-	500
Click-it or Ticket Enforcement	20.600	SAF014	-	750
Missouri Department of Transportation				
HMV Enforcement	20.607	-	600	900
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			600	3,950
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Missouri Department of Public Safety				
Bulletproof Vest Partnership Program	16.607	-	-	4,997
Direct				
Equitable Sharing Seized Property	16.000	N/A	-	6,798
TOTAL U.S. DEPARTMENT OF JUSTICE			-	11,795

CRAWFORD COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Years Ended December 31, 2012 and 2011

Federal Grantor	Federal		Federal Expenditures	
Pass Through Grantor/ Program Title	CFDA Number	Pass-through Grantor's Number	Year Ended December 31, 2012	2011
<u>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</u>				
Missouri Department of Social Services				
Child Support Enforcement	93.563	-	119,186	113,052
Missouri Department of Health & Senior Services				
Maternal Child Health Services Block Grant	93.994	AOC08380131	-	16,199
		DH120004028	21,034	5,255
Child Care & Development Block Grant	93.575	DH110004021	-	3,408
		DH130002058	4,058	-
		ERS220-11028	1,620	1,680
ARRA - Child Care and Development Grant	93.713	DH100018034	-	1,242
Public Health Emergency Preparedness	93.069	AOC10380066	-	12,387
		AOC12380113	7,516	8,397
		AOC10380141	-	874
		AOC12380310	12,390	-
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	ERS161-11019	-	6,760
		ERS161-112044	2,240	-
Child Abuse and Neglect Grant	93.669	-	-	4,740
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			168,044	173,994
<u>U.S. DEPARTMENT OF INTERIOR</u>				
Direct				
Payment in Lieu of Taxes	15.226	N/A	54,148	49,362
TOTAL U.S. DEPARTMENT OF INTERIOR			54,148	49,362
<u>GENERAL SERVICES ADMINISTRATION</u>				
State Office of Administration				
Surplus Property	39.003	-	6,295	10,157
Secretary of the State				
Federal Voting Equipment Maintenance and Security Grant	39.011	-	3,280	-
TOTAL GENERAL SERVICES ADMINISTRATION			9,575	10,157
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 996,916	\$ 581,624

N/A - Not Applicable

CRAWFORD COUNTY, MISSOURI  
NOTES TO THE SUPPLEMENTARY SCHEDULE  
Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Crawford County, Missouri.

B Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistance* means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

*Federal award* means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

2. Subrecipients

Of the federal expenditures presented in the schedule, the County provided \$424,687 to subrecipients under the Community Development Block Grant (CFDA 14.228). The funds were received by the County and passed through to the Steelville Fire Protection District; Sullivan Homes, Incorporated; and the Public Water Supply District #1 of Crawford.

CRAWFORD COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Years ended December 31, 2012 and 2011

**Summary of Auditor's Results**

Financial Statements

Type of auditors' report issued:

Unmodified on the Basis of  
Accounting described in Note A

Internal control over financial reporting:

Material weaknesses identified?

  X   Yes        No

Significant deficiencies identified that are  
not considered to be material weaknesses?

       Yes   X   None reported

Noncompliance material to the financial  
statements noted?

       Yes   X   No

Federal Awards

Internal control over major programs:

Material weaknesses identified?

       Yes   X   No

Significant deficiencies identified that are  
not considered to be material weaknesses?

       Yes   X   None reported

Type of auditors' report issued on compliance  
for major program(s):

Unmodified

Any audit findings disclosed that are required  
to be reported in accordance with  
Section 510(a) of OMB Circular A-133?

       Yes   X   No

Identification of major program(s):

CFDA or Other

Identifying Number    Program Title

10.665                    Schools and Roads - Grants to States  
14.228                    Community Development Block Grant

Dollar threshold used to distinguish between Type A and  
and Type B program:

\$300,000

Auditee qualified as a low -risk auditee?

       Yes   X   No

CRAWFORD COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Years ended December 31, 2012 and 2011

**Financial Statement Findings**

12-1 Segregation of Duties

*Condition:* Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

*Criteria:* Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

*Effect:* Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

*Recommendation:* We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

*Response:* The limited number of available personnel prohibits segregation of incompatible duties.

12-2 Wire Transfers

*Condition:* The depository agreements with the County banking institutions do not address by whom and to whom a wire transfer may be made. They also do not include special instructions for wire transfers.

*Criteria:* The County should have written and signed instructions with banking institutions requiring the approval of two authorized individuals before a wire transfer is made and by whom and to whom a wire transfer may be made.

*Effect:* Risk is present that unauthorized wire transfers may be made.

*Recommendation:* The County should include in future depository agreements with its banking institutions, who is authorized to make wire transfers for the County, and to whom wire transfers are allowed, and require two authorized signatures for approval.

*Response:* The County will update its depository agreements with its banking institutions to include who is authorized to make wire transfers for the County, to whom wire transfers are allowed, and require two authorized signatures for approval.

CRAWFORD COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Years ended December 31, 2012 and 2011

**Federal Award Findings and Questioned Costs**

None



CRAWFORD COUNTY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
IN ACCORDANCE WITH OMB CIRCULAR A-133

There were no prior year audit findings.



DAVIS, LYNN &  
MOOTS, P.C.  
Certified Public  
Accountants

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LAWRENCE W. DAVIS, CPA  
ANTHONY D. LYNN, CPA  
RANDALL G. MOOTS, CPA  
ANGELA M. PATRICK, CPA  
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Crawford County Commission  
Crawford County  
Steelville, Missouri

In planning and performing our audit of the basic financial statements of Crawford County, Missouri for the years ended December 31, 2012 and 2011, we considered the County's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we identified deficiencies in internal control over financial reporting that we consider to be material weaknesses.

In addition to the material weaknesses discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and suggestions regarding these matters.

1. Budgetary Compliance

The County was not in compliance with the budgetary statute, Chapter 50, RSMo, in 2011 and 2012 as the County did not adopt a proper budget for the Law Library Fund. In addition, actual disbursements exceeded budgeted disbursements in 2011 in the National Forest, Criminal Costs, Law Enforcement Training, Prosecuting Attorney's Bad Check Fee, Prosecuting Attorney's Training, Sheriff's Revolving, Tax Maintenance, and CDBG Grant Funds. In 2012, actual disbursements exceeded budgeted disbursements in the National Forest, Criminal Costs, Records Preservation, Law Enforcement Training, Prosecuting Attorney's Training, Law Enforcement Equipment, Inmate Security, Election Services, Law Enforcement Restitution, Scenic Railway, Global Imaging System, and CDBG Grant Funds. Also, a deficit was budgeted in the Prosecuting Attorney's Bad Check Fee Fund.

We Recommend:

The County adopt a budget for all funds, review expenditures during the year and amend the budget as necessary to include necessary transfer amounts to ensure compliance with the budgetary statute (Chapter 50, RSMo).

2. Bank Depository Agreements

As a custodian of public monies, we believe the County should review certain elements of depository agreements with the County's banking institutions to ensure proper controls are in place regarding the deposits and bank wires. The County has a responsibility for the safety of County monies and the depository agreements are often not reviewed and updated appropriately.

We Recommend:

- a. The County determine that the depository agreement with the banking institution has instructions regarding when a check is valid and may be honored by the institution. If more than one signature is required on checks, then the depository agreement should reflect that requirement.
- b. The County determine that the depository agreement specify the persons authorized to make wire transfers and to whom they may be made. This is necessary to prevent unauthorized wire transfers of County funds.
- c. The County determine that the depository agreement has procedures for opening new accounts in order to prevent unauthorized accounts from being opened under the County's name.

3. Disbursement Procedures

Currently the County does not require two signatures on checks from some of the County's Bank accounts. Coupled with the lack of segregation of duties, this creates an environment in which County assets could be misappropriated and the misappropriation would not be discovered in a timely manner.

We Recommend:

The County institute a policy requiring two signatures on all checks for all County disbursements.

4. Operating Reserves

In the current year, the General Revenue Fund experienced deficit spending and a decreasing cash balance. At December 31, 2012, the General Revenue Fund had an operating reserve (cash balance divided by expenses) of 4.5%.

We Recommend:

The County review its operating reserve requirements. Once the County has determined the appropriate level of operating reserves, the County should then review its budget to ensure the appropriate level of operating reserves is maintained.

5. Agency Funds Balance Listings

At December 31, 2011, the Prosecuting Attorney's bad check and jail commissary bank accounts had \$2,252 and \$4,913, respectively, in funds where an insufficient open items list could not be produced.

We Recommend:

Records be traced back to collection and pay-out and an open items list be generated. An open items list should be maintained on an ongoing basis to ensure proper collection and disbursements of funds. Also, the open items list should be an integral part of the bank reconciliation process each month to ensure all funds are identified.

6 Patient Protection and Affordable Care Act

In August 2010, the United States Congress passed H.R. 3590 Patient Protection and Affordable Care Act. The Act affects many sectors of the private-sector economy and government including establishing individual responsibilities regarding health coverage as well as employer responsibilities for providing health coverage. Employer responsibilities include: automatic enrollment for employees of larger employers, employer requirement to inform employees of coverage options, shared responsibilities for employers, reporting of employer health insurance coverage, offering of exchange-participating qualified health plans through cafeteria plans. The effective date for the employer responsibilities section of the Act is for months beginning after December 31, 2013. Due to the many provisions and complexity of the Act, governments may need to obtain outside counsel from its attorney and health insurance provider to determine the steps necessary to properly implement the provisions of this Act.

We Recommend:

Management become familiar with the requirements of the Act and consider obtaining outside counsel to comply with the new Act and avoid potential penalties and unwanted costs associated with this Act.

7. Software Implementation

During our audit, it came to our attention that the County had complications implementing their new financial software. There were issues with both inputting revenue information and subsequently generating financial reports.

We Recommend:

The County's personnel receive software and accounting training to ensure that those responsible for inputting and generating financial information have the necessary level of knowledge to operate the financial software efficiently and effectively during the year.

8. Bank Reconciliation Review

Although the role of the Treasurer limits the extent of separation of duties, we believe certain steps could be taken to separate incompatible duties. The Treasurer currently has access to all phases of certain transactions and prepares the bank reconciliations.

We Recommend:

Someone other than the Treasurer receives and reviews the bank statements prior to turning them over to the Treasurer to prepare the bank reconciliations. We further recommend the Commission or other authorized individual review the reconciliations after they are prepared on a monthly basis.

9. Collateralization of District Deposits

County deposits were not adequately secured at various times during the current year in accordance with Sections 110.010 and 110.020, RSMo. The financial institution did not adequately cover the County's deposits in excess of FDIC coverage.

We Recommend:

The County monitor the collateralization during the year and ensure that the County deposits are adequately secured at all times.

10. Approved Vendor List

We noted that the County does not have policies and procedures in place to require purchases only from approved vendors. Maintenance of an approved vendor list is an excellent procedure to have in place to prevent fraudulent disbursements to fictitious vendors.

We Recommend:

The County develop policies and procedures in order to have an approved vendor list for purchases made by the County.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We appreciate this opportunity to serve as Crawford County's independent auditor and the courtesies and assistance extended to us by the County's employees.

*Davis, Lynn; Moots, PC*



DAVIS, LYNN &  
MOOTS, P.C.  
Certified Public  
Accountants

LARRY M. BROWN, CPA  
LAWRENCE W. DAVIS, CPA  
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Crawford County Commission  
Crawford County  
Steeleville, Missouri

We have audited the financial statements of Crawford County, Missouri, for the year ended December 31, 2012 and 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 10, 2013. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Crawford County, Missouri, are described in Note A to the financial statements. All significant transactions have been recognized in the financial statements in the proper period. No new accounting policies were adopted and the application of existing policies was not changed during 2012 and 2011. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

- Cash
- Fund Balance

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated June 17, 2013.

*Management Consultations with Other Independent Accountants*

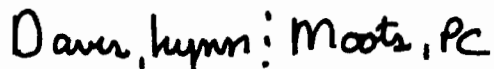
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the County Commission and management of Crawford County, Missouri, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Davis, Lynn & Moots, PC". The signature is written in a cursive, slightly informal style.

DAVIS, LYNN & MOOTS, P.C.  
June 17, 2013



Thomas A. Schweich  
Missouri State Auditor

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# NATURAL RESOURCES

## Division of Environmental Quality

### Solid Waste Management Program



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September 2013

Report No. 2013-092

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<http://auditor.mo.gov>





# CITIZENS SUMMARY

## Findings in the audit of the Department of Natural Resources, Division of Environmental Quality, Solid Waste Management Program

Background	The Department of Natural Resources (DNR), Solid Waste Management Program's (SWMP) main goal is to reduce the amount of solid waste generated in the state. The program provides solid waste management permitting, monitoring, and enforcement efforts to help prevent illegal dumping and environmental problems. The state is divided into 20 solid waste management districts which assist the DNR in implementing the state's solid waste management plan, with an emphasis on diverting waste from landfills. The primary source of funding for the program is a fee collected when waste is disposed of in Missouri's landfill, currently \$2.11 per ton.
Fee Structure and Administrative Costs	The program should perform a comprehensive review to determine if changes are needed in its fee structure and services could be provided more cost effectively. The tonnage fee charged appears high, the operating costs as a percentage of allocated revenue incurred by the solid waste management districts is significant and varies considerably among the districts, and significant funding allocated to the districts has accumulated in the Solid Waste Management Fund. Missouri charges a higher tonnage fee than 6 of 8 border states, and, during fiscal years 2011 and 2012, the operating cost percentages for Missouri's solid waste management districts varied from a low of 7 percent to a high of 50 percent. In addition, amounts allocated to solid waste management districts are more than needed for current operations. Funding is allocated to the districts in accordance with the statutory funding formula, and \$7.6 million allocated to the districts remained unspent at June 30, 2012.
District Audit Requirements	State laws require three separate audits for each solid waste management district, which is excessive and inefficient. The DNR should consider seeking legislation to streamline district audit requirements.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: <http://auditor.mo.gov>

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Department of Natural Resources  
Division of Environmental Quality - Solid Waste Management Program  
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Appendix

A	Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments - Solid Waste Management Fund, 2 Years Ended June 30, 2012 .....9
B	Comparative Statement of Appropriations and Expenditures, 2 Years Ended June 30, 2012..... 10
C	Comparative Statement of Expenditures (From Appropriations), 5 Years Ended June 30, 2012..... 11



# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor

and

Sara Parker Pauley, Director

Department of Natural Resources

and

Leanne Tippet Mosby, Director

Division of Environmental Quality

Jefferson City, Missouri

We have audited certain operations of the Department of Natural Resources, Division of Environmental Quality, Solid Waste Management Program in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2012 and 2011. The objectives of our audit were to:

1. Evaluate the program's internal controls over significant management and financial functions.
2. Evaluate the program's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the program, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the program's management and was not subjected to the procedures applied in our audit of the program.

For the areas audited, we identified (1) no significant deficiencies in internal control, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Natural Resources, Division of Environmental Quality, Solid Waste Management Program.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Mariam Ahmedbani
	Alex R. Prenger, M.S.Acct., CPA

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Department of Natural Resources  
Division of Environmental Quality - Solid Waste Management Program  
Management Advisory Report - State Auditor's Findings

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**1. Fee Structure and Administrative Costs**

The Department of Natural Resources (DNR), Solid Waste Management Program (SWMP) should perform a comprehensive review to determine if changes are needed in its fee structure and services could be provided more cost effectively. From our review, the tonnage fee charged appears high when compared to contiguous states, the operating costs as a percentage of allocated revenue incurred by the solid waste management districts is significant and varies considerably among the districts, and significant funding allocated to the solid waste management districts has accumulated in the Solid Waste Management Fund.

The main goal of the SWMP is to reduce the amount of solid waste generated in the state, and to provide solid waste management permitting, monitoring, and enforcement efforts to help prevent illegal dumping and other environmental problems. Solid waste management districts were established in 1990 as part of the state's solid waste management plan. The state is divided into 20 solid waste management districts which assist the DNR in implementing the state's plan, with an emphasis on diverting waste from landfills.

**Funding and fee structure** The SWMP and district funding is provided from the state's Solid Waste Management Fund which is primarily funded by tonnage fees remitted by landfills. Funding for the SWMP and districts is based on a formula set through legislation. After allocating \$800,000 annually to the Environmental Improvement and Energy Resources Authority and \$200,000 to districts receiving fewer funds than under a prior allocation formula, the remaining tonnage fees are allocated 39 percent to the SWMP and 61 percent to the districts. Each district's allocation is determined based on district population and the number of landfills located in the district. During the 2 years ended June 30, 2012, the SWMP spent approximately \$7.7 million for program operation and regulation, and the districts received approximately \$13 million for operations, plan implementation, and grants for waste reduction, reuse, and recycling programs.

We obtained information from the eight states which border Missouri, and the following chart summarizes the type of administration of the solid waste program (statewide or district) and the tonnage fees collected by each state:



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STATE	PROGRAM ADMINISTRATION	TONNAGE FEES
Arkansas*	Districts	\$2.50 per ton, \$.75 per compacted cubic yard, or \$.40 per un-compacted cubic yard, depending on the type of waste. Local fees may also be levied.
Illinois	Statewide	\$2.00 per ton or \$.95 per cubic yard for landfills which process over 150,000 cubic yards annually, and flat annual fees for landfills which process less than 150,000 cubic yards. Local fees may also be levied.
Iowa	Statewide	Planning areas with less than 25% diversion: \$4.75 per ton Planning areas over 25% diversion, under state average, and under 50%: \$3.65 per ton Planning areas over 25% diversion, over state average, and under 50%: \$3.65 per ton Planning areas over 25% diversion, over state average, and over 50%: \$3.25 per ton
Kansas*	Statewide	\$1.00 per ton
Kentucky*	Districts (one per county)	\$1.75 per ton
Nebraska*	Statewide	\$1.25 per ton
Oklahoma	Statewide	\$1.50 per ton, maximum of \$40,000 collected per landfill, then drops to \$1.25 per ton
Tennessee*	Districts (county/city level)	\$0.90 per ton in addition to any fee imposed by local government jurisdiction

\* These states also collect annual landfill permit fees which Missouri does not impose.

As noted on the chart, five contiguous states administer solid waste management programs on a statewide basis and the other three states are divided into solid waste management districts or local government



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administration similar to Missouri. The operation and funding of these states' programs vary significantly from Missouri, so it was not possible to compare administrative and operating costs percentages for these states; however, only two states charge a tonnage fee higher than Missouri's tonnage fee of \$2.11.

District administrative costs

The SWMP tracks operating costs incurred by each district as a percentage of total state funding provided to each district. The operating costs are tracked to monitor compliance with Section 260.335, RSMo, which states that districts cannot spend more than 50 percent of allocated state funding on implementation of a solid waste management plan and district operations. The operating cost percentages for fiscal years 2012 and 2011 ranged from a low of 7 percent to a high of 50 percent, according to the SWMP. During the 2 years ended June 30, 2012, the districts spent \$4.2 million on administration and operations, or 32 percent of the \$13 million state funding provided to the districts.

SWMP personnel indicated these costs vary significantly from district to district based on a number of factors. For example, some districts contract with other local governments or regional planning agencies to operate the district while other districts hire employees. In addition, some districts pay a portion of operating costs with matching funds or local revenues while other districts provide no matching funds or local revenues.

Accumulated district funds

The amounts required by state law to be allocated to the solid waste management districts are more than needed for current operations, resulting in some districts accumulating significant reserves for future operations and grant programs. These funds remain on deposit in the Solid Waste Management Fund, and at June 30, 2012, the Solid Waste Management Fund balance of approximately \$10.3 million included \$7.6 million in unspent district allocations. The two largest districts had unspent funds of \$2.4 million (District L, St. Louis area) and \$1.3 million (District E, Kansas City area) at June 30, 2012. The other 18 districts had unspent funds at June 30, 2012, ranging from \$65,060 to \$697,232. The significant amount of unspent district funds suggests the solid waste tonnage fee is set at a rate higher than needed or the funding allocation formula needs revision.

It is difficult to compare Missouri's solid waste management program to other states. However, the high tonnage fee compared to contiguous states coupled with significant variations in administrative cost percentages among the districts and the existence of significant fund reserves within the Solid Waste Management Fund suggest the delivery of solid waste management services could be performed more cost effectively. A comprehensive review of the program would assist the legislature in determining if improvements can be made to improve the statewide delivery of solid waste management services. This should include a detailed review of the fee structure and funding allocation formula, significant variances in district administrative costs, and various delivery of services models used by other states.



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**Recommendation**

The DNR perform a comprehensive review to determine the most cost effective method to deliver solid waste management services statewide, including whether the current tonnage fee can be reduced or the funding allocation formula should be revised.

**Auditee's Response**

*In the 2013 Legislative Session, House Bill 28 was passed which established a Joint Committee on Solid Waste Management District Operations. The committee is to provide a report, including any recommended legislative changes, by December 31, 2013. The department will be available to provide information to the committee if the committee requests same.*

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**2. District Audit Requirements**

Audit requirements for solid waste districts are excessive and inefficient.

State laws require three separate audits for each solid waste management district. Section 260.325.10, RSMo, requires the districts to obtain financial statement audits annually or biannually, depending on the amount of revenues received by the district, and requires the DNR to conduct a performance audit of grants to each district at least once every 3 years. Section 29.380, RSMo, effective August 28, 2012, requires the State Auditor to conduct an audit of each solid waste management district and thereafter conduct audits of the districts as deemed necessary.

The SWMP provides regular oversight and monitoring of districts, including approval of all recycling and administrative grants awarded by the districts. Streamlined audit requirements coupled with effective oversight and monitoring procedures would result in a more efficient administration of the SWMP.

**Recommendation**

The DNR consider seeking legislation to streamline the audit requirements for solid waste management districts.

**Auditee's Response**

*The department will consider and evaluate this recommendation.*



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## Department of Natural Resources

### Division of Environmental Quality - Solid Waste Management Program

#### Organization and Statistical Information

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The Solid Waste Management Program is under the supervision of the Department of Natural Resources (DNR), Division of Environmental Quality. The main goal of the program is to reduce the amount of solid waste generated in the state of Missouri. The program provides solid waste management permitting, monitoring, and enforcement efforts to help prevent illegal dumping and other factors that may cause long-term social, economic, and environmental problems.

In 1990, the Solid Waste Management Fund was established by Section 260.330, RSMo. The primary source of funding is a fee collected when waste is disposed in Missouri's landfills, or when it is sent through a transfer station for disposal in another state. The fee is established by legislation and is currently \$2.11 per ton. This is the primary source of funding for the program. In addition, recycling projects are funded through funds passed on to the Environmental Improvement and Energy Resources Authority and Solid Waste Management Districts (districts). These districts were established by Section 260.305, RSMo. There are 20 districts statewide.

The Solid Waste Advisory Board (SWAB) was established by Section 260.345, RSMo, to advise the department regarding solid waste management issues. The SWAB is composed of the chairman of the executive board of each district and up to five additional members appointed by the Director of the DNR.

Sara Parker Pauley currently serves as the Director of the DNR, and Leanne Tippet Mosby currently serves as the Director of the Division of Environmental Quality.

## Appendix A

Department of Natural Resources

Division of Environmental Quality - Solid Waste Management Program

Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments -  
Solid Waste Management Fund

		Year Ended June 30,	
		2012	2011
RECEIPTS			
Tonnage fees	\$	11,292,335	11,047,524
Other		15,102	47,306
Total Receipts		<u>11,307,437</u>	<u>11,094,830</u>
DISBURSEMENTS			
District grants		7,512,971	5,565,564
Solid waste agency costs		3,895,927	3,834,614
Market development		554,322	660,681
Total Disbursements		<u>11,963,220</u>	<u>10,060,859</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS		(655,783)	1,033,971
CASH AND INVESTMENTS, JULY 1		<u>10,926,536</u>	<u>9,892,565</u>
CASH AND INVESTMENTS, JUNE 30	\$	<u><u>10,270,753</u></u>	<u><u>10,926,536</u></u>

Appendix B

Department of Natural Resources  
Division of Environmental Quality - Solid Waste Management Program  
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2012			2011		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
<b>SOLID WASTE MANAGEMENT FUND</b>						
Solid Waste Management	\$ 15,545,026	8,367,837	7,177,189	14,435,633	6,226,245	8,209,388
Division of Geology and Land Survey Operations Personal Services	114,335	79,805	34,530	114,335	113,893	442
Division of Geology and Land Survey Operations Expenses and Equipment	10,061	9,748	313	10,061	10,061	0
Department Operations-Contract Audits Expenses and Equipment	92,064	17,834	74,230	22,834	5,000	17,834
Refund Accounts	1,165	0	1,165	1,165	0	1,165
Regional Offices Personal Services	381,673	359,640	22,033	474,673	375,939	98,734
Regional Offices Expenses and Equipment	134,969	45,422	89,547	134,969	32,832	102,137
Solid Waste Management Personal Services	1,496,738	1,197,928	298,810	1,503,238	1,178,967	324,271
Solid Waste Management Expenses and Equipment	494,496	97,973	396,523	474,377	129,947	344,430
Hazardous Waste Personnal Services	10,996	10,895	101	10,996	10,606	390
Environmental Services Personnal Services	45,975	30,705	15,270	45,975	44,447	1,528
Environmental Services Expenses and Equipment	11,348	3,306	8,042	11,348	3,554	7,794
Total Solid Waste Management Fund	\$ 18,338,846	10,221,093	8,117,753	17,239,604	8,131,491	9,108,113

## Appendix C

Department of Natural Resources  
Division of Environmental Quality - Solid Waste Management Program  
Comparative Statement of Expenditures (from Appropriations)

		Year Ended June 30,				
		2012	2011	2010	2009	2008
Salaries and wages	\$	1,678,972	1,723,851	1,882,037	2,067,672	1,970,282
Travel, in-state		48,334	38,418	23,509	71,339	60,374
Travel, out-of-state		126	1,115	3,614	3,316	17,697
Fuel and utilities		246	384	412	352	317
Supplies		36,795	38,299	42,757	52,306	52,803
Professional development		15,635	41,380	11,152	47,317	34,316
Communication service and supplies		15,808	15,293	17,012	18,420	18,921
Services:						
Professional services		41,134	19,468	95,443	597,989	231,402
Housekeeping and janitorial		34	20	306	339	397
Maintenance and repair		8,969	11,304	11,669	12,749	12,337
Equipment:						
Office		3,069	716	1,612	2,256	6,822
Other		2,934	14,572	277	1,952	3,293
Debt service		0	0	0	0	3,900
Building lease payments		0	0	382	374	11,400
Equipment rental and leases		397	433	422	330	618
Miscellaneous expenses		803	1,775	391	2,373	1,160
Program distributions		8,367,837	6,224,463	7,782,466	9,151,780	8,994,625
Total Expenditures	\$	10,221,093	8,131,491	9,873,461	12,030,864	11,420,664



**Thomas A. Schweich**  
Missouri State Auditor

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# Fifteenth Judicial Circuit

## Saline County



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September 2013  
Report No. 2013-093

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the Fifteenth Judicial Circuit, Saline County

### Accounting Controls and Procedures

The court clerks' duties are not properly segregated. All nine clerks have the ability to assess fees, receipt monies, enter voids and adjust costs in the system, and two of these clerks are able to prepare deposits and issue disbursements. The Circuit Clerk does not review daily cashier sessions to ensure all monies are properly recorded and deposited. Non-monetary transactions, voids and adjustments are not properly documented or reviewed by supervisors or the Circuit Clerk. The court does not properly account for the numerical sequence of receipt numbers assigned by the court accounting system or reconcile the composition of receipts to the composition of deposits. Monies received in the mail are not recorded on a mail log, and checks are not restrictively endorsed immediately upon receipt. The Associate Circuit Division regularly issues manual receipt slips, but there is no independent review to ensure they are properly recorded in the system and the monies deposited, the receipt slips do not always indicate the method of payment, and the Associate Circuit Division does not retain voided receipt slips. The Circuit Clerk does not review accrued case costs owed to the court, and audit staff noted two cases in which costs were not accurate. Clerks do not consistently or accurately document the final disposition of each case.

### Law Library Fund Controls and Procedures

The Probate Clerk performs all accounting duties related to the Law Library bank account without adequate segregation or an independent or supervisory review. Monthly bank reconciliations are not prepared. The Probate Clerk did not issue receipt slips for monies received, timely record monies on receipt ledgers, or timely deposit receipts. The court incurred a \$24 overdraft fee in November 2012, which could have been avoided by timely depositing receipts on hand.

In the areas audited, the overall performance of this entity was **Fair**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Fifteenth Judicial Circuit

## Saline County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Presiding Judge and Court en banc  
and  
Circuit Clerk of the  
Fifteenth Judicial Circuit  
Saline County, Missouri

We have audited certain operations of the Fifteenth Judicial Circuit, Saline County, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the court's internal controls over significant financial functions.
2. Evaluate the court's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the court, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the court's management, the Office of State Courts Administrator, and Saline County and was not subjected to the procedures applied in our audit of the court.



For the areas audited, we identified (1) deficiencies in internal controls, and (2) no significant noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the Fifteenth Judicial Circuit, Saline County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Lori Melton, M. Acct., CPA
In-Charge Auditor:	Deborah Whitis, MBA, CPA, CIA
Audit Staff:	Nicole Meltabarger, M.Acct., CPA

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# Fifteenth Judicial Circuit

## Saline County

### Management Advisory Report - State Auditor's Findings

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#### **1. Accounting Controls and Procedures**

Significant weaknesses were identified with accounting controls and procedures.

According to court records, receipts collected during the year ended December 31, 2012, totaled approximately \$1.4 million. Fines and court costs are collected; recorded in the Justice Information System (JIS), the Missouri Courts automated case management system; and deposited into the Circuit Clerk's general bank account by personnel of the Consolidated Circuit Court offices. Cash bonds are collected and receipted by the Saline County Sheriff's office, then transmitted by check to the Circuit Clerk's office for deposit.

##### **1.1 Segregation of duties and supervisory review**

The Circuit Clerk has not adequately segregated accounting duties or limited user access rights in the JIS and supervision is not adequate to identify errors. All nine clerks have the ability to assess fees, receipt monies, enter voids, and adjust costs in the JIS. In addition, two of these clerks have the ability to prepare deposits and issue disbursements. For example, the clerk primarily responsible for preparing deposits and reviewing daily cashier sessions has the ability to assess or adjust costs, receipt monies, void transactions, and issue disbursements. The Circuit Clerk does not review daily cashier sessions to ensure all monies are properly recorded and deposited.

To reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible and limiting user access rights within the JIS. If proper segregation of duties is not possible, a documented independent review of work performed by the clerks is necessary.

##### **1.2 Non-monetary transactions**

The Circuit Clerk or Supervisors do not review non-monetary transactions, voids, and adjustments in the JIS and non-monetary transactions, voids, and adjustments are not always properly documented. Non-monetary transactions, including judicial orders, garnishments, and application of bonds, are transactions where no monies are received; however, a credit is applied or the amount due is changed. All clerks are allowed to enter non-monetary transactions, void receipt transactions, and adjust costs in the JIS. Non-monetary transactions, voids, and adjustments should be supported by documentation or a judicial order. Documentation was not prepared or retained for some of these transactions that occurred during our audit period. For example, we identified fines and court costs for two cases totaling \$685 that were adjusted to zero for time served. Although the Judge confirmed he had authorized these adjustments, there was no documentation in the case files to support these adjustments.



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Saline County  
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An independent review of non-monetary transactions recorded in the JIS is necessary to ensure such transactions are appropriate and to reduce the risk of loss, theft, or misuse of funds going undetected.

### 1.3 Receipting, recording, and depositing procedures

Receipting and depositing procedures need improvement. In addition, control weaknesses exist related to the recording and handling of monies received in the mail.

- The numerical sequence of receipt numbers assigned by the JIS is not accounted for properly, and the composition of receipts is not always reconciled to the composition of deposits, resulting in some discrepancies. We noted one receipt totaling \$142 was entered in the JIS as a check on December 10, 2012, but was actually received and deposited as cash. In addition, a \$31 receipt was entered in the JIS as cash on January 12, 2012, but was actually received and deposited as a money order. There were no notes on the cashier sessions or deposit documentation to indicate these errors were detected and investigated.
- Monies received in the mail are not recorded on a mail log and checks are not restrictively endorsed immediately upon receipt. An employee initially opens and delivers the mail to various clerks; however, that individual does not record the payments or restrictively endorse the checks. Instead, the various clerks that receive the checks, record and process the monies received.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, it is necessary to account for the numerical sequence of receipt slips, reconcile the composition of receipts to the composition of deposits, maintain an initial record of monies received in the mail, and ensure checks are restrictively endorsed immediately upon receipt.

### 1.4 Manual receipt slips

The Associate Circuit Division does not have adequate controls over manual receipt slips. The Associate Circuit Division issued 624 manual receipt slips during the year ended December 31, 2012.

- There is no independent review to ensure transactions related to manual receipt slips are properly recorded in the JIS and subsequently deposited. The Circuit Clerk indicated the Associate Circuit Division regularly issues manual receipt slips in an effort to expedite defendants through the payment line after court.
- The Associate Circuit Division did not record the method of payment on 54 manual receipt slips totaling \$9,967.
- The Associate Circuit Division does not retain voided receipt slips. As a result, there is less assurance all monies received have been accounted



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Saline County  
Management Advisory Report - State Auditor's Findings

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for properly. Our review identified four voided manual receipt slips in which the original copies were torn from the receipt slip books and not retained.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, procedures to account for all monies received are necessary. These procedures include limiting the use of manual receipt slips; however, when their use is necessary, procedures should be implemented to reconcile the receipt slips to the JIS, and ensure the method of payment is recorded and voided receipt slips are retained.

### 1.5 Accrued costs

The Circuit Clerk does not review accrued case costs owed to the court (court costs, incarceration costs, court-ordered restitution, guardian ad litem fees, and fines), which totaled approximately \$2 million, as of December 31, 2012.

We noted two cases in which costs were not accurately reflected on the JIS list of accrued costs. The JIS list included an outstanding guardian ad litem fee of \$8,000 for one case; however, the case was transferred to Lafayette County in a change of venue and disposed in May 2006. Saline County is no longer responsible for collecting these fees and the amount should not be listed as outstanding. In another case, we identified costs of \$11,889 that were incorrectly coded as Criminal Costs-State Reimbursement in April 2009 and should have been coded as Board Bill-Due to State.

A complete and accurate list of accrued costs would allow the Circuit Clerk to easily review amounts due the court and take appropriate steps to ensure amounts owed are collected.

### 1.6 Case disposition

The clerks do not consistently or accurately document the final disposition of each case on the court dockets in the JIS, and the report of open cases is not periodically reviewed.

The standard procedure of the Associate Judge is to suspend case activity in the JIS for some minor traffic violations, such as seatbelt violations and failure to display plates on vehicles. Rather than issuing warrants, when the defendants subsequently receive other tickets clerks are to check the JIS for open cases and take action to resolve the suspended cases. When case activity is suspended, the case no longer appears on the docket.

The inventory of open cases report generated from the JIS shows 324 traffic cases filed prior to January 1, 2012, were still open as of December 31, 2012. Our review of 25 open traffic cases identified six cases (24 percent) which should have been disposed because judgment was made and the related costs were satisfied. In addition, 7 of the 25 cases (28 percent) were improperly suspended in the JIS because these cases do not meet the Judge's criteria for case suspension. These errors occurred because the clerks failed



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to record all activity on the docket sheets or schedule subsequent court dates and went undetected because there was no review of the open cases report.

Without procedures to ensure the proper disposition and activity of all cases have been recorded in the JIS, the court cannot be assured all cases are properly handled.

## Recommendations

The Circuit Clerk:

- 1.1 Segregate accounting duties to the extent possible, limit user access rights within the JIS to only those necessary for the user to perform job duties, and implement appropriate reviews and monitoring procedures.
- 1.2 Implement procedures requiring non-monetary transactions, voids, and adjustments be documented and reviewed and approved by a supervisor.
- 1.3 Improve receipting and deposit procedures to account for the numerical sequence of receipt slips and reconcile the composition of receipt slips to the composition of deposits. In addition, the Circuit Clerk should improve controls over mail receipts and restrictively endorse all checks immediately upon receipt.
- 1.4 Establish procedures to ensure all transactions related to manual receipt slips are recorded in the JIS and subsequently deposited. In addition, all manual receipt slips should indicate the method of payment and all copies of voided receipt slips should be retained.
- 1.5 Maintain and review a complete and accurate list of accrued costs.
- 1.6 Ensure the disposition of cases is properly recorded in the JIS and the report of open cases is periodically reviewed.

## Auditee's Response

*The Circuit Clerk provided the following written responses:*

- 1.1 *The Circuit Clerk has implemented procedures where only the Circuit Clerk or supervisor voids receipts entered in error and has made inquiries with the Office of State Courts Administrator (OSCA) concerning the possibility of blocking the capability of voiding receipts by other clerks. The Circuit Clerk or supervisor is reviewing daily cashier sessions for accuracy and unauthorized voids.*
- 1.2 *Documentation on non-monetary transactions and adjustments will be made as docket entries and approved by the Court Judges or*



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*supervisor. As noted in my response to finding 1.1, we have implemented procedures related to void transactions.*

- 1.3 *Clerks have been reminded to enter receipts correctly according to the type of payment received, i.e. cash, check, money order. Cashier sessions are being reviewed and approved daily by the supervisor or Circuit Clerk when making the bank deposit. This review process includes ensuring the numeric sequence of receipt slips and reconciling the cash/check composition of the cashier sessions to the deposit. All monies received in the mail are being recorded on a log and endorsed prior to receipting. Logs are being reviewed and matched to cashier sessions by the supervisor or Clerk when closing sessions and making the daily bank deposit. If a problem is noted, it will be researched and documented.*
- 1.4 *Associate Clerks are now writing manual receipts only during periods JIS is not available. All other receipts are entered through JIS. Clerks have been instructed to note the method of payment on all receipts and to retain all copies of voided receipts. The Circuit Clerk has implemented a weekly procedure of reviewing manual receipts and reconciling them to JIS.*
- 1.5 *A timelier and thorough procedure in reviewing accrued court costs and to assure change of venue fees do not appear as Saline County accrued costs will be implemented.*
- 1.6 *Clerks have been instructed to properly document the final disposition of cases. An open case review will be implemented on a timely basis. Summonses are now being issued on seatbelt violations and failure to display plates.*

## **2. Law Library Fund Controls and Procedures**

Significant weaknesses were identified with accounting controls and procedures of the Circuit Court's Law Library Fund. According to financial records, Law Library receipts collected during the year ended December 31, 2012, were approximately \$18,000.

- 2.1 Segregation of duties and supervisory review Accounting duties related to the Law Library bank account are not adequately segregated, and an independent or supervisory review of the financial activities is not performed. The Probate Clerk performs all of the accounting duties including recording receipts, depositing monies, and writing and signing checks. In addition, bank reconciliations are not prepared.

Internal controls would be improved by segregating duties. If proper segregation of duties is not possible, at a minimum, periodic reviews of the records should be performed by an independent individual and documented.



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## 2.2 Receipting, recording, and depositing procedures

In addition, monthly bank reconciliations should be prepared and periodically reviewed by someone independent of the accounting functions.

The Probate Clerk's procedures for receipting, recording, and depositing monies are not sufficient. As a result, some receipts were not deposited timely and overdraft charges were incurred.

Receipt slips were not issued for monies received, monies were not recorded on receipt ledgers immediately when received, and receipts were not always deposited timely. For example, four receipts totaling \$4,937 from September 4, 2012, to December 5, 2012, were not recorded and deposited until December 12, 2012. Because a \$3,126 check was issued in November prior to the December deposit, a \$24 overdraft fee was incurred.

To reduce the risk of loss, theft, or misuse of funds, procedures should be established to ensure all monies received are properly receipted, promptly recorded, and deposited intact and timely. In addition, maintaining an accurate cash balance would aid in monitoring the account and eliminate the occurrence of bank overdraft fees.

## Recommendations

The Court En Banc and the Probate Clerk:

- 2.1 Ensure accounting duties are adequately segregated or independent reviews are performed periodically. In addition, bank reconciliations should be prepared monthly and periodically reviewed.
- 2.2 Ensure official prenumbered receipt slips are issued immediately for all receipts, receipts are promptly recorded, and monies received are deposited intact and in a timely manner. In addition, an accurate cash balance should be maintained to aid in eliminating unnecessary bank charges.

## Auditee's Response

*The Associate Judge and Probate Clerk provided the following written response:*

*We agree with the recommendations and have implemented them in our Law Library Fund Controls and Procedures.*

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# Fifteenth Judicial Circuit

## Saline County

### Organization and Statistical Information

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The Fifteenth Judicial Circuit consists of Saline County as well as Lafayette County.

The Fifteenth Judicial Circuit consists of one circuit judge and four associate circuit judges. The circuit judge hears cases in Saline and Lafayette Counties. Of the four associate circuit judges, two are located in Saline County and preside over Associate Circuit Division V and VI. The other two associate circuit judges are located in Lafayette County. Circuit personnel located in Lafayette County are not included in the scope of this audit.

#### Personnel

At December 31, 2012, the judges, Circuit Clerk, and Juvenile Officer of the Fifteenth Judicial Circuit, Saline County, were as follows:

Title	Name
Circuit Judge, Division IV	Dennis A. Rolf
Associate Circuit Judge, Division V	Hugh C. Harvey
Associate Circuit Judge, Division VI	James T. Bellamy
Circuit Clerk	Sharon D. Crawford
Juvenile Officer	Amy Meyers

#### Financial Information

Receipts of the Fifteenth Judicial Circuit, Saline County, were as follows:

	Year Ended December 31, 2012
Court deposits, fee, bonds, and other	\$1,366,286
Drug Court	5,185
Interest Income	391
Total	\$1,371,862

#### Caseload Information

From the Office of State Courts Administrator Missouri Judicial Reports, case filings of the Fifteenth Judicial Circuit, Saline County, were as follows:

	Year Ended June 30, 2012
Civil	1,050
Criminal	2,445
Juvenile	155
Probate	62
Total	3,712





**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Texas County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Texas County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich", is positioned above the printed name.

Thomas A. Schweich  
State Auditor

September 2013  
Report No. 2013-094

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORTS  
AND SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2012 AND 2011

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
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## **FINANCIAL SECTION**



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

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INDEPENDENT AUDITOR'S REPORT

To the County Commission  
The County of Texas, Missouri

***Report on the Financial Statements***

We have audited the accompanying financial statements of the County of Texas, Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2012 and 2011, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note I of the financial statements, the financial statements are prepared on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2012 and 2011, or changes in financial position or cash flows thereof for the years then ended.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2012 and 2011, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Texas’ basic financial statements. The schedule of expenditures of federal awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 5, 2013 on our consideration of the County of Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Texas' internal control over financial reporting and compliance.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

July 5, 2013

## **FINANCIAL STATEMENTS**



THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

FUND	CASH JANUARY 1, 2012	RECEIPTS 2012	DISBURSEMENTS 2012	CASH DECEMBER 31, 2012
General Revenue Fund	\$ 306,588.95	\$ 3,057,492.54	\$ 3,227,726.61	\$ 136,354.88
Special Road & Bridge Fund	89,445.25	925,637.11	923,172.74	91,909.62
Assessment Fund	35,047.34	212,916.30	204,255.04	43,708.60
Election Services Fund	3,961.60	9,803.15	1,440.00	12,324.75
Law Enforcement Training Fund	8,443.74	6,599.15	3,678.03	11,364.86
Prosecutor's Training Fund	149.27	1,150.65	1,093.14	206.78
Emergency Management Fund	-	-	-	-
Law Enforcement Operation Fund	20,300.25	18,786.09	8,713.93	30,372.41
Texas County Museum Fund	3,823.78	82.71	-	3,906.49
Wri-Tex 911 Operations Fund	157,061.17	366,862.27	440,090.64	83,832.80
Wri-Tex 911 Depreciation Fund	14,678.92	145.79	-	14,824.71
Recorder User Fee Fund	28,760.57	13,884.75	18,528.56	24,116.76
Prosecutor's Bad Check Fund	1,132.33	13,400.25	14,530.49	2.09
L.E.P.C. Fund	17,949.31	2,884.12	3,516.72	17,316.71
Defense Deductible Fund	254,791.13	108,702.96	18,387.25	345,106.84
Concealed Firearms Permit Fund	7,334.81	14,498.86	3,768.74	18,064.93
National Forest Fund	93,836.64	273,521.06	258,017.23	109,340.47
Domestic Violence Victim Fund	14,884.82	6,766.64	11,115.00	10,536.46
Museum Endowment Fund	733.53	6.90	44.32	696.11
Bridge Replacement Fund	85,499.02	640,924.59	649,424.87	76,998.74
Law Enforcement Restitution Fund	37,899.19	27,915.53	23,994.62	41,820.10
Prosecutor's Delinquent Tax Fund	2,299.08	8,782.29	10,466.88	614.49
Judicial Court Program Fund	1,421.83	23,991.13	21,741.14	3,671.82
Special Sales Tax Fund	1,504,923.72	945,505.46	1,287,231.21	1,163,197.97
Capital Improvement Bond Fund	92,690.38	1,069,998.47	1,081,824.15	80,864.70
Emergency Management Conference Fund	1,179.79	91.63	-	1,271.42
Capital Improvement Project Fund	36,732.60	-	1,827.00	34,905.60
Inmate Security Fund	21,905.03	4,544.17	-	26,449.20
Deputy Sheriff Salary Fund	-	10,010.00	10,010.00	-
Special Election Fund	-	166,480.37	166,480.37	-
Transfer Fund	52,253.41	273,150.49	179,883.79	145,520.11
Collector's Tax Maintenance Fund	10,965.22	15,003.61	17,238.14	8,730.69
Garner Covert Memorial Fund	3,123.06	343.86	820.00	2,646.92
SB 40 Fund	97,291.57	186,408.85	172,621.56	111,078.86
F.B.O.M. Certificate of Payment Fund	0.62	1,081,825.04	1,081,825.00	0.66
F.B.O.M. Reserve Fund	1,499,500.00	14,705.79	14,705.79	1,499,500.00
F.B.O.M. Project Fund	73,592.82	14,713.42	-	88,306.24
TOTAL	\$ 4,580,200.75	\$ 9,517,536.00	\$ 9,858,172.96	\$ 4,239,563.79

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011

FUND	CASH JANUARY 1, 2011	RECEIPTS 2011	DISBURSEMENTS 2011	CASH DECEMBER 31, 2011
General Revenue Fund	\$ 305,241.36	\$ 3,085,432.54	\$ 3,084,084.95	\$ 306,588.95
Special Road & Bridge Fund	90,681.74	905,515.24	906,751.73	89,445.25
Assessment Fund	23,548.01	233,616.10	222,116.77	35,047.34
Election Services Fund	149.80	4,534.88	723.08	3,961.60
Law Enforcement Training Fund	6,208.22	7,625.30	5,389.78	8,443.74
Prosecutor's Training Fund	460.47	1,279.30	1,590.50	149.27
Emergency Management Fund	77.67	-	77.67	-
Law Enforcement Operation Fund	61,726.86	23,437.69	64,864.30	20,300.25
Texas County Museum Fund	11,432.44	168.29	7,776.95	3,823.78
Wri-Tex 911 Operations Fund	198,738.17	369,192.63	410,869.63	157,061.17
Wri-Tex 911 Depreciation Fund	22,795.06	12,988.86	21,105.00	14,678.92
Recorder User Fee Fund	41,893.95	13,694.86	26,828.24	28,760.57
Prosecutor's Bad Check Fund	6,017.44	16,892.61	21,777.72	1,132.33
L.E.P.C. Fund	15,356.72	3,029.89	437.30	17,949.31
Defense Deductible Fund	3,432.26	252,055.51	696.64	254,791.13
Concealed Firearms Permit Fund	16,998.00	8,946.56	18,609.75	7,334.81
National Forest Fund	-	357,720.94	263,884.30	93,836.64
Domestic Violence Victim Fund	11,547.38	20,485.86	17,148.42	14,884.82
Museum Endowment Fund	720.04	13.49	-	733.53
Bridge Replacement Fund	64,264.53	26,564.70	5,330.21	85,499.02
Law Enforcement Restitution Fund	29,205.58	26,007.82	17,314.21	37,899.19
Prosecutor's Delinquent Tax Fund	1,282.82	1,016.26	-	2,299.08
Judicial Court Program Fund	-	1,421.83	-	1,421.83
Special Sales Tax Fund	1,976,047.42	978,025.94	1,449,149.64	1,504,923.72
Capital Improvement Bond Fund	91,528.07	1,051,984.59	1,050,822.28	92,690.38
Emergency Management Conference Fund	1,158.10	21.69	-	1,179.79
Capital Improvement Project Fund	-	57,265.72	20,533.12	36,732.60
Inmate Security Fund	16,541.75	5,363.28	-	21,905.03
Deputy Sheriff Salary Fund	-	8,335.00	8,335.00	-
Special Election Fund	-	99,451.88	99,451.88	-
Transfer Fund	128,241.16	282,900.35	358,888.10	52,253.41
Collector's Tax Maintenance Fund	19,770.11	20,904.11	29,709.00	10,965.22
Garner Covert Memorial Fund	3,022.92	900.14	800.00	3,123.06
SB 40 Fund	114,300.62	178,262.14	195,271.19	97,291.57
F.B.O.M. Certificate of Payment Fund	1.46	1,050,824.16	1,050,825.00	0.62
F.B.O.M. Reserve Fund	1,499,500.00	37,132.32	37,132.32	1,499,500.00
F.B.O.M. Project Fund	55,664.93	37,137.76	19,209.87	73,592.82
TOTAL	\$ 4,817,555.06	\$ 9,180,150.24	\$ 9,417,504.55	\$ 4,580,200.75

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	GENERAL REVENUE FUND			
	2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 4,500.00	\$ 4,611.55	\$ 4,700.00	\$ 4,574.79
Sales Taxes	938,000.00	931,620.32	925,000.00	944,713.03
Intergovernmental	522,894.50	467,703.63	416,060.00	539,949.01
Charges for Services	423,500.00	419,593.48	434,000.00	422,174.21
Interest	5,000.00	4,351.56	14,000.00	11,431.79
Other	80,000.00	110,895.85	91,207.00	119,071.26
Transfers In	1,048,000.00	1,118,716.15	1,165,000.00	1,043,518.45
TOTAL RECEIPTS	3,021,894.50	3,057,492.54	3,049,967.00	3,085,432.54
DISBURSEMENTS				
County Commission	100,100.00	91,962.13	89,670.00	86,294.13
County Clerk	152,824.28	147,621.15	148,776.80	139,466.04
Elections	128,752.00	97,417.23	36,700.00	18,466.99
Buildings and Grounds	59,250.00	52,172.61	88,000.00	52,944.02
Employee Fringe Benefits	578,900.00	623,817.59	633,640.00	546,815.56
County Treasurer	111,597.00	102,870.96	105,879.00	111,605.29
Collector	-	-	-	-
Recorder of Deeds	64,771.20	61,763.38	68,040.00	66,321.69
Circuit Clerk	15,150.00	14,858.10	13,500.00	12,957.77
Court Administration	357,519.80	308,208.28	388,524.00	355,340.76
Public Administrator	43,550.00	42,793.98	43,550.00	43,549.18
Sheriff	309,791.00	305,708.94	280,370.00	298,713.61
Jail	784,514.32	772,781.08	779,836.00	769,597.78
Prosecuting Attorney	205,658.40	220,997.44	217,426.00	216,297.34
Juvenile Officer	75,000.00	72,000.00	77,440.00	74,439.96
Coroner	23,460.00	20,001.16	23,700.00	21,213.49
Other	183,600.00	288,247.81	194,750.00	230,061.34
Health and Welfare	9,275.00	4,504.77	-	-
Transfers Out	15,000.00	-	55,000.00	40,000.00
Emergency Fund	91,000.00	-	80,000.00	-
TOTAL DISBURSEMENTS	3,309,713.00	3,227,726.61	3,324,801.80	3,084,084.95
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(287,818.50)	(170,234.07)	(274,834.80)	1,347.59
CASH BALANCES, JANUARY 1	306,588.95	306,588.95	305,241.36	305,241.36
CASH BALANCES, DECEMBER 31	\$ 18,770.45	\$ 136,354.88	\$ 30,406.56	\$ 306,588.95

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	SPECIAL ROAD & BRIDGE FUND			
	2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	903,757.86	921,125.68	896,993.74	904,605.44
Charges for Services	-	-	-	-
Interest	300.00	4,511.43	1,000.00	909.80
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	904,057.86	925,637.11	897,993.74	905,515.24
DISBURSEMENTS				
Salaries	14,280.00	15,282.02	14,500.00	13,978.46
Employee Fringe Benefits	2,100.00	1,194.71	2,050.00	659.81
Supplies	7,350.00	-	7,350.00	-
Insurance	2,000.00	2,000.00	2,000.00	-
Road & Bridge Materials	11,000.00	3,795.71	11,000.00	4,775.43
Equipment Repairs	-	-	-	-
Equipment Purchases	-	-	-	-
R&B Construction	821,999.00	852,137.51	897,000.00	842,002.72
Other Expenditures	-	2,772.00	-	-
Debt Service	-	-	-	-
Transfers Out	47,772.00	45,990.79	47,359.65	45,335.31
TOTAL DISBURSEMENTS	906,501.00	923,172.74	981,259.65	906,751.73
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(2,443.14)	2,464.37	(83,265.91)	(1,236.49)
CASH BALANCES, JANUARY 1	89,445.25	89,445.25	90,681.74	90,681.74
CASH BALANCES, DECEMBER 31	\$ 87,002.11	\$ 91,909.62	\$ 7,415.83	\$ 89,445.25

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	ASSESSMENT FUND				ELECTION SERVICES FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 177,300.00	\$ 190,703.08	\$202,706.00	\$223,437.27	\$ -	\$ 1,440.00	\$ 12,000.00	\$ 800.00
Charges for Services	5,300.00	10,931.68	2,484.00	8,250.55	4,500.00	7,549.73	2,800.00	3,701.42
Interest	100.00	781.54	2,000.00	1,928.28	50.00	78.42	200.00	33.46
Other	7,450.00	10,500.00	6,800.00	-	-	735.00	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	190,150.00	212,916.30	213,990.00	233,616.10	4,550.00	9,803.15	15,000.00	4,534.88
DISBURSEMENTS								
Assesor	218,161.00	204,255.04	233,281.00	222,116.77	-	-	-	-
Miscellaneous Expense	-	-	-	-	8,500.00	-	15,000.00	723.08
Voting Equipment	-	-	-	-	-	1,440.00	-	-
TOTAL DISBURSEMENTS	218,161.00	204,255.04	233,281.00	222,116.77	8,500.00	1,440.00	15,000.00	723.08
RECEIPTS OVER (UNDER) DISBURSEMENTS	(28,011.00)	8,661.26	(19,291.00)	11,499.33	(3,950.00)	8,363.15	-	3,811.80
CASH BALANCES, JANUARY 1	35,047.34	35,047.34	23,548.01	23,548.01	3,555.23	3,961.60	149.80	149.80
CASH BALANCES, DECEMBER 31	<u>\$ 7,036.34</u>	<u>\$ 43,708.60</u>	<u>\$ 4,257.01</u>	<u>\$ 35,047.34</u>	<u>\$ (394.77)</u>	<u>\$ 12,324.75</u>	<u>\$ 149.80</u>	<u>\$ 3,961.60</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	LAW ENFORCEMENT TRAINING FUND				PROSECUTOR'S TRAINING FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 2,500.00	\$ -	\$ 2,700.00	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	5,500.00	4,309.63	6,000.00	5,032.50	1,365.00	1,090.38	1,400.00	1,269.10
Interest	50.00	96.42	200.00	130.65	10.00	-	-	-
Other	-	2,193.10	-	2,462.15	-	60.27	20.00	10.20
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	8,050.00	6,599.15	8,900.00	7,625.30	1,375.00	1,150.65	1,420.00	1,279.30
DISBURSEMENTS								
Training	15,900.00	3,678.03	13,900.00	5,389.78	1,520.00	1,093.14	1,880.00	1,590.50
TOTAL DISBURSEMENTS	15,900.00	3,678.03	13,900.00	5,389.78	1,520.00	1,093.14	1,880.00	1,590.50
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,850.00)	2,921.12	(5,000.00)	2,235.52	(145.00)	57.51	(460.00)	(311.20)
CASH BALANCES, JANUARY 1	8,443.74	8,443.74	6,208.22	6,208.22	149.27	149.27	460.47	460.47
CASH BALANCES, DECEMBER 31	\$ 593.74	\$ 11,364.86	\$ 1,208.22	\$ 8,443.74	\$ 4.27	\$ 206.78	\$ 0.47	\$ 149.27

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	EMERGENCY MANAGEMENT FUND				LAW ENFORCEMENT OPERATION FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	19,650.00	18,220.00	16,500.00	22,039.00
Interest	-	-	-	-	500.00	281.09	2,000.00	1,023.69
Other	-	-	-	-	250.00	285.00	100.00	375.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	-	-	20,400.00	18,786.09	18,600.00	23,437.69
DISBURSEMENTS								
Emergency Management Expenses	-	-	-	-	-	-	-	-
Federal Forfeitures	-	-	-	-	4,815.00	-	6,061.00	1,290.00
Fundraiser	-	-	-	-	3,750.00	54.00	11,900.00	8,384.81
Special Civil Sheriff Fee Expense	-	-	-	-	32,000.00	8,659.93	62,365.86	55,189.49
Transfers Out	-	-	-	77.67	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	77.67	40,565.00	8,713.93	80,326.86	64,864.30
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	-	-	(77.67)	(20,165.00)	10,072.16	(61,726.86)	(41,426.61)
CASH BALANCES, JANUARY 1	-	-	77.67	77.67	20,300.25	20,300.25	61,726.86	61,726.86
CASH BALANCES, DECEMBER 31	\$ -	\$ -	\$ 77.67	\$ -	\$ 135.25	\$ 30,372.41	\$ -	\$ 20,300.25

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
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YEARS ENDED DECEMBER 31, 2012 AND 2011

	TEXAS COUNTY MUSEUM FUND				WRI - TEX 911 OPERATIONS FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 351,000.00	\$ 360,392.99	\$ 364,000.00	\$ 360,506.82
Charges for Services	-	-	-	-	-	-	-	-
Interest	50.00	38.39	500.00	168.29	500.00	1,317.10	9,000.00	3,747.63
Other	144.32	44.32	130.83	-	250.00	5,152.18	200.00	4,938.18
TOTAL RECEIPTS	194.32	82.71	630.83	168.29	351,750.00	366,862.27	373,200.00	369,192.63
DISBURSEMENTS								
Salaries	-	-	-	-	235,230.00	200,968.50	240,116.00	195,432.67
Fringe Benefits	-	-	-	-	104,100.00	93,203.23	98,000.00	85,508.65
Mileage & Training	-	-	-	-	5,000.00	3,208.39	5,000.00	4,209.48
Office Expense	-	-	-	-	15,900.00	12,319.14	15,750.00	12,603.79
Administrative Fee	-	-	-	-	20,000.00	21,912.35	20,000.00	20,350.39
Operations Expense	-	-	-	-	6,500.00	14,660.41	6,500.00	2,388.38
Legal	-	-	-	-	1,000.00	-	15,000.00	-
Depreciation	-	-	-	-	-	-	-	-
Phone	-	-	-	-	75,000.00	71,906.27	75,000.00	70,025.88
Museum Operations	4,000.00	-	11,965.88	7,776.95	-	-	-	-
Transfers Out	-	-	-	-	-	21,912.35	-	20,350.39
Emergency Fund	-	-	-	-	3,550.00	-	-	-
TOTAL DISBURSEMENTS	4,000.00	-	11,965.88	7,776.95	466,280.00	440,090.64	475,366.00	410,869.63
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,805.68)	82.71	(11,335.05)	(7,608.66)	(114,530.00)	(73,228.37)	(102,166.00)	(41,677.00)
CASH BALANCES, JANUARY 1	3,823.78	3,823.78	11,432.44	11,432.44	157,061.17	157,061.17	198,738.17	198,738.17
CASH BALANCES, DECEMBER 31	\$ 18.10	\$ 3,906.49	\$ 97.39	\$ 3,823.78	\$ 42,531.17	\$ 83,832.80	\$ 96,572.17	\$ 157,061.17

The accompanying notes to the financial statements are an integral part of this statement.



THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	WRI - TEX 911 DEPRECIATION FUND				RECORDER USER FEE FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	12,678.75	13,612.00	14,000.00	12,964.00
Interest	100.00	145.79	1,000.00	417.61	250.00	272.75	500.00	730.86
Other	-	-	-	12,571.25	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	100.00	145.79	1,000.00	12,988.86	12,928.75	13,884.75	14,500.00	13,694.86
DISBURSEMENTS								
Expenses	14,764.00	-	23,700.00	21,105.00	-	-	-	-
Recorder's Expense	-	-	-	-	24,116.76	18,528.56	56,393.95	26,828.24
TOTAL DISBURSEMENTS	14,764.00	-	23,700.00	21,105.00	24,116.76	18,528.56	56,393.95	26,828.24
RECEIPTS OVER (UNDER) DISBURSEMENTS	(14,664.00)	145.79	(22,700.00)	(8,116.14)	(11,188.01)	(4,643.81)	(41,893.95)	(13,133.38)
CASH BALANCES, JANUARY 1	14,678.92	14,678.92	22,795.06	22,795.06	28,760.57	28,760.57	41,893.95	41,893.95
CASH BALANCES, DECEMBER 31	<u>\$ 14.92</u>	<u>\$ 14,824.71</u>	<u>\$ 95.06</u>	<u>\$ 14,678.92</u>	<u>\$ 17,572.56</u>	<u>\$ 24,116.76</u>	<u>\$ -</u>	<u>\$ 28,760.57</u>

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THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
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	PROSECUTOR'S BAD CHECK FUND				L.E.P.C. FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	20,000.00	13,245.24	15,500.00	16,509.83	2,700.00	2,710.36	2,800.00	2,733.74
Interest	394.69	155.01	100.00	382.78	100.00	173.76	600.00	296.15
TOTAL RECEIPTS	20,394.69	13,400.25	15,600.00	16,892.61	2,800.00	2,884.12	3,400.00	3,029.89
DISBURSEMENTS								
PA Bad Check Expenditure	21,527.02	14,530.49	21,207.00	21,777.72	-	-	-	-
LEPC Expenses	-	-	-	-	20,715.61	3,516.72	18,756.72	437.30
TOTAL DISBURSEMENTS	21,527.02	14,530.49	21,207.00	21,777.72	20,715.61	3,516.72	18,756.72	437.30
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,132.33)	(1,130.24)	(5,607.00)	(4,885.11)	(17,915.61)	(632.60)	(15,356.72)	2,592.59
CASH BALANCES, JANUARY 1	1,132.33	1,132.33	6,017.44	6,017.44	17,949.31	17,949.31	15,356.72	15,356.72
CASH BALANCES, DECEMBER 31	\$ -	\$ 2.09	\$ 410.44	\$ 1,132.33	\$ 33.70	\$ 17,316.71	\$ -	\$ 17,949.31

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THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
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BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
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	DEFENSE DEDUCTIBLE FUND				CONCEALED FIREARMS PERMIT FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	50.00	2,702.96	100.00	55.51	100.00	133.86	500.00	296.56
Other	-	-	-	-	8,500.00	14,365.00	8,500.00	8,650.00
Transfers In	106,000.00	106,000.00	252,000.00	252,000.00	-	-	-	-
TOTAL RECEIPTS	106,050.00	108,702.96	252,100.00	252,055.51	8,600.00	14,498.86	9,000.00	8,946.56
DISBURSEMENTS								
Expenses	360,736.00	18,387.25	255,432.26	696.64	-	-	-	-
Miscellaneous Expense	-	-	-	-	15,500.00	3,768.74	25,500.00	18,609.75
Fringe Benefits	-	-	-	-	-	-	-	-
Equip/Auto Expense	-	-	-	-	-	-	-	-
Other - Sheriff	-	-	-	-	-	-	-	-
Other - Jail	-	-	-	-	-	-	-	-
Debt Service / Equip	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	360,736.00	18,387.25	255,432.26	696.64	15,500.00	3,768.74	25,500.00	18,609.75
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(254,686.00)	90,315.71	(3,332.26)	251,358.87	(6,900.00)	10,730.12	(16,500.00)	(9,663.19)
CASH BALANCES, JANUARY 1	254,791.13	254,791.13	3,432.26	3,432.26	7,334.81	7,334.81	16,998.00	16,998.00
CASH BALANCES, DECEMBER 31	<u>\$ 105.13</u>	<u>\$ 345,106.84</u>	<u>\$ 100.00</u>	<u>\$ 254,791.13</u>	<u>\$ 434.81</u>	<u>\$ 18,064.93</u>	<u>\$ 498.00</u>	<u>\$ 7,334.81</u>

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THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
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	NATIONAL FOREST FUND				DOMESTIC VIOLENCE VICTIM FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	290,000.00	272,393.92	-	288,569.12	10,000.00	-	20,000.00	13,143.42
Charges for Services	-	-	-	-	7,000.00	6,639.00	9,000.00	7,100.50
Interest	725.00	1,127.14	-	1,584.38	100.00	127.64	500.00	241.94
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	67,567.44	-	-	-	-
TOTAL RECEIPTS	290,725.00	273,521.06	-	357,720.94	17,100.00	6,766.64	29,500.00	20,485.86
DISBURSEMENTS								
Jury Expense	-	-	-	-	-	-	-	-
Other	384,561.64	258,017.23	-	263,884.30	31,900.00	11,115.00	40,000.00	17,148.42
TOTAL DISBURSEMENTS	384,561.64	258,017.23	-	263,884.30	31,900.00	11,115.00	40,000.00	17,148.42
RECEIPTS OVER (UNDER) DISBURSEMENTS	(93,836.64)	15,503.83	-	93,836.64	(14,800.00)	(4,348.36)	(10,500.00)	3,337.44
CASH BALANCES, JANUARY 1	93,836.64	93,836.64	-	-	14,884.82	14,884.82	11,547.38	11,547.38
CASH BALANCES, DECEMBER 31	\$ -	\$ 109,340.47	\$ -	\$ 93,836.64	\$ 84.82	\$ 10,536.46	\$ 1,047.38	\$ 14,884.82

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THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
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	MUSEUM ENDOWMENT FUND				BRIDGE REPLACEMENT FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 610,647.00	\$640,155.98	\$ 539,737.16	\$ 17,573.70
Charges for Services	-	-	-	-	-	-	-	-
Interest	10.00	6.90	30.00	13.49	100.00	768.61	1,000.00	1,551.29
Other	-	-	-	-	-	-	7,439.00	7,439.71
Transfers In	-	-	-	-	3,269.80	-	2,359.65	-
TOTAL RECEIPTS	10.00	6.90	30.00	13.49	614,016.80	640,924.59	550,535.81	26,564.70
DISBURSEMENTS								
Expenses	-	-	-	-	633,408.00	649,424.87	548,703.31	5,330.21
Museum Endowment	44.32	44.32	44.32	-	-	-	-	-
TOTAL DISBURSEMENTS	44.32	44.32	44.32	-	633,408.00	649,424.87	548,703.31	5,330.21
RECEIPTS OVER (UNDER) DISBURSEMENTS	(34.32)	(37.42)	(14.32)	13.49	(19,391.20)	(8,500.28)	1,832.50	21,234.49
CASH BALANCES, JANUARY 1	733.53	733.53	720.04	720.04	85,499.02	85,499.02	64,264.53	64,264.53
CASH BALANCES, DECEMBER 31	<u>\$ 699.21</u>	<u>\$ 696.11</u>	<u>\$ 705.72</u>	<u>\$ 733.53</u>	<u>\$ 66,107.82</u>	<u>\$ 76,998.74</u>	<u>\$ 66,097.03</u>	<u>\$ 85,499.02</u>

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THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
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	LAW ENFORCEMENT RESTITUTION FUND				PROSECUTOR'S DELINQUENT TAX FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	30,000.00	26,887.38	30,000.00	25,422.50	-	8,741.36	500.00	987.95
Interest	500.00	403.15	1,000.00	585.32	30.00	40.93	50.00	28.31
Other	-	625.00	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	30,500.00	27,915.53	31,000.00	26,007.82	30.00	8,782.29	550.00	1,016.26
DISBURSEMENTS								
Law Enforcement Restitution	37,900.00	18,206.02	29,205.58	11,472.01	-	-	-	-
Prosecuting Attorney Expense	-	-	-	-	2,300.00	10,466.88	1,282.82	-
Transfers Out	-	5,788.60	-	5,842.20	-	-	-	-
TOTAL DISBURSEMENTS	37,900.00	23,994.62	29,205.58	17,314.21	2,300.00	10,466.88	1,282.82	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,400.00)	3,920.91	1,794.42	8,693.61	(2,270.00)	(1,684.59)	(732.82)	1,016.26
CASH BALANCES, JANUARY 1	37,899.19	37,899.19	29,205.58	29,205.58	2,299.08	2,299.08	1,282.82	1,282.82
CASH BALANCES, DECEMBER 31	\$ 30,499.19	\$ 41,820.10	\$ 31,000.00	\$ 37,899.19	\$ 29.08	\$ 614.49	\$ 550.00	\$ 2,299.08

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THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
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YEARS ENDED DECEMBER 31, 2012 AND 2011

	JUDICIAL COURT PROGRAM FUND				SPECIAL SALES TAX FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ 938,000.00	\$ 931,224.96	\$ 925,000.00	\$ 941,931.32
Intergovernmental	30,000.00	-	-	-	-	-	-	-
Charges for Services	21,000.00	23,958.31	-	1,421.61	-	-	-	-
Interest	100.00	32.82	-	0.22	7,000.00	14,280.50	90,000.00	36,094.62
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	51,100.00	23,991.13	-	1,421.83	945,000.00	945,505.46	1,015,000.00	978,025.94
DISBURSEMENTS								
Judicial Court Program Expense	52,421.00	21,741.14	-	-	-	-	-	-
Special Maintenance Expense	-	-	-	-	1,378,133.00	-	1,587,000.00	161,061.20
Transfers Out	-	-	-	-	-	1,287,231.21	-	1,288,088.44
TOTAL DISBURSEMENTS	52,421.00	21,741.14	-	-	1,378,133.00	1,287,231.21	1,587,000.00	1,449,149.64
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,321.00)	2,249.99	-	1,421.83	(433,133.00)	(341,725.75)	(572,000.00)	(471,123.70)
CASH BALANCES, JANUARY 1	1,421.83	1,421.83	-	-	1,504,923.72	1,504,923.72	1,976,047.42	1,976,047.42
CASH BALANCES, DECEMBER 31	<u>\$ 100.83</u>	<u>\$ 3,671.82</u>	<u>\$ -</u>	<u>\$ 1,421.83</u>	<u>\$ 1,071,790.72</u>	<u>\$ 1,163,197.97</u>	<u>\$ 1,404,047.42</u>	<u>\$ 1,504,923.72</u>

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THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
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BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	CAPITAL IMPROVEMENT BOND FUND				EMERGENCY MANAGEMENT CONFERENCE FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ 938,000.00	\$ 931,219.06	\$ 925,000.00	\$ 941,925.40	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	1,000.00	2,572.61	10,000.00	5,961.30	10.00	12.43	50.00	21.69
Other	-	-	-	-	-	79.20	-	-
Transfers In	50,132.62	136,206.80	25,000.00	104,097.89	-	-	-	-
TOTAL RECEIPTS	989,132.62	1,069,998.47	960,000.00	1,051,984.59	10.00	91.63	50.00	21.69
DISBURSEMENTS								
Conference Expenses	-	-	-	-	1,100.00	-	1,200.00	-
Bond Repayment	1,081,823.00	1,081,824.15	1,050,824.50	1,050,822.28	-	-	-	-
Capital Improvement Expenses	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,081,823.00	1,081,824.15	1,050,824.50	1,050,822.28	1,100.00	-	1,200.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(92,690.38)	(11,825.68)	(90,824.50)	1,162.31	(1,090.00)	91.63	(1,150.00)	21.69
CASH BALANCES, JANUARY 1	92,690.38	92,690.38	91,528.07	91,528.07	1,179.79	1,179.79	1,158.10	1,158.10
CASH BALANCES, DECEMBER 31	\$ -	\$ 80,864.70	\$ 703.57	\$ 92,690.38	\$ 89.79	\$ 1,271.42	\$ 8.10	\$ 1,179.79

The accompanying notes to the financial statements are an integral part of this statement.



THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	CAPITAL IMPROVEMENT PROJECT FUND				INMATE SECURITY FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 86,170.81	\$ -	\$ 84,012.67	\$ 57,265.72	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	5,000.00	4,302.00	6,000.00	5,016.00
Interest	-	-	-	-	100.00	242.17	500.00	347.28
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	86,170.81	-	84,012.67	57,265.72	5,100.00	4,544.17	6,500.00	5,363.28
DISBURSEMENTS								
Expenditures	-	-	-	-	27,000.00	-	23,000.00	-
Capital Improvement	122,903.00	1,827.00	84,012.67	20,533.12	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	122,903.00	1,827.00	84,012.67	20,533.12	27,000.00	-	23,000.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(36,732.19)	(1,827.00)	-	36,732.60	(21,900.00)	4,544.17	(16,500.00)	5,363.28
CASH BALANCES, JANUARY 1	36,732.60	36,732.60	-	-	21,905.03	21,905.03	16,541.75	16,541.75
CASH BALANCES, DECEMBER 31	\$ 0.41	\$ 34,905.60	\$ -	\$ 36,732.60	\$ 5.03	\$ 26,449.20	\$ 41.75	\$ 21,905.03

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	DEPUTY SHERIFF SALARY FUND				SPECIAL ELECTION FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	166,480.37	-	99,451.88
Charges for Services	10,000.00	10,010.00	8,000.00	8,335.00	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	10,000.00	10,010.00	8,000.00	8,335.00	-	166,480.37	-	99,451.88
DISBURSEMENTS								
Distribution to State Fund	10,000.00	10,010.00	8,000.00	8,335.00	-	-	-	-
Special Election Cost	-	-	-	-	-	166,480.37	-	99,451.88
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	10,000.00	10,010.00	8,000.00	8,335.00	-	166,480.37	-	99,451.88
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	-	-	-	-
CASH BALANCES, JANUARY 1	-	-	-	-	-	-	-	-
CASH BALANCES, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	TRANSFER FUND				COLLECTOR'S TAX MAINTENANCE FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	146,090.05	273,150.49	-	282,822.68	-	-	-	-
Charges for Services	-	-	-	-	23,500.00	14,868.97	22,000.00	20,417.03
Interest	-	-	-	-	500.00	134.64	1,200.00	487.08
Other	-	-	-	-	-	-	100.00	-
Transfers In	-	-	-	77.67	-	-	-	-
TOTAL RECEIPTS	146,090.05	273,150.49	-	282,900.35	24,000.00	15,003.61	23,300.00	20,904.11
DISBURSEMENTS								
Distributions	-	179,883.79	128,241.16	291,320.66	-	-	-	-
Collector's Operations	-	-	-	-	34,000.00	17,238.14	43,000.00	29,709.00
Transfers Out	-	-	-	67,567.44	-	-	-	-
TOTAL DISBURSEMENTS	-	179,883.79	128,241.16	358,888.10	34,000.00	17,238.14	43,000.00	29,709.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	146,090.05	93,266.70	(128,241.16)	(75,987.75)	(10,000.00)	(2,234.53)	(19,700.00)	(8,804.89)
CASH BALANCES, JANUARY 1	52,253.41	52,253.41	128,241.16	128,241.16	10,965.22	10,965.22	19,770.11	19,770.11
CASH BALANCES, DECEMBER 31	<u>\$ 198,343.46</u>	<u>\$ 145,520.11</u>	<u>\$ -</u>	<u>\$ 52,253.41</u>	<u>\$ 965.22</u>	<u>\$ 8,730.69</u>	<u>\$ 70.11</u>	<u>\$ 10,965.22</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	GARNER COVERT MEMORIAL FUND				SB40 FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 180,000.00	\$ 185,841.46	\$ 175,000.00	\$ 176,388.63
Sales Taxes	-	-	-	-	-	-	-	-
Interest	50.00	43.86	200.00	100.14	600.00	566.02	500.00	643.07
Other	-	300.00	-	800.00	1,230.44	1.37	-	1,230.44
TOTAL RECEIPTS	50.00	343.86	200.00	900.14	181,830.44	186,408.85	175,500.00	178,262.14
DISBURSEMENTS								
Expenditures	3,150.00	820.00	3,200.00	800.00	-	-	-	-
Opportunity Sheltered Ind.	-	-	-	-	-	-	-	-
General Expense	-	-	-	-	172,850.00	172,621.56	195,500.00	195,271.19
TOTAL DISBURSEMENTS	3,150.00	820.00	3,200.00	800.00	172,850.00	172,621.56	195,500.00	195,271.19
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,100.00)	(476.14)	(3,000.00)	100.14	8,980.44	13,787.29	(20,000.00)	(17,009.05)
CASH BALANCES, JANUARY 1	3,123.06	3,123.06	3,022.92	3,022.92	97,291.57	97,291.57	114,300.62	114,300.62
CASH BALANCES, DECEMBER 31	<u>\$ 23.06</u>	<u>\$ 2,646.92</u>	<u>\$ 22.92</u>	<u>\$ 3,123.06</u>	<u>\$ 106,272.01</u>	<u>\$ 111,078.86</u>	<u>\$ 94,300.62</u>	<u>\$ 97,291.57</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	F.B.O.M. CERTIFICATE OF PAYMENT FUND				F.B.O.M. RESERVE FUND			
	2012		2011		2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ -	\$ 1,081,824.15	\$ 1,050,824.50	\$ 1,050,822.28	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Interest Income	-	0.89	-	1.88	13,800.00	14,705.79	60,000.00	37,132.32
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	1,081,825.04	1,050,824.50	1,050,824.16	13,800.00	14,705.79	60,000.00	37,132.32
DISBURSEMENTS								
Bond Repayment	-	1,081,825.00	1,050,824.50	1,050,825.00	-	-	-	-
Distribution Expense	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	13,800.00	14,705.79	60,000.00	37,132.32
TOTAL DISBURSEMENTS	-	1,081,825.00	1,050,824.50	1,050,825.00	13,800.00	14,705.79	60,000.00	37,132.32
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	0.04	-	(0.84)	-	-	-	-
CASH BALANCES, JANUARY 1	2.41	0.62	1.46	1.46	1,499,500.00	1,499,500.00	1,499,500.00	1,499,500.00
CASH BALANCES, DECEMBER 31	<u>\$ 2.41</u>	<u>\$ 0.66</u>	<u>\$ 1.46</u>	<u>\$ 0.62</u>	<u>\$ 1,499,500.00</u>	<u>\$ 1,499,500.00</u>	<u>\$ 1,499,500.00</u>	<u>\$ 1,499,500.00</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

	F.B.O.M. PROJECT FUND			
	2012		2011	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Interest Income	-	7.63	30,000.68	5.44
Transfers In	-	14,705.79	-	37,132.32
TOTAL RECEIPTS	-	14,713.42	30,000.68	37,137.76
DISBURSEMENTS				
Arbitrage Taxes	-	-	-	-
Distribution Expense	-	-	85,665.61	19,209.87
TOTAL DISBURSEMENTS	-	-	85,665.61	19,209.87
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	14,713.42	(55,664.93)	17,927.89
CASH BALANCES, JANUARY 1	73,592.82	73,592.82	55,664.93	55,664.93
CASH BALANCES, DECEMBER 31	<u>\$ 73,592.82</u>	<u>\$ 88,306.24</u>	<u>\$ -</u>	<u>\$ 73,592.82</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
AGENCY FUNDS - REGULATORY BASIS  
AS OF DECEMBER 31, 2012

	2012					
	<u>Collector Funds</u>	<u>Clerk Funds</u>	<u>Recorder of Deeds Funds</u>	<u>Sheriff Funds</u>	<u>Sheriff Land</u>	<u>Prosecuting Attorney Funds</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 4,520,070.79	\$ -	\$ 13,423.95	\$ 6,127.90	\$ 10.35	\$ 11,756.69
Investments	-	-	-	-	-	-
Total Assets	4,520,070.79	-	13,423.95	6,127.90	10.35	11,756.69
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	4,520,070.79	-	13,423.95	6,127.90	10.35	11,756.69
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,520,070.79</u>	<u>\$ -</u>	<u>\$ 13,423.95</u>	<u>\$ 6,127.90</u>	<u>\$ 10.35</u>	<u>\$ 11,756.69</u>
	<u>Hutcheson Cemetery Funds</u>	<u>Garner Covert Memorial Funds</u>	<u>CERF</u>	<u>Criminal Costs</u>	<u>Unclaimed Fees</u>	<u>Total Fiduciary Funds</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,551,389.68
Investments	7,318.74	12,000.00	-	-	-	19,318.74
Total Assets	7,318.74	12,000.00	-	-	-	4,570,708.42
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	7,318.74	12,000.00	-	-	-	4,570,708.42
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,318.74</u>	<u>\$ 12,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,570,708.42</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
AGENCY FUNDS - REGULATORY BASIS  
AS OF DECEMBER 31, 2011

2011						
	Collector Funds	Clerk Funds	Recorder of Deeds Funds	Sheriff Funds	Sheriff Land	Prosecuting Attorney Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 4,687,213.27	\$ 0.52	\$ 9.00	\$ 6,700.83	\$ 10.33	\$ 11,920.61
Investments	-	-	-	-	-	-
Total Assets	4,687,213.27	0.52	9.00	6,700.83	10.33	11,920.61
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	4,687,213.27	0.52	9.00	6,700.83	10.33	11,920.61
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,687,213.27</u>	<u>\$ 0.52</u>	<u>\$ 9.00</u>	<u>\$ 6,700.83</u>	<u>\$ 10.33</u>	<u>\$ 11,920.61</u>

	Hutcheson Cemetery Funds	Garner Covert Memorial Funds	CERF	Criminal Costs	Unclaimed Fees	Total Fiduciary Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,705,854.56
Investments	7,318.74	12,000.00	-	-	-	19,318.74
Total Assets	7,318.74	12,000.00	-	-	-	4,725,173.30
<b>LIABILITIES AND FUND BALANCES</b>						
TOTAL LIABILITIES - OVERDRAFT	-	-	-	-	-	-
UNRESERVED FUND BALANCES	7,318.74	12,000.00	-	-	-	4,725,173.30
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,318.74</u>	<u>\$ 12,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,725,173.30</u>

The accompanying notes to the financial statements are an integral part of this statement.



THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Texas, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1845 by an Act of the Missouri Territory. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Coroner, Circuit Clerk, Recorder of Deeds, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer/Collector of Revenue.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Texas County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which include a Statement of Receipts, Disbursements and Changes in Cash—All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

**Governmental Fund Types**

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

**Fiduciary Fund Types**

*Agency* – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2012 and 2011, for purposes of taxation was:

	<u>2012</u>	<u>2011</u>
Real Estate	\$ 142,525,320	\$ 140,411,340
Personal Property	51,504,802	48,862,693
Railroad and Utilities	<u>9,256,157</u>	<u>11,259,259</u>
	<u>\$ 203,286,279</u>	<u>\$ 200,533,292</u>

The County Commission did not approve a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar years 2012 and 2011.

The tax levy for the SB40 in 2012 was \$0.0976, and in 2011 it was \$0.0967.

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2012 and 2011, the carrying amount of the County's deposits was \$4,239,563.79 and \$4,580,200.75, and the bank balance was \$8,979,643.21 and \$9,203,115.91, respectively. The total bank balances as of December 31, 2012, and December 31, 2011, were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2012, as follows:

Included in the following fund financial statement captions:

<u>Statements of Receipts, Disbursements and</u> <u>Changes in Cash and Investments:</u>	
Deposits and Cash Equivalents	\$ 4,239,563.79
Investments	<u>-</u>
Total Deposits & Investments as of December 31, 2012	\$ <u>4,239,563.79</u>

The carrying values of deposits and investments at December 31, 2011, are as follows:

Included in the following fund financial statement captions:

<u>Statements of Receipts, Disbursements and</u> <u>Changes in Cash and Investments:</u>	
Deposits and Cash Equivalents	\$ 4,580,200.75
Investments	<u>-</u>
Total Deposits & Investments as of December 31, 2011	\$ <u>4,580,200.75</u>

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
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II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2012, and 2011.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2012 and 2011.

III. LONG-TERM DEBT

The county has \$14,995,000 Texas County, Missouri Certificates of Participation (Texas County Justice Center Project) Series 2006 dated September 1, 2006. Serial certificates of \$9,430,000 mature on December 1, 2021, and term certificates of \$5,565,000 mature on December 1, 2025. Principal and interest payments are due annually on December 1, with a variable annual interest rate from 4.00% to 4.60%. First Bank is the paying agent of this bond.

In 2011, the Office of the Recorder entered into a lease agreement with Bancorp for a LW310 copier. The County must make two annual payments of \$3,306.36 with an interest rate of 18.267%. Bancorp is the holder of this lease.

In 2011, the Recorder entered into a lease agreement with Mobilis for Recorder Software. The County must make a payment on the loan date of \$10,000, two annual payments of \$8,300 and a final payment of \$8,400. There is no interest with this lease. Mobilis is the holder of the lease.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

III. LONG-TERM DEBT (concluded)

As of December 31, 2012, the unpaid principal balance of the County's Capital Leases was \$12,236,700. The future payments for the lease purchase agreements of the County are as follows:

Description	Balance 12/31/2011	Additions	Payments	Balance 12/31/2012	Interest Paid
Series 2006 COPs	\$ 12,745,000.00	\$ -	\$ 525,000.00	\$ 12,220,000.00	\$ 555,225.00
Bancorp Copier Lease	2,758.13	-	2,758.13	-	548.23
Mobilis Software Lease	25,000.00	-	8,300.00	16,700.00	-
TOTAL	<u>\$ 12,772,758.13</u>	<u>\$ -</u>	<u>\$ 536,058.13</u>	<u>\$ 12,236,700.00</u>	<u>\$ 555,773.23</u>

Year Ending December 31,	Interest	Principal	Total
2013	\$ 532,912.50	\$ 558,300.00	\$ 1,091,212.50
2014	509,537.50	613,400.00	1,122,937.50
2015	483,825.00	650,000.00	1,133,825.00
2016	456,200.00	700,000.00	1,156,200.00
2017	426,450.00	750,000.00	1,176,450.00
2018-2022	1,621,812.50	4,340,000.00	5,961,812.50
2023-2025	488,700.00	4,625,000.00	5,113,700.00
	<u>\$ 4,519,437.50</u>	<u>\$ 12,236,700.00</u>	<u>\$ 16,756,137.50</u>

As of December 31, 2011, the unpaid principal balance of the County's Capital Leases was \$12,772,758.13. The future payments for the lease purchase agreement of the County are as follows:

Description	Balance 12/31/2010	Additions	Payments	Balance 12/31/2011	Interest Paid
Series 2006 COPs	\$ 13,220,000.00	\$ -	\$ 475,000.00	\$ 12,745,000.00	\$ 574,225.00
Bancorp Copier Lease	-	6,064.49	3,306.36	2,758.13	-
Mobilis Software Lease	-	35,000.00	10,000.00	25,000.00	-
TOTAL	<u>\$ 13,220,000.00</u>	<u>\$ 41,064.49</u>	<u>\$ 488,306.36</u>	<u>\$ 12,772,758.13</u>	<u>\$ 574,225.00</u>

Year Ending December 31,	Interest	Principal	Total
2012	\$ 555,773.23	\$ 536,058.13	\$ 1,091,831.36
2013	532,912.50	558,300.00	1,091,212.50
2014	509,537.50	613,400.00	1,122,937.50
2015	483,825.00	650,000.00	1,133,825.00
2016	456,200.00	700,000.00	1,156,200.00
2017-2021	1,797,837.50	4,150,000.00	5,947,837.50
2022-2025	739,125.00	5,565,000.00	6,304,125.00
	<u>\$ 5,075,210.73</u>	<u>\$ 12,772,758.13</u>	<u>\$ 17,847,968.86</u>

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2012, and 2011 are as follows:

	2012		2011	
	TRANSFERS IN	TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT
General Revenue Fund	\$ 1,118,716.15	\$ -	\$ 1,043,518.45	\$ 40,000.00
Special Road & Bridge Fund	-	45,990.79	-	45,335.31
Emergency Management Fund	-	-	-	77.67
Wri-Tex 911 Operations Fund	-	21,912.35	-	20,350.39
Defense Deductible Fund	106,000.00	-	252,000.00	-
National Forest Fund	-	-	67,567.44	-
Law Enforcement Restitution Fund	-	5,788.60	-	5,842.20
Special Sales Tax Fund	-	1,287,231.21	-	1,288,088.44
Capital Improvement Bond Fund	136,206.80	-	104,097.89	-
Transfer Fund	-	-	77.67	67,567.44
F.B.O.M. Reserve Fund	-	14,705.79	-	37,132.32
F.B.O.M. Project Fund	14,705.79	-	37,132.32	-
TOTAL	<u>\$ 1,375,628.74</u>	<u>\$ 1,375,628.74</u>	<u>\$ 1,504,393.77</u>	<u>\$ 1,504,393.77</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

Texas County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and governed by statute, section RSMO 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.



THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

A. Plan Description (concluded)

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status

Full-time employees of Texas County do not contribute to the pension plan. The June 30<sup>th</sup> statutorily required contribution rates are 12.9% (General) and 9.9% (Police) for 2012 and 12.2% (General) and 8.9% (Police) for 2011, of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO)

The subdivision's annual pension cost and net pension obligation for the current years 2012 and 2011 were as follows:

**2012**

Annual required contribution	\$ 192,557
Interest on net pension obligation	1,079
Adjustment to annual required contribution	<u>(1,197)</u>
Annual pension cost	192,439
Actual contributions	<u>(191,594)</u>
Increase (decrease) in NPO	845
NPO beginning of year	<u>14,882</u>
NPO end of year	<u><u>\$ 15,727</u></u>

The annual required contribution (ARC) was determined as part of the February 28, 2010 and February 28, 2011 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions, as of February 29, 2012, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2010 was 28 years for the General division and 13 years for the Police division. The amortization period as of February 28, 2011 was 16 years for the General division and 30 years for the Police division.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO) (continued)

THREE-YEAR TREND INFORMATION

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 162,653	95.1%	\$ 7,970
2011	168,687	95.9	14,882
2012	192,439	99.6	15,727

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[ (b-a) / c ] UAL as a Percentage of Covered Payroll
2/28/2010	\$1,830,809	\$2,096,828	\$ 266,019	87%	\$1,446,970	18%
2/28/2011	2,125,208	2,437,310	312,102	87	1,332,734	23
2/29/2012	2,517,395	2,809,846	292,451	90	1,638,672	18

*Note:* The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

**2011**

Annual required contribution	\$ 168,516
Interest on net pension obligation	598
Adjustment to annual required contribution	(427)
Annual pension cost	168,687
Actual contributions	161,775
Increase (decrease) in NPO	6,912
NPO beginning of year	7,970
NPO end of year	\$ 14,882

The annual required contribution (ARC) was determined as part of the February 28, 2009 and February 28, 2010 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2011 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO) (concluded)

age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2009 was 30 years for the General division and 8 years for the Police division. The amortization period as of February 28, 2010 was 28 years for the General division and 13 years for the Police division.

THREE-YEAR TREND INFORMATION

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 121,914	100.0%	\$ -
2010	162,653	95.1	7,970
2011	168,687	95.9	14,882

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[ (b-a) / c ] UAL as a Percentage of Covered Payroll
2/28/2009	\$1,574,278	\$1,820,602	\$ 246,324	86%	\$1,080,455	23%
2/28/2010	1,830,809	2,096,828	266,019	87	1,446,970	18
2/28/2011	2,125,208	2,437,310	312,102	87	1,332,734	23

*Note:* The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs.

Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee.

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2012 and 2011, the County collected and remitted to CERF,

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

B. Contributions (concluded)

employee contributions of approximately \$71,778.35 and \$79,626.46, respectively, for the years then ended.

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$7,752.00 and \$7,752.00, respectively, for the years ended December 31, 2012, and 2011.

VIII. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. There was one participant at December 31, 2012, and zero participants at December 31, 2011.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County was not involved in any litigation as of the audit report date.

B. Compensated Absences (Vacation and Sick Time)

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuous service. Vacation days do not carry forward if they are unused. Upon termination, an employee will not be reimbursed for any unused vacation days. Employees earn one-half day of sick leave per month. The County allows employees to carry forward six days a year and cannot be accrued beyond six days total. An employee will not be reimbursed for unused sick leave. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

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X. SUBSEQUENT EVENTS

There are no subsequent events to report as of the audit report date.

XI. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

**SUPPLEMENTARY SCHEDULES  
AND  
AUDITOR'S REPORT**

## **STATE COMPLIANCE SECTION**



THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
SCHEDULE OF STATE FINDINGS  
DECEMBER 31, 2012 AND 2011

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SCHEDULE OF STATE FINDINGS

- I. For the year ended December 31, 2012, the County incurred a negative budgeted fund balance for the Election Services Fund.
- II. For the year ended December 31, 2012, actual expenses exceeded budgeted expenses for the Special Road and Bridge Fund, Bridge Replacement Fund, Prosecutor's Delinquent Tax Fund, Capital Improvement Bond Fund, Deputy Sheriff Salary Fund, and Transfer Fund.
- III. For the year ended December 31, 2011, actual expenses exceeded budgeted expenses for the Prosecutor's Bad Check Fund, Deputy Sheriff Salary Fund, Transfer Fund, F.B.O.M. Certificate of Payment Fund and F.B.O.M. Reserve Fund.
- IV. For the year ended December 31, 2012, there was no budget prepared for the Special Election Fund, F.B.O.M. Certificate of Payment Fund, and the F.B.O.M. Project Fund.
- V. For the year ended December 31, 2011, there was no budget prepared for the Emergency Management Fund, National Forest Fund, Judicial Court Program Fund and Special Election Fund.

## **FEDERAL COMPLIANCE SECTION**



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission  
The County of Texas, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Texas ("County") as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 5, 2013.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. (FS 12/11-01, FS 12/11-02, FS 12/11-03, FS 12/11-04)

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***The County's Response to Findings***

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

July 5, 2013



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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS REQUIRED BY OMB CIRCULAR A-133

Independent Auditor's Report

To The County Commission  
The County of Texas, Missouri

***Report on Compliance for Each Major Federal Program***

We have audited the County of Texas' ("County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2012 and 2011. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2012, and 2011.

## ***Report on Internal Control Over Compliance***

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133***

We have audited the financial statements of the County as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated July 5, 2013, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

July 5, 2013

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2012 AND 2011

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	DECEMBER 31,	
			2012 EXPENDITURES	2011 EXPENDITURES
<b><u>U.S. Department of Agriculture</u></b>				
Passed Through State Office of Administration				
Schools and Roads - Grants to States and National Forest	10.665	N/A	\$ 258,017.23	\$ 263,884.30
Total Department of Agriculture			258,017.23	263,884.30
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Passed Through the State Department of Social Services				
Emergency Shelter Grants Program	14.231	ERO1642-1057	-	13,143.42
Total Housing and Urban Development			-	13,143.42
<b><u>U.S. Department of the Interior Development</u></b>				
Direct Program:				
Payment in Lieu of Taxes - PILT	15.226	N/A	23,650.00	15,975.00
Total Interior Development			23,650.00	15,975.00
<b><u>U.S. Department of Justice</u></b>				
Direct Program:				
Equitable Sharing of Seized and Forfeited Property	16.XXX		-	1,290.00
Total Department of Justice			-	1,290.00
<b><u>U.S. Department of Transportation</u></b>				
Passed Through the Missouri Highway and Transportation Commission				
Highway Planning and Construction	20.205	BRO-107(8)	637,383.98	4,774.71
Total Department of Transportation			637,383.98	4,774.71
<b><u>General Services Administration</u></b>				
Passed Through the State Office of Administration				
Voting Equipment Maintenance and Security Grant	39.011	-	4,533.75	1,000.00
Total General Services Administration			4,533.75	1,000.00
<b><u>U.S. Department of Energy</u></b>				
Passed Through the State Department of Natural Resources				
ARRA - Energy Efficiency Conservation Block Grant	81.128	G10-EECBG-02-0624329468	-	5,441.00
Total Department of Energy			-	5,441.00
<b><u>Election Assistance Commission</u></b>				
Passed Through the State Office of the Secretary of State				
Help America Vote Act Requirements Payments	90.401	-	-	22,327.95
Total Election Assistance Commission			-	22,327.95
<b><u>U.S. Department of Health and Human Services</u></b>				
Passed Through the State Office of Social Services				
Child Support Services	93.563	IV-D	34,571.84	39,922.46
Total Health and Human Services			34,571.84	39,922.46
<b><u>U.S. Department of Homeland Security</u></b>				
Passed through the State Department of Public Safety				
Presidentially Declared Disaster Grant	97.036	DR-MO 1980	-	7,439.71
Total Department of Homeland Security			-	7,439.71
<b>TOTAL FEDERAL EXPENDITURES</b>			<b>\$ 958,156.80</b>	<b>\$ 375,198.55</b>

The accompanying notes to the expenditures of federal awards are an integral part of this statement.



THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2012 AND 2011

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Texas County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistance* means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

*Federal award* means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards. Texas County had no instances of noncash awards for the years ending December 31, 2012 and 2011.

C. Basis of Accounting

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUBRECIPIENTS

The County provided federal awards to subrecipients during the year ended December 31, 2011. The County provided Emergency Shelter Grants Program CFDA# 14.231 funding to the Agape House of \$13,143.42.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2012 AND 2011

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I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified - Regulatory Basis
2. Internal control over financial reporting:
  - a. Any material weakness(es) identified?

2012	___ Yes	___X___ No
2011	___ Yes	___X___ No
  - b. Any significant deficiencies identified that are not considered to be material weaknesses?

2012	___X___ Yes	___ None Reported
2011	___X___ Yes	___ None Reported
3. Any noncompliance material to financial statements noted?

2012	___ Yes	___X___ No
2011	___ Yes	___X___ No

B. Federal Awards

1. Internal control over major programs:

Any material weakness(es) identified?	2012	___ Yes	___X___ No
	2011	___ Yes	___X___ No
2. Any significant deficiencies identified that are not considered to be material weaknesses?

2012	___ Yes	___X___ None Reported
2011	___ Yes	___X___ None Reported
3. Type of auditor's report issued on compliance for major programs:

2012	- Unmodified
2011	- Unmodified
4. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*?

2012	___ Yes	___X___ No
2011	___ Yes	___X___ No

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2012 AND 2011

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I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

5. Identification of major programs:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2012/2011	10.665	Schools and Roads – Grants to States (PILT)
2012/2011	20.205	Highway Planning and Construction

6. Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

7. Auditee qualified as low-risk auditee? 2012     Yes   X   No

2011     Yes   X   No

II. FINANCIAL STATEMENT FINDINGS

FS 12/11-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to the financial statements.

Context: During the audit planning phase of the audit, the client informed us that we would be preparing the audited financials.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 122 indicates that conditions necessitating the entity's auditor to provide such assistance are at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to the financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's Office (Don Troutman) has taken steps to complete the audited financial statements for the next audit period. The Clerk's phone number is 417-967-2112.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2012 AND 2011

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II. FINANCIAL STATEMENT FINDINGS (continued)

FS 12/11-02     Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's (Don Troutman) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is December 31, 2013. The phone number for the Clerk's office is 417-967-2112.

FS 12/11-03     Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the walkthroughs of the County, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2012 AND 2011

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II. FINANCIAL STATEMENT FINDINGS (concluded)

FS 12/11-03     Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's (Don Troutman) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is December 31, 2013. The phone number for the Clerk's office is 417-967-2112.

FS 12/11-04     Criteria: Section 50.800.5 The published financial statements shall show receipts or revenues into each and every fund separately. Each fund shall show the beginning balance of each fund; each source of revenue; the total amount received from each source of revenue; the total amount available in each fund; the total amount of disbursements or expenditures from each fund and the ending balance of each fund as of December thirty-first.

Condition: During 2012, the Collector opened an additional bank account for the Collector's Tax Maintenance Fund but did not provide the required information to the Commission for the 2012 published financial statements.

Context: After audit fieldwork was performed, we were made aware of the existence of this additional tax maintenance fund account.

Effect: Lack of reporting financial information to the Commission and to the auditors results in incorrect financial statements.

Cause: The Collector failed to provide the information for the new tax maintenance fund account opened in 2012 to the Commission.

Recommendation: We recommend the Collector provide the financial information to the Commission and auditors in a timely fashion so as not to result in incorrect published financial statements.

Views of responsible officials and planned corrective actions: The Collector-Treasurer's (Tammy Cantrell) office will make sure the County Clerk receives all the financial information that is needed in a timely fashion as the County Clerk is responsible for preparing and maintaining the financial report. This will be immediately implemented. The phone number for the Collector-Treasurer's office is 417-967-2580.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no single audit findings noted for the years ended December 31, 2012 and 2011.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

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I. FINANCIAL STATEMENT FINDINGS

FS 10/09-01     Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency. SAS No. 115 supersedes SAS No. 112.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During discussions with management, we noted that we will be assisting the County with the preparation of their audited financial statements and footnotes.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement.

Status: It appears no corrective action plan has been implemented. Therefore, this finding has been re-issued in the current year as FS 12/11-01.

FS 10/09-02     Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

THE COUNTY OF TEXAS  
HOUSTON, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

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I. FINANCIAL STATEMENT FINDINGS (concluded)

FS 10/09-02     Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls.

Status: It appears no corrective action plan has been implemented. Therefore, this finding has been re-issued in the current year as FS 12/11-02.

FS 10/09-03     Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

Status: It appears no corrective action plan has been implemented. Therefore, this finding has been re-issued in the current year as FS 12/11-03.



# Daniel Jones & Associates

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

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July 5, 2013

To the Board of Commissioners  
County of Texas

In planning and performing our audit of the regulatory based financial statements of the County of Texas (the "County") as of and for the years ended December 31, 2012, and December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I:

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI



## I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 12/11-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to the financial statements.

Context: During the audit planning phase of the audit, the client informed us that we would be preparing the audited financials.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 122 indicates that conditions necessitating the entity's auditor to provide such assistance are at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to the financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's Office (Don Troutman) has taken steps to complete the audited financial statements for the next audit period. The Clerk's phone number is 417-967-2112.

FS 12/11-02 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

## **I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)**

FS 12/11-02 Views of Responsible Officials and Planned Corrective Actions: The County Clerk's (Don Troutman) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is December 31, 2013. The phone number for the Clerk's office is 417-967-2112.

FS 12/11-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the walkthroughs of the County, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's (Don Troutman) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is December 31, 2013. The phone number for the Clerk's office is 417-967-2112.

FS 12/11-04 Criteria: Section 50.800.5 The published financial statements shall show receipts or revenues into each and every fund separately. Each fund shall show the beginning balance of each fund; each source of revenue; the total amount received from each source of revenue; the total amount available in each fund; the total amount of disbursements or expenditures from each fund and the ending balance of each fund as of December thirty-first.

Condition: During 2012, the Collector opened an additional bank account for the Collector's Tax Maintenance Fund but did not provide the required information to the Commission for the 2012 published financial statements.

Context: After audit fieldwork was performed, we were made aware of the existence of this additional tax maintenance fund account.

Effect: Lack of reporting financial information to the Commission and to the auditors results in incorrect financial statements.

## **I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)**

FS 12/11-04     Cause: The Collector failed to provide the information for the new tax maintenance fund account opened in 2012 to the Commission.

Recommendation: We recommend the Collector provide the financial information to the Commission and auditors in a timely fashion so as not to result in incorrect published financial statements.

Views of responsible officials and planned corrective actions: The Collector-Treasurer's (Tammy Cantrell) office will make sure the County Clerk receives all the financial information that is needed in a timely fashion as the County Clerk is responsible for preparing and maintaining the financial report. This will be immediately implemented. The phone number for the Collector-Treasurer's office is 417-967-2580.

## **II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS**

### Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 4, 2013. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2012-2013 fiscal year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

#### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

## **II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)**

### Disagreements with Management

For purposes of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 5, 2013.

### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with a regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

September 25, 2013

Mr. Phil Broyles, Chairman  
and  
Board of Directors  
Heer's Tower Transportation Development District  
Springfield, Missouri

The State Auditor is required under Section 238.275, RSMo, to audit a transportation development district prior to the question of abolishment being submitted to a vote. On June 13, 2013, the Board of Directors of the TDD approved a resolution of its intent to dissolve the district and request an audit as required by statute. The State Auditor was subsequently notified of this resolution. Because the TDD had no financial activity an audit was not performed.

The scope of our review included, but was not necessarily limited to, the year ended June 30, 2013. The objectives of our review were to evaluate the financial status of the district and determine whether it may be abolished pursuant to law.

Our methodology included reviewing financial statements filed with the State Auditor's office and other pertinent documents, obtaining a signed statement from the Treasurer of the TDD indicating no financial activity occurred, and interviewing various personnel of the district, as well as certain external parties.

The TDD is located in the City of Springfield. The TDD was organized in March 2006 by petition of the property owners within the proposed TDD, and the City of Springfield. The Board of Directors and officers include the property owners/developer, and one external board member. The TDD was formed for the purpose of constructing transportation projects with a cost of approximately \$8.8 million and has a fiscal year end of June 30. While the TDD voted to enact a sales tax, the project was not constructed and there are no businesses located within the TDD. Our review confirmed the TDD does not have a bank account, has not received any sales tax monies or incurred any expenditures, and has no outstanding liabilities.

Based on our review, the Board of Directors may proceed with repealing the sales tax and the abolishment of the district in accordance with Section 238.275, RSMo.

Sincerely,

Thomas A. Schweich  
State Auditor



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Morgan County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Morgan County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Casey-Beard-Boehmer PC, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich", is positioned above the printed name.

Thomas A. Schweich  
State Auditor

September 2013  
Report No. 2013-096

**AUDITED FINANCIAL STATEMENTS**

**MORGAN COUNTY, MISSOURI**

**FOR THE YEARS ENDED**  
**DECEMBER 31, 2012 AND 2011**

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**CASEY-BEARD-BOEHMER PC  
CERTIFIED PUBLIC ACCOUNTANTS  
COLUMBIA, MISSOURI**

**MORGAN COUNTY, MISSOURI**  
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# CASEY-BEARD-BOEHMER PC



A Certified Public Accounting and Consulting Firm

One Broadway Building  
1 East Broadway  
Columbia, MO 65203-4205  
573 / 442 – 8427  
FAX / 875 – 7876  
www.caseycpas.com

September 12, 2013

## INDEPENDENT AUDITORS' REPORT

To the County Commission  
and Officeholders of  
Morgan County, Missouri

We have audited the accompanying financial statements of Morgan County, Missouri, which comprise the statement of receipts, disbursements, and changes in cash – regulatory basis, of each fund as of December 31, 2012 and 2011, and the related statement of receipts, disbursements, and changes in cash – budget and actual – regulatory basis for each fund for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri Law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

MEMBER  
•  
American  
Institute of  
Certified  
Public  
Accountants  
•  
Missouri  
Society of  
Certified  
Public  
Accountants  
•

## **MORGAN COUNTY, MISSOURI INDEPENDENT AUDITORS' REPORT (CONTINUED)**

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### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1, the financial statements are prepared by Morgan County, Missouri, using accounting practices prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Morgan County, Missouri, as of December 31, 2012 and 2011, and the changes in its financial position.

### **Basis for Qualified Opinion on Regulatory Basis of Accounting**

Morgan County, Missouri, has not properly presented the receipts and disbursements in the General Revenue Fund and various other funds for the years ended December 31, 2012 and 2011. Intergovernmental receipts, charges for services, and transfers in were misclassified to other areas; federal grants were misclassified as other revenues; and transfers out were classified in various disbursement areas. The amount by which the receipts and disbursements are misstated is material but not readily determinable.

### **Qualified Opinion on Regulatory Basis of Accounting**

In our opinion, except for the matter described in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each fund of Morgan County, Missouri, as of December 31, 2012 and 2011, and their respective cash receipts and disbursements, and budgetary results for the year then ended, on the basis of the financial reporting provisions of Missouri Law as described in Note 1.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2013, on our consideration of Morgan County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Morgan County, Missouri's internal control over financial reporting and compliance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Morgan County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

**MORGAN COUNTY, MISSOURI**  
**INDEPENDENT AUDITORS' REPORT (CONTINUED)**

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This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Casey-Beard-Boehmer PC*

Casey-Beard-Boehmer PC  
Certified Public Accountants

**MORGAN COUNTY, MISSOURI**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

Fund	Cash			Cash			Cash	
	January 1, 2011	Receipts	Disbursements	December 31, 2011	Receipts	Disbursements	December 31, 2012	
General Revenue	\$ 2,286,915	2,192,128	2,048,081	2,430,962	2,330,991	2,440,220	2,321,733	
Special Road and Bridge	752,917	1,962,960	2,135,969	579,908	1,884,719	1,888,135	576,492	
Assessment	120,803	444,657	439,722	125,738	430,732	459,945	96,525	
Law Enforcement Training	8,789	3,239	575	11,453	3,199	180	14,472	
Prosecuting Attorney Training	1,190	794	-	1,984	793	-	2,777	
Johnson Grass	148,162	2,658	2,430	148,390	1,680	1,611	148,459	
911	-	586,127	586,127	-	625,716	625,716	-	
Local Emergency Planning Committee	1,099	-	-	1,099	-	-	1,099	
Prosecuting Attorney Delinquent Sales Tax	2,411	1,277	1,000	2,688	926	18	3,596	
Recorder User	35,785	22,358	23,373	34,770	35,537	23,958	46,349	
Prosecuting Attorney Retirement	-	7,752	7,752	-	7,752	7,752	-	
Domestic Violence	4,681	7,714	10,999	1,396	4,872	1,722	4,546	
Bad Check Collection	399	10,530	10,929	-	10,353	10,252	101	
Law Enforcement Sales Tax	-	3,357,264	2,991,702	365,562	3,405,413	3,233,694	537,281	
NID Debt Service Bond*	448,609	451,524	397,384	502,749	468,611	383,587	587,773	
NID Ongoing Maintenance and Construction*	1,459,876	204,583	65,026	1,599,433	201,899	453,296	1,348,036	
Sheriff Fees	38,094	36,803	46,775	28,122	54,908	41,369	41,661	
Peace Officers Standard Training (POST)	-	1,465	1,465	-	1,346	-	1,346	
Election Services	13,795	3,127	3,325	13,597	7,114	13,000	7,711	
County Law Enforcement Restitution (1)	-	12,062	-	12,062	35,730	23,200	24,592	
Sheriff's Revolving	44,339	15,759	3,812	56,286	26,004	19,634	62,656	
Help America Vote Act (HAVA)	18,128	1,701	1,079	18,750	10,494	13,167	16,077	
MoSmart Grant	-	84,530	84,530	-	-	-	-	
Inmate Security	16,485	3,357	-	19,842	3,280	-	23,122	
Law Library	4,031	10,143	12,407	1,767	9,519	10,833	453	
Collector Tax Maintenance	118,991	46,736	44,461	121,266	47,352	58,009	110,609	
Drug Task Force	6,927	234,200	233,872	7,255	252,118	257,324	2,049	
Drug Task Force Supplemental	7,235	25,384	32,619	-	54,681	32,619	22,062	
Senior Services Board	59,169	180,295	164,608	74,856	192,747	198,049	69,554	
Senate Bill 40 Board	80,801	394,328	360,469	114,660	463,555	387,151	191,064	
Totals	\$ 5,679,631	10,305,455	9,710,491	6,274,595	10,572,041	10,584,441	6,262,195	

(1) The county did not prepare a budget for this fund for 2011.

\* NID = Neighborhood Improvement Districts

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>General Revenue Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Property taxes	\$ 350,000	378,872	28,872	\$ 380,000	352,747	(27,253)
Sales taxes	930,000	975,859	45,859	970,000	983,366	13,366
Charges for services	621,832	601,020	(20,812)	612,340	559,472	(52,868)
Interest	-	28,642	28,642	30,000	44,528	14,528
Other	184,450	162,682	(21,768)	63,075	144,943	81,868
Transfers in	126,100	183,916	57,816	166,600	107,072	(59,528)
Total Receipts	\$ 2,212,382	2,330,991	118,609	\$ 2,222,015	2,192,128	(29,887)
<b>DISBURSEMENTS</b>						
General County Government-						
County Commission	\$ 123,084	119,590	(3,494)	\$ 122,564	122,112	(452)
County Clerk	181,534	182,495	961	112,674	109,467	(3,207)
Elections	80,000	70,566	(9,434)	2,600	2,277	(323)
Buildings and grounds	113,302	93,585	(19,717)	110,672	91,002	(19,670)
Employee fringe benefits	153,900	162,157	8,257	154,700	149,049	(5,651)
County Treasurer	51,775	50,480	(1,295)	49,175	49,136	(39)
County Collector	133,415	134,097	682	129,875	130,258	383
Recorder of Deeds	93,386	92,269	(1,117)	91,363	87,473	(3,890)
Circuit Clerk	44,120	42,153	(1,967)	42,300	40,551	(1,749)
Court Administration	8,000	4,276	(3,724)	6,000	7,825	1,825
Public Administrator	78,366	76,460	(1,906)	76,746	75,950	(796)
Public Safety-						
Sheriff	-	30,497	30,497	-	-	-
Prosecuting Attorney	362,031	359,644	(2,387)	286,032	281,366	(4,666)
Juvenile Officer	78,652	60,616	(18,036)	74,329	57,167	(17,162)
County Coroner	34,240	34,147	(93)	33,640	26,718	(6,922)
Other-						
Outside services	150,000	144,299	(5,701)	88,000	101,725	13,725
Equipment	150,000	127,907	(22,093)	100,000	119,390	19,390
Capital improvement-jail	250,000	184,484	(65,516)	30,000	88,728	58,728
Other general county government	222,355	214,922	(7,433)	135,500	159,104	23,604
Court Reporters and Circuit Judges	12,072	6,732	(5,340)	11,707	7,457	(4,250)
Transfers out	681,769	248,844	(432,925)	639,655	341,326	(298,329)
Emergency Fund	66,400	-	(66,400)	67,200	-	(67,200)
Total Disbursements	\$ 3,068,401	2,440,220	(628,181)	\$ 2,364,732	2,048,081	(316,651)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (856,019)	(109,229)	746,790	\$ (142,717)	144,047	286,764
CASH, JANUARY 1	2,430,962	2,430,962	-	2,286,915	2,286,915	-
CASH, DECEMBER 31	\$ 1,574,943	2,321,733	746,790	\$ 2,144,198	2,430,962	286,764

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Special Road and Bridge Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Property taxes	\$ 447,000	480,213	33,213	\$ 472,000	446,553	(25,447)
Sales taxes	169,000	189,988	20,988	162,000	169,374	7,374
Intergovernmental	1,166,000	1,111,261	(54,739)	1,182,000	1,164,600	(17,400)
Interest	17,000	8,866	(8,134)	31,000	17,221	(13,779)
Other	11,000	94,328	83,328	9,400	165,078	155,678
Transfers in	200	63	(137)	210	134	(76)
Total Receipts	\$ 1,810,200	1,884,719	74,519	\$ 1,856,610	1,962,960	106,350
<b>DISBURSEMENTS</b>						
Salaries	\$ 611,741	582,351	(29,390)	\$ 597,960	592,434	(5,526)
Employee fringe benefits	154,170	141,932	(12,238)	143,070	144,304	1,234
Supplies	312,000	266,257	(45,743)	261,000	311,597	50,597
Insurance	35,000	33,516	(1,484)	34,000	34,567	567
Road and bridge materials	209,000	200,209	(8,791)	210,000	234,142	24,142
Equipment repairs	60,000	54,224	(5,776)	65,000	60,874	(4,126)
Equipment purchases	322,303	262,540	(59,763)	396,303	377,162	(19,141)
Road and bridge construction	400,000	197,687	(202,313)	500,000	234,860	(265,140)
Other	147,900	139,484	(8,416)	145,500	141,660	(3,840)
Transfers out	10,000	9,935	(65)	10,000	4,369	(5,631)
Total Disbursements	\$ 2,262,114	1,888,135	(373,979)	\$ 2,362,833	2,135,969	(226,864)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (451,914)	(3,416)	448,498	\$ (506,223)	(173,009)	333,214
CASH, JANUARY 1	579,908	579,908	-	752,917	752,917	-
CASH, DECEMBER 31	\$ 127,994	576,492	448,498	\$ 246,694	579,908	333,214

<b>Assessment Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Intergovernmental	\$ 430,631	427,664	(2,967)	\$ 440,799	440,494	(305)
Interest	4,163	2,400	(1,763)	4,862	4,163	(699)
Other	-	668	668	-	-	-
Total Receipts	\$ 434,794	430,732	(4,062)	\$ 445,661	444,657	(1,004)
<b>DISBURSEMENTS</b>						
Assessor	\$ 478,974	459,945	(19,029)	\$ 480,925	439,722	(41,203)
Total Disbursements	\$ 478,974	459,945	(19,029)	\$ 480,925	439,722	(41,203)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (44,180)	(29,213)	14,967	\$ (35,264)	4,935	40,199
CASH, JANUARY 1	125,738	125,738	-	120,803	120,803	-
CASH, DECEMBER 31	\$ 81,558	96,525	14,967	\$ 85,539	125,738	40,199

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Law Enforcement Training Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 3,000	3,062	62	\$ 3,000	3,078	78
Interest	150	137	(13)	160	161	1
Total Receipts	\$ 3,150	3,199	49	\$ 3,160	3,239	79
DISBURSEMENTS						
Sheriff	\$ 8,000	180	(7,820)	\$ 5,000	575	(4,425)
Total Disbursements	\$ 8,000	180	(7,820)	\$ 5,000	575	(4,425)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,850)	3,019	7,869	\$ (1,840)	2,664	4,504
CASH, JANUARY 1	11,453	11,453	-	8,789	8,789	-
CASH, DECEMBER 31	\$ 6,603	14,472	7,869	\$ 6,949	11,453	4,504

<b>Prosecuting Attorney Training Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 800	768	(32)	\$ 800	768	(32)
Interest	35	25	(10)	35	26	(9)
Total Receipts	\$ 835	793	(42)	\$ 835	794	(41)
DISBURSEMENTS						
Prosecuting Attorney	\$ 800	-	(800)	\$ 1,000	-	(1,000)
Total Disbursements	\$ 800	-	(800)	\$ 1,000	-	(1,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 35	793	758	\$ (165)	794	959
CASH, JANUARY 1	1,984	1,984	-	1,190	1,190	-
CASH, DECEMBER 31	\$ 2,019	2,777	758	\$ 1,025	1,984	959

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Johnson Grass Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 2,500	1,680	(820)	\$ 3,800	2,658	(1,142)
Total Receipts	\$ 2,500	1,680	(820)	\$ 3,800	2,658	(1,142)
DISBURSEMENTS						
Salaries and benefits	\$ 3,482	584	(2,898)	\$ 3,482	1,531	(1,951)
Office	100	26	(74)	125	33	(92)
Equipment	-	592	592	-	-	-
Other	2,500	409	(2,091)	2,300	866	(1,434)
Total Disbursements	\$ 6,082	1,611	(4,471)	\$ 5,907	2,430	(3,477)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,582)	69	3,651	\$ (2,107)	228	2,335
CASH, JANUARY 1	148,390	148,390	-	148,162	148,162	-
CASH, DECEMBER 31	\$ 144,808	148,459	3,651	\$ 146,055	148,390	2,335

<b>911 Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 119,423	121,508	2,085	\$ 115,823	119,617	3,794
Interest	70	30	(40)	50	69	19
Other	261,050	263,086	2,036	266,400	262,601	(3,799)
Transfers in	248,695	241,092	(7,603)	197,300	203,840	6,540
Total Receipts	\$ 629,238	625,716	(3,522)	\$ 579,573	586,127	6,554
DISBURSEMENTS						
Salaries and benefits	\$ 555,143	545,005	(10,138)	\$ 506,073	515,037	8,964
Office	16,500	23,213	6,713	16,500	17,780	1,280
Equipment	6,000	8,618	2,618	7,500	9,320	1,820
Mileage and training	9,500	10,307	807	7,500	9,950	2,450
Other	42,095	38,573	(3,522)	42,000	34,040	(7,960)
Total Disbursements	\$ 629,238	625,716	(3,522)	\$ 579,573	586,127	6,554
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-	\$ -	-	-
CASH, JANUARY 1	-	-	-	-	-	-
CASH, DECEMBER 31	\$ -	-	-	\$ -	-	-

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS



**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Local Emergency Planning Committee Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ -	-	-	\$ -	-	-
Total Receipts	\$ -	-	-	\$ -	-	-
DISBURSEMENTS						
Other	\$ 500	-	(500)	\$ 500	-	(500)
Total Disbursements	\$ 500	-	(500)	\$ 500	-	(500)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (500)	-	500	\$ (500)	-	500
CASH, JANUARY 1	1,099	1,099	-	1,099	1,099	-
CASH, DECEMBER 31	\$ 599	1,099	500	\$ 599	1,099	500

<b>Prosecuting Attorney Delinquent Sales Tax Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 500	892	392	\$ 1,000	1,237	237
Interest	25	34	9	50	40	(10)
Total Receipts	\$ 525	926	401	\$ 1,050	1,277	227
DISBURSEMENTS						
Prosecuting Attorney	\$ -	18	18	\$ 1,000	1,000	-
Total Disbursements	\$ -	18	18	\$ 1,000	1,000	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 525	908	383	\$ 50	277	227
CASH, JANUARY 1	2,688	2,688	-	2,411	2,411	-
CASH, DECEMBER 31	\$ 3,213	3,596	383	\$ 2,461	2,688	227

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Recorder User Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 21,000	35,041	14,041	\$ 21,000	21,718	718
Interest	1,000	496	(504)	1,000	640	(360)
Total Receipts	\$ 22,000	35,537	13,537	\$ 22,000	22,358	358
DISBURSEMENTS						
Office	\$ 22,000	23,958	1,958	\$ 22,000	23,373	1,373
Total Disbursements	\$ 22,000	23,958	1,958	\$ 22,000	23,373	1,373
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	11,579	11,579	\$ -	(1,015)	(1,015)
CASH, JANUARY 1	34,770	34,770	-	35,785	35,785	-
CASH, DECEMBER 31	\$ 34,770	46,349	11,579	\$ 35,785	34,770	(1,015)

<b>Prosecuting Attorney Retirement Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Transfers in	\$ 7,752	7,752	-	\$ 7,752	7,752	-
Total Receipts	\$ 7,752	7,752	-	\$ 7,752	7,752	-
DISBURSEMENTS						
Prosecuting Attorney	\$ 7,752	7,752	-	\$ 7,752	7,752	-
Total Disbursements	\$ 7,752	7,752	-	\$ 7,752	7,752	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-	\$ -	-	-
CASH, JANUARY 1	-	-	-	-	-	-
CASH, DECEMBER 31	\$ -	-	-	\$ -	-	-

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Domestic Violence Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 1,682	4,850	3,168	\$ 4,700	7,675	2,975
Interest	40	22	(18)	80	39	(41)
Total Receipts	\$ 1,722	4,872	3,150	\$ 4,780	7,714	2,934
DISBURSEMENTS						
Domestic violence shelters	\$ 1,721	1,722	1	\$ 8,200	8,200	-
Other reimbursements	-	-	-	-	2,799	2,799
Total Disbursements	\$ 1,721	1,722	1	\$ 8,200	8,200	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1	3,150	3,149	\$ (3,420)	(486)	2,934
CASH, JANUARY 1	1,396	1,396	-	4,681	4,681	-
CASH, DECEMBER 31	\$ 1,397	4,546	3,149	\$ 1,261	4,195	2,934

<b>Bad Check Collection Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 10,500	10,350	(150)	\$ 12,000	10,518	(1,482)
Interest	15	3	(12)	35	12	(23)
Total Receipts	\$ 10,515	10,353	(162)	\$ 12,035	10,530	(1,505)
DISBURSEMENTS						
Salaries	\$ 10,219	10,232	13	\$ 10,219	10,219	-
Office	-	-	-	1,610	710	(900)
Other	25	20	(5)	25	-	(25)
Total Disbursements	\$ 10,244	10,252	8	\$ 11,854	10,929	(925)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 271	101	(170)	\$ 181	(399)	(580)
CASH, JANUARY 1	-	-	-	399	399	-
CASH, DECEMBER 31	\$ 271	101	(170)	\$ 580	-	(580)

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Law Enforcement Sales Tax Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Sales taxes	\$ 1,030,000	1,064,037	34,037	\$ 1,065,000	1,084,271	19,271
Interest	2,000	4,357	2,357	3,000	2,362	(638)
Other	1,577,600	2,337,019	759,419	1,458,284	2,140,897	682,613
Transfers in	229,905	-	(229,905)	419,603	129,734	(289,869)
Total Receipts	\$ 2,839,505	3,405,413	565,908	\$ 2,945,887	3,357,264	411,377
<b>DISBURSEMENTS</b>						
Salaries	\$ 1,517,152	1,452,868	(64,284)	\$ 1,307,432	1,337,741	30,309
Office	57,500	65,862	8,362	55,000	55,041	41
Equipment	62,000	38,050	(23,950)	70,500	56,805	(13,695)
Mileage and training	180,000	214,975	34,975	156,500	175,633	19,133
Other	179,615	174,853	(4,762)	198,069	193,587	(4,482)
Jail	310,000	399,118	89,118	299,250	317,198	17,948
Employee fringe benefits	303,800	286,925	(16,875)	288,080	273,505	(14,575)
Bond payment	465,000	458,882	(6,118)	465,000	444,803	(20,197)
Utilities	130,000	142,161	12,161	106,056	137,389	31,333
Total Disbursements	\$ 3,205,067	3,233,694	28,627	\$ 2,945,887	2,991,702	45,815
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (365,562)	171,719	537,281	\$ -	365,562	365,562
CASH, JANUARY 1	365,562	365,562	-	-	-	-
CASH, DECEMBER 31	\$ -	537,281	537,281	\$ -	365,562	365,562

<b>NID Debt Service Bond Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Interest	\$ 8,360	6,690	(1,670)	\$ 11,260	9,020	(2,240)
NID tax levy proceeds	446,750	461,921	15,171	429,274	442,504	13,230
Total Receipts	\$ 455,110	468,611	13,501	\$ 440,534	451,524	10,990
<b>DISBURSEMENTS</b>						
Debt service principal, interest, and fees	\$ 383,637	200,432	(183,205)	\$ 388,895	218,438	(170,457)
NID maintenance	-	183,155	183,155	-	178,946	178,946
Total Disbursements	\$ 383,637	383,587	(50)	\$ 388,895	397,384	8,489
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 71,473	85,024	13,551	\$ 51,639	54,140	2,501
CASH, JANUARY 1	502,749	502,749	-	448,609	448,609	-
CASH, DECEMBER 31	\$ 574,222	587,773	13,551	\$ 500,248	502,749	2,501

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**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NID Ongoing Maintenance and Construction Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 23,700	18,089	(5,611)	\$ 26,550	25,637	(913)
Fees from NID tax levies	204,300	183,155	(21,145)	143,600	178,946	35,346
Other	-	655	655	-	-	-
Total Receipts	\$ 228,000	201,899	(26,101)	\$ 170,150	204,583	34,433
DISBURSEMENTS						
NID construction and maintenance	\$ 226,000	453,296	227,296	\$ -	65,026	65,026
Total Disbursements	\$ 226,000	453,296	227,296	\$ -	65,026	65,026
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2,000	(251,397)	(253,397)	\$ 170,150	139,557	(30,593)
CASH, JANUARY 1	1,599,433	1,599,433	-	1,459,876	1,459,876	-
CASH, DECEMBER 31	\$ 1,601,433	1,348,036	(253,397)	\$ 1,630,026	1,599,433	(30,593)

**Sheriff Fees Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 35,000	30,433	(4,567)	\$ 40,000	36,218	(3,782)
Interest	600	300	(300)	900	585	(315)
Other	-	4,883	4,883	5,000	-	(5,000)
Transfers in	-	19,292	19,292	-	-	-
Total Receipts	\$ 35,600	54,908	19,308	\$ 45,900	36,803	(9,097)
DISBURSEMENTS						
Sheriff	\$ 50,742	41,369	(9,373)	\$ 51,792	46,775	(5,017)
Total Disbursements	\$ 50,742	41,369	(9,373)	\$ 51,792	46,775	(5,017)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (15,142)	13,539	28,681	\$ (5,892)	(9,972)	(4,080)
CASH, JANUARY 1	28,122	28,122	-	38,094	38,094	-
CASH, DECEMBER 31	\$ 12,980	41,661	28,681	\$ 32,202	28,122	(4,080)

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Peace Officers Standard Training (POST) Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Other	\$ 1,600	1,346	(254)	\$ 1,600	1,465	(135)
Total Receipts	\$ 1,600	1,346	(254)	\$ 1,600	1,465	(135)
DISBURSEMENTS						
Sheriff	\$ 1,600	-	(1,600)	\$ 1,600	1,465	(135)
Total Disbursements	\$ 1,600	-	(1,600)	\$ 1,600	1,465	(135)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	1,346	1,346	\$ -	-	-
CASH, JANUARY 1	-	-	-	-	-	-
CASH, DECEMBER 31	\$ -	1,346	1,346	\$ -	-	-

<b>Election Services Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 250	74	(176)	\$ 275	234	(41)
Other	4,000	7,040	3,040	200	2,893	2,693
Total Receipts	\$ 4,250	7,114	2,864	\$ 475	3,127	2,652
DISBURSEMENTS						
County Clerk	\$ 14,000	13,000	(1,000)	\$ 5,000	3,325	(1,675)
Total Disbursements	\$ 14,000	13,000	(1,000)	\$ 5,000	3,325	(1,675)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (9,750)	(5,886)	3,864	\$ (4,525)	(198)	4,327
CASH, JANUARY 1	13,597	13,597	-	13,795	13,795	-
CASH, DECEMBER 31	\$ 3,847	7,711	3,864	\$ 9,270	13,597	4,327

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>County Law Enforcement Restitution Fund</b>						
2012			no approved budget 2011			
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 10	159	149	\$ -	12	12
Other	25,000	35,571	10,571	-	12,050	12,050
Total Receipts	\$ 25,010	35,730	10,720	\$ -	12,062	12,062
DISBURSEMENTS						
Transfers out	\$ 20,000	23,200	3,200	\$ -	-	-
Total Disbursements	\$ 20,000	23,200	3,200	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 5,010	12,530	7,520	\$ -	12,062	12,062
CASH, JANUARY 1	12,062	12,062	-	-	-	-
CASH, DECEMBER 31	\$ 17,072	24,592	7,520	\$ -	12,062	12,062

<b>Sheriff's Revolving Fund</b>						
2012			2011			
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 11,000	18,745	7,745	\$ 12,000	10,910	(1,090)
Interest	800	647	(153)	1,000	859	(141)
Other	4,000	6,612	2,612	4,000	3,990	(10)
Total Receipts	\$ 15,800	26,004	10,204	\$ 17,000	15,759	(1,241)
DISBURSEMENTS						
Sheriff	\$ 30,600	19,634	(10,966)	\$ 20,700	3,812	(16,888)
Total Disbursements	\$ 30,600	19,634	(10,966)	\$ 20,700	3,812	(16,888)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (14,800)	6,370	21,170	\$ (3,700)	11,947	15,647
CASH, JANUARY 1	56,286	56,286	-	44,339	44,339	-
CASH, DECEMBER 31	\$ 41,486	62,656	21,170	\$ 40,639	56,286	15,647

<b>Help America Vote Act (HAVA) Fund</b>						
2012			2011			
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 200	10,342	10,142	\$ -	1,305	1,305
Other	1,000	152	(848)	200	396	196
Total Receipts	\$ 1,200	10,494	9,294	\$ 200	1,701	1,501
DISBURSEMENTS						
HAVA expenses	\$ 13,000	13,167	167	\$ 5,000	1,079	(3,921)
Total Disbursements	\$ 13,000	13,167	167	\$ 5,000	1,079	(3,921)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (11,800)	(2,673)	9,127	\$ (4,800)	622	5,422
CASH, JANUARY 1	18,750	18,750	-	18,128	18,128	-
CASH, DECEMBER 31	\$ 6,950	16,077	9,127	\$ 13,328	18,750	5,422

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**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>MoSmart Grant Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS	no budget required					
Other	\$ -	-	-	\$ 84,784	-	(84,784)
Transfers in	-	-	-	-	84,530	84,530
Total Receipts	\$ -	-	-	\$ 84,784	84,530	(254)
DISBURSEMENTS						
Salaries	\$ -	-	-	\$ 64,354	74,027	9,673
Fringe benefits	-	-	-	19,930	10,503	(9,427)
Other	-	-	-	500	-	(500)
Total Disbursements	\$ -	-	-	\$ 84,784	84,530	(254)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-	\$ -	-	-
CASH, JANUARY 1	-	-	-	-	-	-
CASH, DECEMBER 31	\$ -	-	-	\$ -	-	-

<b>Inmate Security Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 3,000	3,047	47	\$ 3,300	3,045	(255)
Interest	300	233	(67)	400	312	(88)
Total Receipts	\$ 3,300	3,280	(20)	\$ 3,700	3,357	(343)
DISBURSEMENTS						
Sheriff	\$ 12,000	-	(12,000)	\$ 13,300	-	(13,300)
Total Disbursements	\$ 12,000	-	(12,000)	\$ 13,300	-	(13,300)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (8,700)	3,280	11,980	\$ (9,600)	3,357	12,957
CASH, JANUARY 1	19,842	19,842	-	16,485	16,485	-
CASH, DECEMBER 31	\$ 11,142	23,122	11,980	\$ 6,885	19,842	12,957

<b>Law Library Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 9,100	9,519	419	\$ 3,000	10,143	7,143
Total Receipts	\$ 9,100	9,519	419	\$ 3,000	10,143	7,143
DISBURSEMENTS						
Law library maintenance	\$ 10,100	10,833	733	\$ 3,000	12,407	9,407
Total Disbursements	\$ 10,100	10,833	733	\$ 3,000	12,407	9,407
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,000)	(1,314)	(314)	\$ -	(2,264)	(2,264)
CASH, JANUARY 1	1,767	1,767	-	4,031	4,031	-
CASH, DECEMBER 31	\$ 767	453	(314)	\$ 4,031	1,767	(2,264)

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**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Collector Tax Maintenance Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 45,000	46,051	1,051	\$ 50,000	46,736	(3,264)
Interest	-	1,301	1,301	-	-	-
Total Receipts	\$ 45,000	47,352	2,352	\$ 50,000	46,736	(3,264)
DISBURSEMENTS						
Collector	\$ 25,500	33,009	7,509	\$ 15,000	19,461	4,461
Transfers out	25,000	25,000	-	25,000	25,000	-
Total Disbursements	\$ 50,500	58,009	7,509	\$ 40,000	44,461	4,461
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (5,500)	(10,657)	(5,157)	\$ 10,000	2,275	(7,725)
CASH, JANUARY 1	121,266	121,266	-	118,991	118,991	-
CASH, DECEMBER 31	\$ 115,766	110,609	(5,157)	\$ 128,991	121,266	(7,725)

<b>Drug Task Force Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 123,208	210,653	87,445	\$ 123,208	211,470	88,262
Interest	-	54	54	-	106	106
Other	17,500	41,411	23,911	-	19,860	19,860
Transfers in	-	-	-	-	2,764	2,764
Total Receipts	\$ 140,708	252,118	111,410	\$ 123,208	234,200	110,992
DISBURSEMENTS						
Salaries, benefits, and supplies	\$ 123,208	257,324	134,116	\$ 123,208	233,872	110,664
Total Disbursements	\$ 123,208	257,324	134,116	\$ 123,208	233,872	110,664
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 17,500	(5,206)	(22,706)	\$ -	328	328
CASH, JANUARY 1		7,255			6,927	
CASH, DECEMBER 31	\$	2,049		\$	7,255	

<b>Drug Task Force Supplemental Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 42,738	50,449	7,711	\$ 11,722	25,384	13,662
Transfers in	-	4,232	4,232	-	-	-
Total Receipts	\$ 42,738	54,681	11,943	\$ 11,722	25,384	13,662
DISBURSEMENTS						
Vehicle expenses, office, and retirement	\$ 44,620	32,619	(12,001)	\$ 11,722	29,855	18,133
Transfers out	-	-	-	-	2,764	2,764
Total Disbursements	\$ 44,620	32,619	(12,001)	\$ 11,722	32,619	20,897
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,882)	22,062	23,944	\$ -	(7,235)	(7,235)
CASH, JANUARY 1		-			7,235	
CASH, DECEMBER 31	\$	22,062		\$	-	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**MORGAN COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Senior Services Board Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 180,000	192,586	12,586	\$ 180,000	179,995	(5)
Interest	300	161	(139)	600	300	(300)
Total Receipts	\$ 180,300	192,747	12,447	\$ 180,600	180,295	(305)
DISBURSEMENTS						
Contract services and other	\$ 203,000	198,050	(4,950)	\$ 200,000	164,908	(35,092)
Total Disbursements	\$ 203,000	198,050	(4,950)	\$ 200,000	164,908	(35,092)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (22,700)	(5,303)	17,397	\$ (19,400)	15,387	34,787
CASH, JANUARY 1	74,556	74,556	-	59,169	59,169	-
CASH, DECEMBER 31	\$ 51,856	69,253	17,397	\$ 39,769	74,556	34,787

<b>Senate Bill 40 Board Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 181,590	193,337	11,747	\$ 195,325	180,363	(14,962)
Intergovernmental -						
Medicaid waiver-Target Case Management	204,000	266,444	62,444	240,000	184,997	(55,003)
Stimulus refund	-	-	-	-	28,628	28,628
Interest	360	238	(122)	1,573	340	(1,233)
Miscellaneous	-	3,536	3,536	-	-	-
Total Receipts	\$ 385,950	463,555	77,605	\$ 436,898	394,328	(42,570)
DISBURSEMENTS						
Contract services	\$ 84,000	84,000	-	\$ 84,000	84,000	-
Medicaid waiver match-state of Missouri	117,549	83,248	(34,301)	99,486	111,527	12,041
State medicaid reimbursements	48,000	44,112	(3,888)	-	8,250	8,250
Customer services	20,400	19,280	(1,120)	19,400	18,890	(510)
Personnel expenses	134,300	126,399	(7,901)	130,036	108,622	(21,414)
Insurance and bonds	2,500	1,838	(662)	-	1,651	1,651
Professional	1,000	-	(1,000)	-	-	-
Utilities	12,420	10,801	(1,619)	10,980	9,716	(1,264)
Office supplies	4,896	2,175	(2,721)	1,800	5,739	3,939
Travel and training expenses	7,200	4,928	(2,272)	8,700	1,790	(6,910)
Equipment and furnishings	9,292	3,320	(5,972)	4,200	4,359	159
Maintenance and repair	-	-	-	-	2,484	2,484
Miscellaneous	4,217	7,050	2,833	1,550	3,441	1,891
Total Disbursements	\$ 445,774	387,151	(58,623)	\$ 360,152	360,469	317
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (59,824)	76,404	136,228	\$ 76,746	33,859	(42,887)
CASH, JANUARY 1	114,660	114,660	-	80,801	80,801	-
CASH, DECEMBER 31	\$ 54,836	191,064	136,228	\$ 157,547	114,660	(42,887)

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**MORGAN COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

Morgan County, Missouri is governed by a three-member board of commissioners. In addition to the three County Commissioners, there are ten elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder of Deeds, Collector, Treasurer, Coroner, Prosecuting Attorney, Public Administrator, and Sheriff.

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by Missouri State Law, which practices differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

**1. A. REPORTING ENTITY**

The County's operations include tax assessments and collections, state/county courts administration, recording of deeds and other instruments, public safety and 911, economic development, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Senate Bill 40 Board, or the Senior Services Board. The Collector Tax Maintenance Fund is under the control of the County Collector, the Law Library Fund is under the control of the Prosecuting Attorney, and the Help America Vote Act (HAVA) Fund is under the control of the County Clerk and the Drug Task Force Fund and Drug Task Force Supplemental Fund are under the control of the task force captain but the operations of these funds are ran through the County Treasurer.

The financial statements referred to above include the primary government of Morgan County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity. The financial statements do not include the Circuit Clerk Interest Fund since it is controlled by the Circuit Court.

**1. B. BASIS OF PRESENTATION**

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts, and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary (Agency) Funds - Certain county officials may collect fees from services, remit the monies to the county, state, or to other parties or hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

**1. C. BASIS OF ACCOUNTING**

The financial statements are prepared on the regulatory basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

**MORGAN COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

**1. D. BUDGETS AND BUDGETARY ACCOUNTING**

The County follows these procedures in establishing the budget information:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund. The Senior Services Board and the Senate Bill 40 Board prepare a budget and present it to the county.
2. On or before the second Monday in January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission, the Senior Services Board, and the Senate Bill 40 Board the budget documents are available for public inspection.
5. Prior to February 1, the budgets are legally enacted by a vote of the County Commission, the Senior Services Board, and the Senate Bill 40 Board.
6. Budgets are prepared and adopted on the cash basis of accounting.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission, the Senior Services Board and the Senate Bill 40 Board during the year. The County Commission, Senior Services Board, or the Senate Bill 40 Board did not amend the budget documents in 2012 or 2011.
8. Although adoption of a formal budget is required by law, the County did not adopt a formal budget for the County Law Enforcement Restitution Fund for 2011.
9. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. The Drug Task Force Supplemental Fund budgeted a deficit cash balance for 2012.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds for 2012 and 2011.

<u>Fund</u>	<u>Years Ended December 31,</u>
911	2011
Prosecuting Attorney Delinquent Sales Tax	2012
Recorder User	2012 and 2011
Domestic Violence	2012 and 2011
Bad Check Collection	2012
Law Enforcement Sales Tax	2012 and 2011
NID Debt Service Bond	2011
NID Ongoing Maintenance and Construction	2012 and 2011
County Law Enforcement Restitution	2012
Help America Vote Act (HAVA)	2012
Law Library	2012 and 2011
Collector Tax Maintenance	2012 and 2011
Drug Task Force	2012 and 2011
Drug Task Force Supplemental	2011
Senate Bill 40 Board	2011

**MORGAN COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

**1. E. PROPERTY TAXES**

Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The County bills and collects its own property taxes and also taxes for most other local governments in the County. The assessed valuation of the tangible property for the calendar year 2012 and 2011 for purposes of local taxation was:

	2012		2011
Real Estate	\$ 383,474,200	\$	381,913,140
Personal Property	60,202,914		62,535,172
Railroad and Utilities	22,747,088		23,220,307
Total Assessed Valuation	\$ 466,424,202	\$	467,668,619

The county-wide levy per \$100 of the assessed valuation of tangible property for the calendar year 2012 and 2011 for purposes of local taxation was:

	2012		2011
General Revenue Fund	\$ 0.0736	\$	0.0727
Special Road and Bridge Fund	0.1607		0.1592
Senior Services Board Fund	0.0403		0.0398
Senate Bill 40 Board Fund	0.0403		0.0398

**1. F. CASH DEPOSITS AND INVESTMENTS**

Cash deposits and investments are stated at cost, which approximates market. Cash balances for the County Treasurer funds are invested in interest-bearing bank accounts and in certificates of deposit to the extent possible. Interest earned from such investments is recorded in each of the funds as appropriate based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents.

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

**1. G. INTERFUND ACTIVITY**

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

**MORGAN COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

Transfers between funds of the primary government for the years ended December 31, 2012 and 2011 as shown on the budget documents are as follows:

	Year Ended December 31, 2012	
	Transfers In	Transfers Out
<b>FUNDS:</b>		
General Revenue	\$ 183,916	\$ 248,844
Special Road and Bridge	63	9,935
911	241,092	-
Prosecuting Attorney Retirement	7,752	-
Sheriff Fees	19,292	-
County Law Enforcement Restitution	-	23,200
Collector Tax Maintenance	-	25,000
Drug Task Force Supplemental	4,232	-
Totals	\$ <u>456,347</u>	\$ <u>306,979</u>

	Year Ended December 31, 2011	
	Transfers In	Transfers Out
<b>FUNDS:</b>		
General Revenue	\$ 107,072	\$ 341,326
Special Road and Bridge	134	4,369
911	203,840	-
Prosecuting Attorney Retirement	7,752	-
Law Enforcement Sales Tax	129,734	-
MoSmart Grant	84,530	-
Collector Tax Maintenance	-	25,000
Drug Task Force	2,764	-
Drug Task Force Supplemental	-	2,764
Totals	\$ <u>535,826</u>	\$ <u>373,459</u>

The difference between recorded transfers in and transfers out were mainly related to disbursements from or to nongovernmental or fiduciary funds that were recorded as transfers and not in a separate receipt or disbursement classification.

**1. H. PUBLISHED FINANCIAL STATEMENTS**

Under Section 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the County. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the years ended December 31, 2012 and 2011, the published financial statements included all funds and the required information.

**NOTE 2. CASH AND INVESTMENTS**

The County has determined through experience that business checking accounts, super NOW checking accounts, money market accounts, and certificates of deposits are appropriate types of accounts or instruments for its needs. The County invests each fund's cash balance in interest-bearing bank accounts and in certificates of deposit to the extent possible at two different depository banks. Each fund is included on the financial statements as "Cash" under each fund's caption.

**MORGAN COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 2. CASH AND INVESTMENTS (CONTINUED)**

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreements, in U.S. Treasury and agency obligations. At December 31, 2012 and 2011, the County had no such investments.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand accounts, including negotiable order of withdrawal accounts in banks. The County did invest in nonnegotiable certificates of deposit during the two years ended December 31, 2012.

Insured and Collateralized Deposits

In accordance with state law, all uninsured deposits in financial institutions must be secured with acceptable collateral. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain state or political subdivision debt obligations, surety bonds, or certain letters of credit. Missouri statutes also require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

At December 31, 2012 and 2011, the County's deposits held at the respective depository bank were adequately covered by Federal Depository Insurance Coverage and with additional collateral held by an independent bank in the County's name or by its agent in the County's name. The County's deposits were not subject to custodial or investment credit risk at year end.

In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County has adopted a written investment policy in accordance with applicable state law.

**NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS**

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

**A. County Employees' Retirement Fund (CERF)**

The County Employees' Retirement Fund (CERF) was established by the state of Missouri to provide pension benefits for county officials and employees.

**1) Plan Description**

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties of not less than one thousand (1,000) hours per calendar year in each County of the state, except for any city not within a County and any County of the first classification having a charter form of government. It does not include County prosecuting attorneys covered under sections 56.800 to 56.840, RSMo; circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System; County sheriffs covered under sections 57.949 to 57.997, RSMo; and certain

**MORGAN COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)**

personnel not defined as an employee per section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

**2) Pension Benefits**

CERF first paid benefits beginning January 1, 1997. At that time a member could not retire until age 62. Beginning January 1, 2000, a member could retire with full benefits at age 62 or reduced benefits as early as age 55. The monthly benefit for County employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). An eligible death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling toll-free 1-877-632-2373.

**3) Funding Policy**

In accordance with state statutes, the Fund is partially funded through various fees collected by counties and remitted to the CERF. A contribution to CERF of 2% of annual salary is required for eligible employees hired before February 25, 2002 and not in LAGERS, and a contribution of 6% of annual salary is required of employees hired after February 25, 2002, effective January 1, 2003, in order to participate in CERF. During 2012 and 2011, the County collected and remitted to CERF \$338,255 and \$312,605, respectively, for the years then ended.

**NOTE 4. PROSECUTING ATTORNEY RETIREMENT FUND**

In accordance with state statute chapter 56.807 RSMo, the County contributed to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$7,752 and \$7,752 for the years ended December 31, 2012 and 2011, respectively.

**NOTE 5. POST- EMPLOYMENT BENEFITS**

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.



**MORGAN COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 6. CLAIMS, COMMITMENTS, AND CONTINGENCIES**

1) Compensated Absences

Regular full-time employees who have completed the 90 day introductory period are eligible to receive vacation time as follows: starting date to completion of 3 years of service, 1/2 day per month; 4 through 9 years of service, 1 day per month; and 10 years of service and over, 1 and 1/2 days per month. Vacation leave can accumulate to a maximum of 18 days. Upon termination of employment, an employee will receive equivalent cash reimbursement for accrued vacation leave. Regular full-time employees earn 1 day of sick leave per complete calendar month. Sick leave may accrue up to a maximum of 36 days. Upon termination of employment, no payment will be made for unused sick leave.

2) Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

3) Litigation

The County is involved in a litigation matter at which time the probable outcome is not readily obtainable. The County's management and legal counsel do not know the probable outcome of the matter and the affect on the financial condition of the County at the present time.

**NOTE 7. RISK MANAGEMENT**

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this fund, a non-profit corporation established to provide insurance coverage to Missouri counties. The fund is self-insured up to \$2,000,000 per occurrence and reinsured up to the statutory limit through excess insurance.

**NOTE 8. LONG-TERM DEBT**

The County had the following debt outstanding at December 31, 2012:

The County had long-term debt at December 31, 2012 for the 2010 series refunding bonds of the Morgan County Justice Center totaling \$885,000. Interest rates on these outstanding bonds range from 1.250% to 2.450% and the bonds are due September 2014. Bond principal and interest payments are recorded in the Law Enforcement Sales Tax Fund. The annual requirements to amortize the bonds outstanding as of December 31, 2012, including interest payments are as follows:

**MORGAN COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 8. LONG-TERM DEBT (CONTINUED)**

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 435,000	\$ 20,160	\$ 455,160
2014	450,000	11,025	461,025
Totals	\$ <u>885,000</u>	\$ <u>31,185</u>	\$ <u>916,185</u>

The County also has twelve Neighborhood Improvement Districts (NIDs) with individual bonded indebtedness remaining as of December 31, 2012 for only eleven districts (one district had no bonds outstanding as of December 31, 2011). The total of these bonds at December 31, 2012 is \$703,000 with interest rates ranging from 4.250% to 7.00% and payoff due dates varying between the NIDs of 2013-2026. Bond principal and interest payments for the NIDs are recorded in the NID Debt Service Funds. The annual requirements to amortize the bonds outstanding as of December 31, 2012, including interest payments are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 344,000	\$ 30,226	\$ 374,226
2014	136,000	17,558	153,558
2015	38,000	11,092	49,092
2016	40,000	9,036	49,036
2017	19,000	6,899	25,899
2018-2022	63,000	24,911	87,911
2023-2026	63,000	7,849	70,849
Total	\$ <u>703,000</u>	\$ <u>107,571</u>	\$ <u>810,571</u>

**NOTE 9. PROMISSORY NOTE**

As a result of an error by the state of Missouri Department of Revenue on the distribution of sales taxes for the period from January 1, 2007 through November 30, 2011, Morgan County received \$535,705 more in sales tax than it should have. This excess money should have been distributed to the Mid-Mo Ambulance District. On January 25, 2012, the County entered into a promissory note with the ambulance district to pay back this money by agreeing to pay \$107,141 per year commencing January 31, 2012, and continuing on the 31<sup>st</sup> day of January each year until paid in full.

**NOTE 10. LEASE/PURCHASE AGREEMENT**

In October 2012, the County entered into a lease/purchase agreement for 911 equipment totaling \$487,526 through a government leasing and finance agency. The lease term goes from November 2012 through October 2019 with a monthly lease payment of \$6,177.49 including interest. The annual requirements to amortize the lease agreement payments as of December 31, 2012, including interest payments, are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 66,180	\$ 7,950	\$ 74,130
2014	67,368	6,762	74,130
2015	68,579	5,551	74,130
2016	69,809	4,321	74,130
2017	71,063	3,067	74,130
2018-2019	133,612	2,293	135,905
Total	\$ <u>476,611</u>	\$ <u>29,944</u>	\$ <u>506,555</u>

**MORGAN COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 11. SUBSEQUENT EVENT**

In April 2013, voters in Morgan County, Missouri, approved a local use tax on out-of-state purchases at the same rate as the total local sales tax rate of 1.00%. The tax goes into effect July 1, 2013.

**MORGAN COUNTY, MISSOURI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31	
			2012	2011
	U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
14.228	Department of Economic Development- Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	2008-DI-09	\$ -	\$ 200,000
	U. S. DEPARTMENT OF JUSTICE			
	Passed through:			
16.UNKNOWN	State Department of Public Safety- Equitable Sharing of Seized and Forfeited Property	N/A	24,125	-
16.738	Edward Byrne Memorial Justice Assistance Grant (JAG) Program	2009-JAG-013	-	86,438
		2010-JAG-020	113,367	86,501
		2011-JAG-016	74,938	-
16.803	ARRA-Edward Byrne Memorial Justice Assistance Grant (Recovery-JAG) Program	2009-JAG-RA-057	-	11,700
		2009-JAG-RA-085	27,421	8,080
		2009-JAG-RA-112	44,028	-
16.580	Cape Girardeau County- Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program		-	84,530
	U. S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
20.205	Highway and Transportation Commission - Highway Planning and Construction	BRO-B071 (8)	18,726	20,274
		BRO-B071 (7)	6,717	58,526
	U. S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through state:			
97.036	Department of Public Safety- Disaster Grants - Public Assistance (Presidentially declared disasters)	163-99163-00	-	38,910
Total Expenditures of Federal Awards			<u>\$ 309,322</u>	<u>\$ 594,959</u>

**MORGAN COUNTY, MISSOURI**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. PURPOSE OF SCHEDULE AND REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Morgan County, Missouri.

**B. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards is presented in accordance with OMB Circular A-133, which defines federal financial assistance as assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for service rendered to individuals.

*Federal award* means Federal financial assistance and Federal cost-reimbursement contracts the non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

**C. BASIS OF ACCOUNTING**

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

**D. MATCHING REQUIREMENTS**

Certain Federal programs require that the County contribute non-federal funds (matching funds) to support the federally-funded programs. The County has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the schedule.

**NOTE 2. SUBRECIPIENTS**

The County did not provide any federal awards to any subrecipients during 2012 or 2011.

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September 12, 2013

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the County Commission  
and Officeholders of  
Morgan County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the various county funds of Morgan County, Missouri, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise Morgan County, Missouri's basic financial statements and have issued our report thereon dated September 12, 2013.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Morgan County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Morgan County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Morgan County, Missouri's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses as items 12-01 and 12-02.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (CONTINUED)**

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A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompany schedule of findings and questioned costs to be a significant deficiency as item 12-03.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Morgan County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 12-04.

**Morgan County, Missouri's Responses to Findings**

Morgan County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Morgan County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Casey-Beard-Boehmer PC*

Casey-Beard-Boehmer PC  
Certified Public Accountants

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September 12, 2013

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the County Commission  
and Officeholders of  
Morgan County, Missouri

### Report on Compliance for Each Major Federal Program

We have audited Morgan County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Morgan County, Missouri's major federal programs for the years ended December 31, 2012 and 2011. Morgan County, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Morgan County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Morgan County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Morgan County, Missouri's compliance.

### Unmodified Opinion on Each Major Federal Program

In our opinion, Morgan County, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2012 and 2011.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133 (CONTINUED)**

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***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 12-04. Our opinion on each major federal program is not modified with respect to this matter.

Morgan County, Missouri's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Morgan County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control Over Compliance**

Management of Morgan County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Morgan County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Morgan County, Missouri's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We do not consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 12-04 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 12-04 to be a significant deficiency.

Morgan County, Missouri's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Morgan County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133 (CONTINUED)**

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This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

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Certified Public Accountants

**MORGAN COUNTY, MISSOURI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**SECTION I – SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of auditors' report issued: Qualified

Internal control over financial reporting:

Material weakness(es) identified?   X   Yes        No

Significant deficiency(ies) identified?   X   Yes        none reported

Noncompliance material to financial statements noted?   X   Yes        No

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified?        Yes   X   No

Significant deficiency(ies) identified?   X   Yes        none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?   X   Yes        No

Identification of major programs:

<u>CFDA Number</u>	<u>Program Title</u>
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
16.738	Edward Byrne Memorial Justice Assistance Grant (JAG) Program
16.803	ARRA - Edward Byrne Memorial Justice Assistance Grant (Recovery-JAG) Program

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee?        Yes   X   No

**MORGAN COUNTY, MISSOURI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

This section includes the audit findings that *Government Auditing Standards* require to be reported for an audit of financial statements.

**MATERIAL WEAKNESSES IN INTERNAL CONTROL**

**12-01      County Budget Documents Materially Misstated County's Financial Statements**

Condition: The County's budget documents for the year ended December 31, 2012 and 2011 materially misstated the various receipt classifications in various county funds as follows:

- A. Various items that are Intergovernmental Revenues were misclassified as Other Revenues in the General Revenue Fund.
- B. In the Special Road and Bridge Fund, a Community Development Grant for \$57,108 and \$142,892 for 2012 and 2011, respectively, were misclassified as Other Revenues instead of as Intergovernmental Revenues.
- C. In the Law Enforcement Sales Tax Fund, the large amount of board of prisoners' reimbursements from the Federal government and MoSmart Grant receipts for both 2012 and 2011 were misclassified as Other Revenues instead of as Intergovernmental Revenues.
- D. In the 911 Fund, the user fee charges were misclassified as Other Revenues instead of as Charges for Services and in a few other governmental funds the fees from officials were also classified as Other Revenues instead of as Charges for Services.

Due to the number of numerous misclassifications on the budget documents the financial statements have not been adjusted to properly state receipts and the cash balances for the various funds.

Criteria: Strong internal controls over financial information require that receipts be properly classified within the respective funds and an independent review performed of the budget documents to ensure that the classifications of receipts are proper.

Cause: The County had a lack of controls over the preparation of the budget documents and a lack of independent verification of amounts recorded on the budget documents. It appears that county officials do not know exactly where or how certain revenues are to be classified in the budget documents.

Effect: The budget documents presented to the public and submitted to the State Auditor's Office contained material misstatements of financial amounts in various classifications of receipts within various county funds. Financial information presented in the published financial statements is also not accurately stated for the general public.

Recommendation:

The County Commission, County Clerk, and respective officials take more care in preparation of the budget document each year to ensure that the classifications of receipts within the various funds are properly stated. We also recommend the county redo the 2013 budget document with proper classifications of financial amounts in order for the 2014 budget to be prepared more accurately.

*Auditee Response:*

*The County agrees with these findings and will attempt to get all elected officials to abide by this recommendation.*

**MORGAN COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**12-02      Accounting for Transfers Need Improvement**

Condition: The financial statements of the County as represented in the annual budget document do not present the proper amount of transfers between the various county funds. Total amounts reflected on the budget documents for budgeted transfers in do not agree with total budgeted transfers out for the years ended December 31, 2012 and 2011. In addition, actual amounts for transfers in are not properly reconciled to actual amounts transferred out each year.

The total amount of transfers in presented on the budget documents in the various funds for 2012 and 2011 was \$456,347 and \$535,826, respectively, while total transfers out presented for 2012 and 2011 was \$306,979 and \$373,459, respectively. The differences in transfers are mainly because amounts are recorded within the various funds as transfers in and out that are from nongovernmental funds such as for criminal costs reimbursements, financial institution tax distributions, jury fee reimbursements, a payment to a road district for gas tax distributions, or the transfers are recorded in other receipt or disbursement classifications. These situations occurred in both 2012 and 2011.

Criteria: Strong internal controls over financial statements require that transfers in and out are properly reported in the various funds and are in balance.

Cause: The County Commission, County Clerk, and Treasurer did not consider the importance of balancing the budgeted and actual amounts of transfers in and out between the various funds and properly classifying the transfers.

Effect: The transfers in and out between various county funds are not in balance on the budget documents filed with the state and other classifications of receipts and disbursements or also misclassified and materially misstate the financial statements presented by the county.

**Recommendation:**

The County Commission, County Clerk, and Treasurer should ensure both budgeted and actual transfers to and from other funds are in agreement each year. Also, other types of transactions that are not operating transfers should not be presented in the "Transfers" account category and that transfers not be shown in other revenue or disbursement categories.

**Auditee Response:**

*We agree with this recommendation and will try to ensure future compliance.*

**SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL**

**12-03      Budgetary Procedures Not in Compliance With State Law**

Condition: We noted the following issues with the County's budgeting process and budget documents during our audit:

- A. The County Commission, County Clerk, Senate Bill 40 Board, and other county officials did not exercise adequate budgetary control over the following funds during the audit period. Expenditures were approved for payment that exceeded the approved budget for the following funds as shown below:

**MORGAN COUNTY, MISSOURI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<u>Fund</u>	<u>Year</u>	<u>Amount</u>
911	2011	\$ 6,554
Prosecuting Attorney Delinquent Sales Tax	2012	18
Recorder User	2012	1,958
	2011	1,373
Domestic Violence	2012	1
	2011	2,799
Bad Check Collection	2012	8
Law Enforcement Sales Tax	2012	28,627
	2011	45,815
NID Debt Service Bond	2011	8,489
NID Ongoing Maintenance and Construction	2012	227,296
	2011	65,026
County Law Enforcement Restitution	2012	3,200
Help America Vote Act (HAVA)	2012	167
Law Library	2012	733
	2011	9,407
Collector Tax Maintenance	2012	7,509
	2011	4,461
Drug Task Force	2012	134,116
	2011	110,664
Drug Task Force Supplemental	2011	20,897
Senate Bill 40 Board	2011	317

- B. The County did not prepare a budget for the County Law Enforcement Restitution Fund for the year ended December 31, 2011 when actual receipts and disbursements were made from the fund in 2011.
- C. We noted the following with respect to the Drug Task Force Fund and Drug Task Force Supplemental Fund budget documents provided to the county:
1. Budget documents for both funds did not have the budget reconciliation pages completed in order to present estimated and actual ending cash balances for each fund for either 2012 or 2011.
  2. The budget documents were mainly taken from the budget worksheets prepared from the county's computer system that also does not present the estimated ending cash balances for 2012 or 2011. The budget worksheets for the approved budget for 2012 showed more approved expenditures than approved revenues and with a zero balance at December 31, 2011 created a budgeted negative cash balance of \$1,882.
  3. The actual receipts and disbursements for the Drug Task Force Fund for 2012 did not properly agree with the totals as presented by the County Treasurer.
- D. The County's budget documents for the General Revenue Fund for 2012, the NID Ongoing Maintenance and Construction Fund for 2012, and the Help America Vote Act (HAVA) Fund for 2012 and 2011 did not properly agree to the total receipts and disbursements as presented on the settlements provided by the County Treasurer.
- E. We noted the following errors related to the Senior Services Board Fund budget documents:
1. The summary page for 2011 did not show the correct estimated revenues compared to the detailed budget by \$600 for interest income budgeted making the estimated ending balance \$39,169 instead of \$39,769.
  2. The budget document for 2012 did not show the correct revenues for 2011 on the budget reconciliation page by \$300 for interest income posted incorrectly showing cash available for December 31, 2011 overstated by \$300. This also caused the cash

**MORGAN COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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balance at December 31, 2012 shown on the budget reconciliation page of the budget document to be incorrect by \$300.

3. The cash reconciliation page on the 2013 budget showed total actual expenditures for 2012 of \$198,049 but the detailed expenditures listed on the budget document showed total expenditures of \$209,875. Also on the 2013 budget document, the 2011 actual expenditures listed in detail totaled \$200,000 instead of the actual expenditures of \$164,608. It is apparent that the Senior Services Board is not reviewing the budget document thoroughly to ensure all amounts entered are complete and accurate. The financial statements have been amended to properly state the cash balance at each year end.

Criteria: Section 50.540 RSMo, requires that a budget be prepared for all county funds and that the budget be revised prior to authorizing expenditures in excess of the budget.

Cause: County officials did not consider the importance of preparing proper amended budgets and preparing budget documents in 2011 for all applicable county operating funds.

Effect: The County Commission and County Clerk did not follow state law on the preparation of budget documents and expenditures of funds.

Recommendation:

- A. The County Commission and Senate Bill 40 Board should not approve expenditures in excess of budgeted amounts. The County Commission and Senate Bill 40 Board should properly amend the budgets in a public meeting when unforeseen circumstances arise that necessitate increased expenditures in any fund.
- B. The County Commission and County Clerk properly prepare annual budgets for all county funds in accordance with state law.
- C&D. The County Commission and County Clerk ensure that the budget documents are completed properly and that actual amounts presented agree with the amounts shown by the County Treasurer on the annual settlements or to the reconciled cash balance.
- E. The Senior Services Board ensure that the budget documents are completed properly and accurately.

*Auditee Response:*

*The County Commission and County Clerk responded as follows:*

*A, C, and D. We agree with the recommendations and will monitor the budgets more closely and take appropriate action in a timelier manner.*

*B. We will also make sure budgets are prepared for all funds.*

*The Senate Bill 40 Board responded as follows also to Recommendation A:*

*In FY2011, the Morgan County SB40 Board for the Developmentally Disabled embarked on a new endeavor with the commencement of the Morgan County Targeted Case Management Program. Now having the capabilities of locally controlled TCM services, the Morgan County SB40 Board for the Developmentally Disabled had a new-found understanding of the consumer's needs. This led to the development and expansion of the SB40 Board's Consumer Services expenditures in the middle of the fiscal year, to assist in meeting the needs of the individuals supported in Morgan County.*

**MORGAN COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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*The Senior Services Board responded as follows to Recommendation E:*

*These discrepancies will be discussed at our October board meeting and any future documents will be accurate.*

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**12-04            Schedule of Expenditures of Federal Awards**

Federal Grantor:	U.S. Department of Justice, U.S. Department of Transportation, and U.S. Department of Homeland Security
Pass-Through Grantor:	Various
Federal CFDA Number:	16.738, 16.803, 16.580, 20.205, and 97.036
Program Title:	Various
Pass-Through Entity	
Identifying Number:	Various
Award Year:	2012 and 2011
Questioned Costs:	N/A

Condition:     The County again does not have adequate procedures in place to report accurate grant information on the Schedule of Expenditures of Federal Awards (SEFA), and as a result, the County's SEFA contained material errors and omissions of information required by the federal government. This condition has been noted in several past audit reports of the county.

For the years ended December 31, 2012 and 2011, the County's SEFA showed a total of \$126,533 and \$226,706 in expenditures of federal awards and actually understated the SEFA by \$182,789 and \$368,253 for 2012 and 2011, respectively. The differences were mainly caused by the County excluding a large payment from the Department of Economic Development in the amount of \$142,892, disaster grants from the Department of Public Safety totaling \$38,910, drug task force monies through the Department of Public Safety totaling \$452,473 but improperly showing a total budget amount of one grant for \$203,282. The County also understated the equitable sharing of seized and forfeited property by \$4,883 and understated the highway planning and construction payments through the Highway and Transportation Commission by \$55,377.

Criteria:       Section .310(b) of Circular A-133, Audit of States, Local Governments, and Non-profit Organizations, requires the County to prepare a SEFA for the period covered by the County's financial statements. The County is required to submit the SEFA to the State Auditor's Office as part of the annual budget.

Cause:          The County again does not fully understand how to prepare and to take the appropriate time to prepare the SEFA properly. All officials did not properly complete the SEFA for their federal grants to present to the County Clerk for the budget document and no overall control of all federal grants and awards is controlled and monitored by the County Commission.

Effect:          The County's SEFA was incorrectly prepared and materially misstated as prepared by the County.



**MORGAN COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**Recommendation:**

Compilation of the SEFA requires consulting County financial records and requesting information from other departments and/or officials. The County again should take steps to ensure all departments and/or officials properly track federal awards to ensure all federal awards with the appropriate CFDA numbers and grant titles are properly reported on the SEFA.

***Auditee Response:***

*We now have clarification on our responsibilities and will pay close attention to the county's SEFA to ensure compliance.*

**MORGAN COUNTY, MISSOURI**  
**FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN**  
**AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE**  
**WITH *GOVERNMENT AUDITING STANDARDS***

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In accordance with Government Auditing Standards, this section reports the auditors' follow-up on the action taken by Morgan County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2010.

1. An auditor assisting with clients on the preparation of the financial statements is at least indicative of a significant deficiency.

Status: Partially implemented. The County is under the regulatory basis by preparation of a budget document to the state and this is used as its financial statements. The County does assist in reviewing the audit report and financial statements to take responsibility but more responsibility in the accurate preparation of the budgets should be made. See current finding 12-01.

2. Inadequate documentation of the components of internal control to be at least a significant deficiency.

Status: Implemented. An internal control policy document has been prepared and approved by the county.

3. The County did not have a formal fraud risk assessment in place.

Status: Partially implemented. The County is presently working on developing a fraud risk policy to be added to the internal control policy.

4. The Schedule of Expenditures of Federal Awards contained errors.

Status: Not implemented. The present Schedule of Expenditures of Federal Awards for the two years ended December 31, 2012 also contained errors and did not include all federal grant expenditures for several federal programs. See current finding 12-04.



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Randolph County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Randolph County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Casey-Beard-Boehmer PC, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is written in a cursive style with a large, stylized "S" at the end.

Thomas A. Schweich  
State Auditor

September 2013  
Report No. 2013-097

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**CASEY-BEARD-BOEHMER PC  
CERTIFIED PUBLIC ACCOUNTANTS  
COLUMBIA, MISSOURI**

**RANDOLPH COUNTY, MISSOURI  
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# CASEY-BEARD-BOEHMER PC



A Certified Public Accounting and Consulting Firm

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1 East Broadway  
Columbia, MO 65203-4205  
573 / 442 – 8427  
FAX / 875 – 7876  
www.caseycpas.com

September 3, 2013

## INDEPENDENT AUDITORS' REPORT

To the County Commission  
and Officeholders of  
Randolph County, Missouri

We have audited the accompanying financial statements of Randolph County, Missouri, which comprise the statement of receipts, disbursements, and changes in cash – regulatory basis, of each fund as of December 31, 2012 and 2011, and the related statement of receipts, disbursements, and changes in cash – budget and actual – regulatory basis for each fund for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri Law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

MEMBER  
•  
American  
Institute of  
Certified  
Public  
Accountants  
•  
Missouri  
Society of  
Certified  
Public  
Accountants  
•

## **RANDOLPH COUNTY, MISSOURI INDEPENDENT AUDITORS' REPORT (CONTINUED)**

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### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1, the financial statements are prepared by Randolph County, Missouri, using accounting practices prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Randolph County, Missouri, as of December 31, 2012 and 2011, and the changes in its financial position.

### **Basis for Qualified Opinion on Regulatory Basis of Accounting**

Randolph County, Missouri, has not properly presented the receipts and disbursements in the Justice Center Bond Accounts Fund and various other funds for the years ended December 31, 2012 and 2011. The amount by which the receipts and disbursements are misstated is material but not readily determinable.

### **Qualified Opinion on Regulatory Basis of Accounting**

In our opinion, except for the matter described in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each fund of Randolph County, Missouri, as of December 31, 2012 and 2011, and their respective cash receipts and disbursements, and budgetary results for the years then ended, on the basis of the financial reporting provisions of Missouri Law as described in Note 1.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2013, on our consideration of Randolph County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Randolph County, Missouri's internal control over financial reporting and compliance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Randolph County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

**RANDOLPH COUNTY, MISSOURI**  
**INDEPENDENT AUDITORS' REPORT (CONTINUED)**

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This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Casey-Beard-Boehmer PC*

Casey-Beard-Boehmer PC  
Certified Public Accountants



**RANDOLPH COUNTY, MISSOURI**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

Fund	Cash January 1, 2011	Receipts	Disbursements	Cash December 31, 2011	Receipts	Disbursements	Cash December 31, 2012
General Revenue	\$ 546,172	3,100,650	3,080,776	566,046	3,320,271	3,201,908	684,409
Special Road and Bridge	752,717	1,450,157	1,290,234	912,640	1,419,712	1,388,403	943,949
Assessment	278,199	428,165	340,574	365,790	435,063	341,173	459,680
Prosecuting Attorney Training	(3,316)	1,317	1,155	(3,154)	1,646	1,893	(3,401)
Law Enforcement Training	26,017	7,111	10,095	23,033	9,530	8,836	23,727
Domestic Abuse	749	1,032	700	1,081	1,565	1,000	1,646
User	13,755	7,840	11,367	10,228	8,962	11,577	7,613
Sheriff	42,664	44,298	52,528	34,434	60,173	55,468	39,139
Local Emergency Planning Committee	27,972	53	6,162	21,863	26	12,198	9,691
Election Service	13,077	14,427	3,797	23,707	9,303	9,460	23,550
Emergency 911	17	102,397	102,397	17	107,475	94,467	13,025
Recorder Tech	3,339	4,477	4,165	3,651	5,138	3,660	5,129
Prosecuting Attorney Bad Check	9,799	13,166	15,386	7,579	11,025	8,439	10,165
Collector Tech	81,935	37,668	69,420	50,183	36,047	34,741	51,489
Cemetery Trust	20,284	603	800	20,087	464	800	19,751
Prosecuting Attorney Grant	1,176	66,648	71,331	(3,507)	84,164	79,601	1,056
Justice Center	47	1,228,157	1,228,343	(139)	1,362,661	1,362,522	-
Sheriff Restitution	3,838	2,098	3,801	2,135	2,899	3,194	1,840
Capital	22,864	31,900	-	54,764	-	16,444	38,320
Building	40,000	30,027	-	70,027	-	-	70,027
Court Appointed Special Advocates (CASA)	9,211	9,508	10,131	8,588	10,791	10,095	9,284
Sheriff Conceal and Carry Weapons (CCW) (1)	16,430	13,627	11,149	18,908	20,118	6,871	32,155
Prosecuting Attorney Delinquent Tax (2)	1,585	610	1,903	292	439	631	100
Justice Center Bond Accounts (1)	835,096	1,257,232	1,206,444	885,884	1,263,473	1,355,648	793,709
Totals	\$ <u>2,743,627</u>	<u>7,853,168</u>	<u>7,522,658</u>	<u>3,074,137</u>	<u>8,170,945</u>	<u>8,009,029</u>	<u>3,236,053</u>

(1) Budgets were not prepared by the county for 2012 and 2011.

(2) A budget was not prepared by the county for 2011.

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**RANDOLPH COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>General Revenue Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Property taxes	\$ 836,591	958,547	121,956	\$ 847,100	878,531	31,431
Sales tax	1,276,732	1,264,007	(12,725)	1,227,141	1,257,865	30,724
Intergovernmental	304,871	297,768	(7,103)	207,659	198,078	(9,581)
Charges for services	649,000	699,073	50,073	624,982	660,110	35,128
Interest	-	10,795	10,795	3,100	-	(3,100)
Other	45,472	57,081	11,609	42,794	96,066	53,272
Transfers in	127,740	33,000	(94,740)	41,250	10,000	(31,250)
Total Receipts	\$ 3,240,406	3,320,271	79,865	\$ 2,994,026	3,100,650	106,624
<b>DISBURSEMENTS</b>						
General County Government-						
County Commission	\$ 108,505	106,930	(1,575)	\$ 107,867	106,125	(1,742)
County Clerk	136,054	128,706	(7,348)	136,547	136,779	232
Elections	103,000	83,725	(19,275)	25,000	14,194	(10,806)
Buildings and grounds	97,660	96,847	(813)	112,710	90,023	(22,687)
Employee fringe benefits	425,102	486,566	61,464	361,167	405,886	44,719
County Treasurer	52,079	51,491	(588)	53,703	52,658	(1,045)
County Collector	116,135	125,028	8,893	122,783	125,037	2,254
Recorder of Deeds	100,230	99,980	(250)	98,839	98,630	(209)
Circuit Clerk	67,903	64,863	(3,040)	68,603	60,541	(8,062)
Court Administration	42,020	22,470	(19,550)	15,920	10,467	(5,453)
Public Administrator	79,685	76,942	(2,743)	77,103	77,114	11
Public Safety-						
Sheriff	691,568	678,411	(13,157)	655,529	659,948	4,419
Prosecuting Attorney	324,219	336,479	12,260	306,768	314,928	8,160
Juvenile Officer	250,945	247,143	(3,802)	247,494	240,290	(7,204)
County Coroner	44,870	42,774	(2,096)	33,944	33,350	(594)
Other-						
Miscellaneous	115,535	120,478	4,943	71,044	56,094	(14,950)
Insurance	34,002	33,363	(639)	42,000	28,057	(13,943)
Randolph County 4-H	22,000	22,000	-	22,000	22,000	-
Economic Development	22,000	22,000	-	20,000	20,000	-
Transfers Out	407,636	355,712	(51,924)	387,883	468,045	80,162
Emergency Fund	100,152	-	(100,152)	92,510	60,610	(31,900)
Total Disbursements	\$ 3,341,300	3,201,908	(139,392)	\$ 3,059,414	3,080,776	21,362
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (100,894)	118,363	219,257	\$ (65,388)	19,874	85,262
CASH, JANUARY 1	566,046	566,046	-	546,172	546,172	-
CASH, DECEMBER 31	\$ 465,152	684,409	219,257	\$ 480,784	566,046	85,262

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**RANDOLPH COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Special Road and Bridge Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Property taxes	\$ 484,149	504,703	20,554	\$ 516,296	481,277	(35,019)
Intergovernmental	783,583	789,601	6,018	773,757	819,160	45,403
Charges for services	3,500	6,048	2,548	3,500	5,247	1,747
Interest	2,000	5,116	3,116	2,600	2,259	(341)
Other	86,914	114,244	27,330	85,116	142,214	57,098
Total Receipts	\$ 1,360,146	1,419,712	59,566	\$ 1,381,269	1,450,157	68,888
<b>DISBURSEMENTS</b>						
Salaries	\$ 390,938	346,304	(44,634)	\$ 388,564	371,472	(17,092)
Employee fringe benefits	142,138	152,538	10,400	148,349	143,230	(5,119)
Supplies	36,800	27,402	(9,398)	33,400	35,515	2,115
Insurance	18,463	19,163	700	32,333	19,359	(12,974)
Road and bridge materials	554,500	407,521	(146,979)	499,000	267,115	(231,885)
Equipment repairs	99,600	71,152	(28,448)	69,400	88,770	19,370
Equipment purchases	355,000	169,774	(185,226)	105,000	110,563	5,563
Road and bridge construction	59,700	20	(59,680)	4,700	26,731	22,031
Other	244,910	176,529	(68,381)	231,100	227,479	(3,621)
Transfers out	87,740	18,000	(69,740)	21,250	-	(21,250)
Total Disbursements	\$ 1,989,789	1,388,403	(601,386)	\$ 1,533,096	1,290,234	(242,862)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (629,643)	31,309	660,952	\$ (151,827)	159,923	311,750
CASH, JANUARY 1	912,640	912,640	-	752,717	752,717	-
CASH, DECEMBER 31	\$ 282,997	943,949	660,952	\$ 600,890	912,640	311,750

<b>Assessment Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Intergovernmental	\$ 418,690	432,840	14,150	\$ 398,128	426,651	28,523
Charges for services	500	1,039	539	500	310	(190)
Interest	700	1,184	484	1,000	911	(89)
Other	2,110	-	(2,110)	-	293	293
Total Receipts	\$ 422,000	435,063	13,063	\$ 399,628	428,165	28,537
<b>DISBURSEMENTS</b>						
Assessor	\$ 357,445	341,173	(16,272)	\$ 412,229	340,574	(71,655)
Total Disbursements	\$ 357,445	341,173	(16,272)	\$ 412,229	340,574	(71,655)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 64,555	93,890	29,335	\$ (12,601)	87,591	100,192
CASH, JANUARY 1	365,790	365,790	-	278,199	278,199	-
CASH, DECEMBER 31	\$ 430,345	459,680	29,335	\$ 265,598	365,790	100,192

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**RANDOLPH COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Prosecuting Attorney Training Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 1,500	1,646	146	\$ 1,500	1,317	(183)
Other	-	-	-	1,817	-	(1,817)
Total Receipts	\$ 1,500	1,646	146	\$ 3,317	1,317	(2,000)
DISBURSEMENTS						
Training	\$ 1,500	1,893	393	\$ 1,500	1,155	(345)
Total Disbursements	\$ 1,500	1,893	393	\$ 1,500	1,155	(345)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	(247)	(247)	\$ 1,817	162	(1,655)
CASH, JANUARY 1	(3,154)	(3,154)	-	(3,316)	(3,316)	-
CASH, DECEMBER 31	\$ (3,154)	(3,401)	(247)	\$ (1,499)	(3,154)	(1,655)

<b>Law Enforcement Training Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 7,000	9,530	2,530	\$ 7,600	7,111	(489)
Total Receipts	\$ 7,000	9,530	2,530	\$ 7,600	7,111	(489)
DISBURSEMENTS						
Mileage and training	\$ 10,000	8,836	(1,164)	\$ 10,000	10,095	95
Total Disbursements	\$ 10,000	8,836	(1,164)	\$ 10,000	10,095	95
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,000)	694	3,694	\$ (2,400)	(2,984)	(584)
CASH, JANUARY 1	23,033	23,033	-	26,017	26,017	-
CASH, DECEMBER 31	\$ 20,033	23,727	3,694	\$ 23,617	23,033	(584)

<b>Domestic Abuse Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 900	1,565	665	\$ 900	1,032	132
Total Receipts	\$ 900	1,565	665	\$ 900	1,032	132
DISBURSEMENTS						
Other	\$ 1,000	1,000	-	\$ 700	700	-
Total Disbursements	\$ 1,000	1,000	-	\$ 700	700	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (100)	565	665	\$ 200	332	132
CASH, JANUARY 1	1,081	1,081	-	749	749	-
CASH, DECEMBER 31	\$ 981	1,646	665	\$ 949	1,081	132

**RANDOLPH COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>User Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 8,750	8,941	191	\$ 8,000	7,812	(188)
Interest	30	21	(9)	35	28	(7)
Total Receipts	\$ 8,780	8,962	182	\$ 8,035	7,840	(195)
DISBURSEMENTS						
Recorder of Deeds	\$ 28,000	11,577	(16,423)	\$ 19,500	11,367	(8,133)
Total Disbursements	\$ 28,000	11,577	(16,423)	\$ 19,500	11,367	(8,133)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (19,220)	(2,615)	16,605	\$ (11,465)	(3,527)	7,938
CASH, JANUARY 1	10,228	10,228	-	13,755	13,755	-
CASH, DECEMBER 31	\$ (8,992)	7,613	16,605	\$ 2,290	10,228	7,938

<b>Sheriff Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 45,000	53,913	8,913	\$ 50,000	43,943	(6,057)
Interest	-	88	88	150	100	(50)
Other	1,500	6,172	4,672	-	255	255
Total Receipts	\$ 46,500	60,173	13,673	\$ 50,150	44,298	(5,852)
DISBURSEMENTS						
Sheriff	\$ 80,000	55,468	(24,532)	\$ 82,500	52,528	(29,972)
Total Disbursements	\$ 80,000	55,468	(24,532)	\$ 82,500	52,528	(29,972)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (33,500)	4,705	38,205	\$ (32,350)	(8,230)	24,120
CASH, JANUARY 1	34,434	34,434	-	42,664	42,664	-
CASH, DECEMBER 31	\$ 934	39,139	38,205	\$ 10,314	34,434	24,120

<b>Local Emergency Planning Committee Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 75	26	(49)	\$ 100	53	(47)
Other	1,000	-	(1,000)	1,000	-	(1,000)
Total Receipts	\$ 1,075	26	(1,049)	\$ 1,100	53	(1,047)
DISBURSEMENTS						
Other	\$ 18,082	12,198	(5,884)	\$ 6,300	6,162	(138)
Total Disbursements	\$ 18,082	12,198	(5,884)	\$ 6,300	6,162	(138)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (17,007)	(12,172)	4,835	\$ (5,200)	(6,109)	(909)
CASH, JANUARY 1	21,863	21,863	-	27,972	27,972	-
CASH, DECEMBER 31	\$ 4,856	9,691	4,835	\$ 22,772	21,863	(909)

**RANDOLPH COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Election Service Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 6,000	9,255	3,255	\$ 6,000	5,835	(165)
Interest	35	48	13	50	33	(17)
Other	9,000	-	(9,000)	7,555	8,559	1,004
Total Receipts	\$ 15,035	9,303	(5,732)	\$ 13,605	14,427	822
DISBURSEMENTS						
Elections	\$ 14,300	9,460	(4,840)	\$ 12,300	3,797	(8,503)
Total Disbursements	\$ 14,300	9,460	(4,840)	\$ 12,300	3,797	(8,503)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 735	(157)	(892)	\$ 1,305	10,630	9,325
CASH, JANUARY 1	23,707	23,707	-	13,077	13,077	-
CASH, DECEMBER 31	\$ 24,442	23,550	(892)	\$ 14,382	23,707	9,325

<b>Emergency 911 Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 86,000	107,115	21,115	\$ 92,000	76,726	(15,274)
Other	700	360	(340)	-	680	680
Transfers in	22,000	-	(22,000)	19,500	24,991	5,491
Total Receipts	\$ 108,700	107,475	(1,225)	\$ 111,500	102,397	(9,103)
DISBURSEMENTS						
Salaries	\$ 11,438	10,168	(1,270)	\$ 11,411	9,845	(1,566)
Benefits	1,006	931	(75)	98,650	91,297	(7,353)
Operation expenses	83,996	83,368	(628)	986	1,255	269
Total Disbursements	\$ 96,440	94,467	(1,973)	\$ 111,047	102,397	(8,650)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 12,260	13,008	748	\$ 453	-	(453)
CASH, JANUARY 1	17	17	-	17	17	-
CASH, DECEMBER 31	\$ 12,277	13,025	748	\$ 470	17	(453)

<b>Recorder Tech Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 4,950	5,129	179	\$ 5,000	4,469	(531)
Interest	40	9	(31)	10	8	(2)
Total Receipts	\$ 4,990	5,138	148	\$ 5,010	4,477	(533)
DISBURSEMENTS						
Equipment	\$ 8,000	3,660	(4,340)	\$ 8,000	4,165	(3,835)
Total Disbursements	\$ 8,000	3,660	(4,340)	\$ 8,000	4,165	(3,835)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,010)	1,478	4,488	\$ (2,990)	312	3,302
CASH, JANUARY 1	3,651	3,651	-	3,339	3,339	-
CASH, DECEMBER 31	\$ 641	5,129	4,488	\$ 349	3,651	3,302

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**RANDOLPH COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Prosecuting Attorney Bad Check Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 13,185	11,005	(2,180)	\$ 8,000	13,166	5,166
Interest	-	20	20	-	-	-
Total Receipts	\$ 13,185	11,025	(2,160)	\$ 8,000	13,166	5,166
DISBURSEMENTS						
Prosecuting Attorney	\$ 2,850	8,439	5,589	\$ 2,850	15,386	12,536
Total Disbursements	\$ 2,850	8,439	5,589	\$ 2,850	15,386	12,536
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 10,335	2,586	(7,749)	\$ 5,150	(2,220)	(7,370)
CASH, JANUARY 1	7,579	7,579	-	9,799	9,799	-
CASH, DECEMBER 31	\$ 17,914	10,165	(7,749)	\$ 14,949	7,579	(7,370)

<b>Collector Tech Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 33,000	35,912	2,912	\$ 30,250	37,532	7,282
Interest	120	135	15	-	136	136
Total Receipts	\$ 33,120	36,047	2,927	\$ 30,250	37,668	7,418
DISBURSEMENTS						
County Collector	\$ 81,980	19,741	(62,239)	\$ 108,980	59,420	(49,560)
Transfers Out	-	15,000	15,000	-	10,000	10,000
Total Disbursements	\$ 81,980	34,741	(47,239)	\$ 108,980	69,420	(39,560)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (48,860)	1,306	50,166	\$ (78,730)	(31,752)	46,978
CASH, JANUARY 1	50,183	50,183	-	81,935	81,935	-
CASH, DECEMBER 31	\$ 1,323	51,489	50,166	\$ 3,205	50,183	46,978

<b>Cemetery Trust Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Other	\$ -	464	464	\$ -	603	603
Total Receipts	\$ -	464	464	\$ -	603	603
DISBURSEMENTS						
Other	\$ -	800	800	\$ -	800	800
Total Disbursements	\$ -	800	800	\$ -	800	800
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	(336)	(336)	\$ -	(197)	(197)
CASH, JANUARY 1	20,087	20,087	-	19,692	20,284	-
CASH, DECEMBER 31	\$ 20,087	19,751	(336)	\$ 19,692	20,087	395

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**RANDOLPH COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Prosecuting Attorney Grant Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 75,393	84,164	8,771	\$ 77,621	66,648	(10,973)
Total Receipts	\$ 75,393	84,164	8,771	\$ 77,621	66,648	(10,973)
DISBURSEMENTS						
Salaries	\$ 69,430	69,430	-	\$ 69,630	62,117	(7,513)
Benefits	5,193	8,209	3,016	7,251	7,294	43
Telephone	1,920	1,962	42	-	1,920	1,920
Total Disbursements	\$ 76,543	79,601	3,058	\$ 76,881	71,331	(5,550)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,150)	4,563	5,713	\$ 740	(4,683)	(5,423)
CASH, JANUARY 1	(3,507)	(3,507)	-	1,176	1,176	-
CASH, DECEMBER 31	\$ (4,657)	1,056	5,713	\$ 1,916	(3,507)	(5,423)

<b>Justice Center Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 210,000	219,492	9,492	\$ 288,000	203,456	(84,544)
Charges for services	75,000	77,493	2,493	65,000	76,656	11,656
Other	51,000	61,964	10,964	44,000	50,918	6,918
Transfers in	1,024,581	1,003,712	(20,869)	839,383	897,127	57,744
Total Receipts	\$ 1,360,581	1,362,661	2,080	\$ 1,236,383	1,228,157	(8,226)
DISBURSEMENTS						
Salaries	\$ 582,253	517,888	(64,365)	\$ 517,626	507,305	(10,321)
Office	11,000	10,305	(695)	10,800	11,758	958
Operating	323,000	368,019	45,019	298,500	314,261	15,761
Building and grounds	167,865	177,921	10,056	142,500	146,043	3,543
Equipment	42,000	37,070	(4,930)	40,000	30,501	(9,499)
Other	7,000	23,003	16,003	9,067	4,607	(4,460)
Benefits	222,127	228,316	6,189	217,937	213,868	(4,069)
Total Disbursements	\$ 1,355,245	1,362,522	7,277	\$ 1,236,430	1,228,343	(8,087)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 5,336	139	(5,197)	\$ (47)	(186)	(139)
CASH, JANUARY 1	(139)	(139)	-	47	47	-
CASH, DECEMBER 31	\$ 5,197	-	(5,197)	\$ -	(139)	(139)

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS



**RANDOLPH COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Sheriff Restitution Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 2,100	2,899	799	\$ 5,000	2,098	(2,902)
Total Receipts	\$ 2,100	2,899	799	\$ 5,000	2,098	(2,902)
DISBURSEMENTS						
Sheriff	\$ 6,200	3,194	(3,006)	\$ 2,500	3,801	1,301
Total Disbursements	\$ 6,200	3,194	(3,006)	\$ 2,500	3,801	1,301
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,100)	(295)	3,805	\$ 2,500	(1,703)	(4,203)
CASH, JANUARY 1	2,135	2,135	-	3,838	3,838	-
CASH, DECEMBER 31	\$ (1,965)	1,840	3,805	\$ 6,338	2,135	(4,203)

<b>Capital Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Transfers in	\$ -	-	-	\$ 20,000	31,900	11,900
Total Receipts	\$ -	-	-	\$ 20,000	31,900	11,900
DISBURSEMENTS						
Other	\$ 40,000	16,444	(23,556)	\$ 20,000	-	(20,000)
Total Disbursements	\$ 40,000	16,444	(23,556)	\$ 20,000	-	(20,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (40,000)	(16,444)	23,556	\$ -	31,900	31,900
CASH, JANUARY 1	54,764	54,764	-	22,864	22,864	-
CASH, DECEMBER 31	\$ 14,764	38,320	23,556	\$ 22,864	54,764	31,900

<b>Building Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Transfers in	\$ -	-	-	\$ 20,000	30,027	10,027
Total Receipts	\$ -	-	-	\$ 20,000	30,027	10,027
DISBURSEMENTS						
Buildings and grounds	\$ 40,000	-	(40,000)	\$ 20,000	-	(20,000)
Total Disbursements	\$ 40,000	-	(40,000)	\$ 20,000	-	(20,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (40,000)	-	40,000	\$ -	30,027	30,027
CASH, JANUARY 1	70,027	70,027	-	40,000	40,000	-
CASH, DECEMBER 31	\$ 30,027	70,027	40,000	\$ 40,000	70,027	30,027

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**RANDOLPH COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**Court Appointed Special Advocates (CASA) Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 10,000	10,791	791	\$ 10,000	9,508	(492)
Total Receipts	\$ 10,000	10,791	791	\$ 10,000	9,508	(492)
DISBURSEMENTS						
Juvenile Officer	\$ 10,000	10,095	95	\$ 10,000	10,131	131
Total Disbursements	\$ 10,000	10,095	95	\$ 10,000	10,131	131
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	696	696	\$ -	(623)	(623)
CASH, JANUARY 1	8,588	8,588	-	9,211	9,211	-
CASH, DECEMBER 31	\$ 8,588	9,284	696	\$ 9,211	8,588	(623)

**Sheriff Conceal and Carry Weapons (CCW) Fund**

(no approved budget)

	2012	2011
	Actual	Actual
RECEIPTS		
Charges for services	\$ 20,118	\$ 13,627
Total Receipts	\$ 20,118	\$ 13,627
DISBURSEMENTS		
Sheriff	\$ 6,871	\$ 11,149
Total Disbursements	\$ 6,871	\$ 11,149
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 13,247	\$ 2,478
CASH, JANUARY 1	18,908	16,430
CASH, DECEMBER 31	\$ 32,155	\$ 18,908

**Prosecuting Attorney Delinquent Tax Fund**

(no approved budget)

	2012			2011
	Final Budget	Actual	Actual Over (Under) Budget	Actual
RECEIPTS				
Charges for services	\$ 609	439	(170)	\$ 609
Interest	1	-	-	1
Total Receipts	\$ 610	439	(170)	\$ 610
DISBURSEMENTS				
Prosecuting Attorney	\$ 1,903	631	(1,272)	\$ 1,903
Total Disbursements	\$ 1,903	631	(1,272)	\$ 1,903
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,293)	(192)	1,101	\$ (1,293)
CASH, JANUARY 1	292	292	-	1,585
CASH, DECEMBER 31	\$ (1,001)	100	1,101	\$ 292

**RANDOLPH COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<b>Justice Center Bond Accounts Fund</b>	
	(no approved budget)	
	<u>2012</u>	<u>2011</u>
	<u>Actual</u>	<u>Actual</u>
RECEIPTS		
Sales tax	\$ 1,263,428	\$ 1,257,186
Intergovernmental	45	46
Total Receipts	<u>\$ 1,263,473</u>	<u>\$ 1,257,232</u>
DISBURSEMENTS		
Debt service	\$ 707,603	\$ 690,398
Fees	45	46
Transfers out	648,000	516,000
Total Disbursements	<u>\$ 1,355,648</u>	<u>\$ 1,206,444</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (92,175)	\$ 50,788
CASH, JANUARY 1	<u>885,884</u>	<u>835,096</u>
CASH, DECEMBER 31	<u><u>\$ 793,709</u></u>	<u><u>\$ 885,884</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**RANDOLPH COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

Randolph County, Missouri is governed by a three-member board of commissioners. In addition to the three County Commissioners, there are ten elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder of Deeds, Collector, Treasurer, Coroner, Prosecuting Attorney, Public Administrator, and Sheriff.

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by Missouri State Law, which practices differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

**1. A. REPORTING ENTITY**

The County's operations include tax assessments and collections, state/county courts administration, recording of deeds and other instruments, public safety and 911, economic development, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The Collector Tech Fund is under the control of the County Collector. The Senate Bill 40 Board Fund, with a separate appointed board, is separately audited by an independent certified public accounting firm and, therefore, is not included in this report.

The financial statements referred to above include the primary government of Randolph County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity. The financial statements do not include the Law Library Fund, Drug Court Fund, Parenting Fund, and the Circuit Court Over/Under Fund since they are controlled by the Circuit Court.

**1. B. BASIS OF PRESENTATION**

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts, and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary (Agency) Funds - Certain county officials may collect fees from services, remit the monies to the county, state, or to other parties or hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

**1. C. BASIS OF ACCOUNTING**

The financial statements are prepared on the regulatory basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

**RANDOLPH COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

**1. D. BUDGETS AND BUDGETARY ACCOUNTING**

The County follows these procedures in establishing the budget information:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission, the budget documents are available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Budgets are prepared and adopted on the cash basis of accounting.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission during the year. The County did not amend any budgets in 2012 or 2011.
8. Although adoption of a formal budget is required by law, the County did not adopt a formal budget for the Justice Center Bond Accounts Fund and Sheriff Conceal and Carry Weapons (CCW) Fund for 2012 and 2011 and the Prosecuting Attorney Delinquent Tax Fund in 2011.
9. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. A negative cash balance was budgeted for the Prosecuting Attorney Training Fund in 2012 and 2011 and the User Fund, Prosecuting Attorney Grant Fund, Sheriff Restitution Fund, and Prosecuting Attorney Delinquent Tax Fund in 2012.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds for 2012 and 2011.

<u>Fund</u>	<u>Years Ended December 31,</u>
General Revenue	2011
Prosecuting Attorney Training	2012
Law Enforcement Training	2011
Prosecuting Attorney Bad Check	2012 and 2011
Cemetery Trust	2012 and 2011
Prosecuting Attorney Grant	2012
Justice Center	2012
Sheriff Restitution	2011
Court Appointed Special Advocates (CASA)	2012 and 2011

**RANDOLPH COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

**1. E. PROPERTY TAXES**

Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The County bills and collects its own property taxes and also taxes for most other local governments in the County.

The assessed valuation of the tangible property for the calendar year 2012 and 2011 for purposes of local taxation was:

	2012		2011
Real Estate	\$ 289,083,340	\$	287,643,020
Personal Property	82,452,769		83,325,991
Railroad and Utilities	64,691,746		59,863,666
Total Assessed Valuation	\$ 436,227,855	\$	430,832,677

The county-wide levies per \$100 of the assessed valuation of tangible property for the calendar year 2012 and 2011 for purposes of local taxation was:

	2012		2011
General Revenue Fund	\$ 0.2130	\$	0.2130
Special Road and Bridge Fund	0.1980		0.1980
Senate Bill 40 Board Fund	0.1470		0.1500

\* The county retains all tax proceeds from the area not within the special road district. The county has one road district that receives four-fifths of the tax collections from property within this district, and the Special Road and Bridge Fund retains one-fifth. The road district also has an additional levy approved by the voters.

**1. F. CASH DEPOSITS AND INVESTMENTS**

Cash deposits and investments are stated at cost, which approximates market. Cash balances for the County Treasurer funds are invested in interest-bearing bank accounts, including an Investaccount with repurchase agreements, and in certificates of deposit to the extent possible. Interest earned from such investments is recorded in each of the funds as appropriate. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents.

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

**1. G. INTERFUND ACTIVITY**

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

**RANDOLPH COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

**1. G. INTERFUND ACTIVITY (CONTINUED)**

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. Transfers between funds of the primary government for the years ended December 31, 2012 and 2011 are as follows:

		Year Ended December 31, 2012	
		Transfers In	Transfers Out
<b>FUNDS:</b>			
General Revenue	\$	33,000	\$ 355,712
Special Road and Bridge		-	18,000
Justice Center		1,003,712	-
Collector Tech		-	15,000
Justice Center Bond Accounts		-	648,000
Totals	\$	<u>1,036,712</u>	\$ <u>1,036,712</u>

		Year Ended December 31, 2011	
		Transfers In	Transfers Out
<b>FUNDS:</b>			
General Revenue	\$	10,000	\$ 468,045
Emergency 911		24,991	-
Justice Center		897,127	-
Collector Tech		-	10,000
Capital		31,900	-
Building		30,027	-
Justice Center Bond Accounts		-	516,000
Totals	\$	<u>994,045</u>	\$ <u>994,045</u>

**1. H. PUBLISHED FINANCIAL STATEMENTS**

Under Section 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the County. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the years ended December 31, 2012 and 2011, the published financial statements did not include the Justice Center Bond Accounts Fund.

**NOTE 2. CASH AND INVESTMENTS**

The County has determined through experience that business checking accounts, savings accounts, repurchase agreements, and certificates of deposits are appropriate types of accounts or instruments for its needs. The County invests each fund's cash balance in interest-bearing bank accounts, repurchase agreements, and in certificates of deposit to the extent possible at two different depository banks. Each fund is included on the financial statements as "Cash" under each fund's caption. Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreements, in U.S. Treasury and agency obligations. For 2012 and 2011, the county did place investments in an Investaccount that invests in overnight repurchase agreements.

**RANDOLPH COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 2. CASH AND INVESTMENTS (CONTINUED)**

The County also had on deposit with a trustee bank the proceeds of the Justice Center bond issue in the amount of \$793,709 and \$885,884 at December 31, 2012 and 2011, respectively.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand accounts, including negotiable order of withdrawal accounts in banks.

Insured and Collateralized Deposits

In accordance with state law, all uninsured deposits in financial institutions must be secured with acceptable collateral. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain state or political subdivision debt obligations, surety bonds, or certain letters of credit. Missouri statutes also require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

At December 31, 2012 and 2011, the County's deposits held at the respective depository bank were adequately covered by Federal Depository Insurance Coverage and with additional collateral held by an independent bank in the County's name or by its agent in the County's name. The County's deposits were not subject to custodial or investment credit risk at year end.

In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County has not adopted a written investment policy in accordance with applicable state law.

**NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS**

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

**A. Missouri Local Government Employees Retirement System (LAGERS)**

1) Plan Description

Randolph County participates in the Missouri Local Government Employees' Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by state statutes, section RSMo 70.600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified in the Internal Revenue Code Section 401(a) and is tax-exempt. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-477-4334.



**RANDOLPH COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)**

2) Pension Benefits

Upon termination of employment, any member who is vested is entitled to either an unreduced benefit annuity, payable at age sixty (police and fire fighters, age fifty-five), or a reduced benefit annuity, payable at age fifty-five (police and fire fighters, age fifty). Any member with less than five years of creditable service will be refunded accumulated plan contributions.

3) Funding Policy

The county's full-time employees are required to contribute 4% to the LAGERS pension plan. The county is required by state statute to contribute at an actuarially determined rate: the rate for 2012 was 5.8% (general) and 6.7% (police) and for 2011 the rate contributed was 5.6% (general) and 6.5% (police) of annual covered payroll. The County Commission determines the contribution requirements of plan members.

4) Annual Pension Cost

For 2012 and 2011, total payments to LAGERS were \$218,823 and \$195,999, respectively.

**B. County Employees' Retirement Fund (CERF)**

The County Employees' Retirement Fund (CERF) was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any County elected or appointed officer or employee whose performance requires the actual performance of duties of not less than one thousand (1,000) hours per calendar year in each County of the state, except for any city not within a County and any County of the first classification having a charter form of government. It does not include County prosecuting attorneys covered under sections 56.800 to 56.840, RSMo; circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System; County sheriffs covered under sections 57.949 to 57.997, RSMo; and certain personnel not defined as an employee per section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

CERF first paid benefits beginning January 1, 1997. At that time a member could not retire until age 62. Beginning January 1, 2000, employees could retire with full benefits at age 62 or reduced benefits at age 55. The monthly benefit for County employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). An eligible death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

**RANDOLPH COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)**

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling toll-free 1-877-632-2373.

**3) Funding Policy**

In accordance with state statutes, the Fund is partially funded through various fees collected and remitted to CERF. A contribution to CERF of 2% of annual salary is required for eligible employees hired before February 25, 2002 and not in LAGERS, and a contribution of 6% (not in LAGERS) or 4% (in LAGERS) of annual salary is required of employees hired after February 25, 2002, effective January 1, 2003, in order to participate in CERF. During 2012 and 2011, the County collected and remitted to CERF contributions of \$193,337 and \$193,264, respectively, for the years then ended, equal to the required contributions.

**NOTE 4. PROSECUTING ATTORNEY RETIREMENT FUND**

In accordance with state statute chapter 56.807 RSMo, the County contributed annually (instead of monthly) to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$4,488 and \$-0- for the years ended December 31, 2012 and 2011, respectively.

**NOTE 5. POST- EMPLOYMENT BENEFITS**

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

**NOTE 6. CLAIMS, COMMITMENTS, AND CONTINGENCIES**

**1) Compensated Absences**

Regular full-time employees who have completed the introductory period are eligible to receive vacation time as follows: 0 to 1 year of service, 5 days; 1 to 5 years of service, 10 days; 5 to 15 years of service, 15 days; and after 15 years of service, 20 days. No more than 10 days of fully earned vacation may be carried over from year to year. Upon termination of employment, an employee will receive equivalent cash reimbursement for any accrued, unused, and fully earned vacation leave. Regular full-time employees earn 1 day of sick leave per complete calendar month. A maximum of 16 hours of sick leave may be used as personal time. Upon termination of employment, no payment will be made for unused sick leave.

**2) Litigation**

The County is involved in a litigation matter at which time the probable outcome is not readily obtainable. The county's management and legal counsel anticipate that the potential claim against the county not covered by insurance, if any, resulting from such matter would not materially affect the financial position of the county.

**RANDOLPH COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 6. CLAIMS, COMMITMENTS, AND CONTINGENCIES (CONTINUED)**

3) Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

**NOTE 7. RISK MANAGEMENT**

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this fund, a non-profit corporation established to provide insurance coverage to Missouri counties. The fund is self-insured up to \$2,000,000 per occurrence and reinsured up to the statutory limit through excess insurance.

**NOTE 8. LONG-TERM DEBT**

The County had the following debt outstanding at December 31, 2012:

- A. The County had long-term debt outstanding for the series 2004 Justice Center leasehold revenue bonds at December 31, 2012 of \$3,680,000 maturing in 2020 as follows:

<u>Year Ended December 31,</u>		<u>Principal</u>		<u>Interest</u>
2013	\$	495,000	\$	179,103
2014		480,000		154,990
2015		465,000		130,420
2016		450,000		106,630
2017		430,000		83,750
2018-2020		1,360,000		114,045
Totals	\$	<u>3,680,000</u>	\$	<u>768,938</u>

Subsequent to December 31, 2012, the County refinanced and refunded its leasehold revenue bond certificates on the Justice Center in March 2013 with Commerce Bank being the paying agent. The proceeds of the lease refunding certificates of participation were \$2,380,000 less the underwriting discount of \$30,125 or \$2,349,875, which was deposited into a separate account at Commerce Bank. An additional amount totaling \$13,300 of the proceeds would be withheld to pay costs of issuance for the transaction. In March 2013, the amount of \$400,000 from the proceeds from the Series 2004 Debt Service Reserve Fund would be deposited also to the Refunding Certificate Escrow Account leaving an amount of \$2,736,575 (after discount and costs) to purchase the state and local government securities of \$2,334,030 and to invest the remainder in a U.S. Treasury Security. The excess funds of \$2,545 were returned to the county.

**RANDOLPH COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 8. LONG-TERM DEBT (CONTINUED)**

On April 1, 2014, the Series 2013 Refunding Certificate Escrow Account will prepay \$2,305,000 of the Series 2004 leasehold revenue bonds and the \$400,000 will be used to prepay the remaining \$400,000 of the Series 2004 leasehold revenue bonds maturing April 1, 2020. After April 1, 2014, the Series 2004 bonds will cease to exist. The county pays the principal and interest for the long-term debt out of the revenues generated from the sales tax approved by the voters in April 2002.

The interest rates for the Certificates of Participation Series 2013 vary between .85% and 2.1%.

The approximate annual debt service requirements for the Justice Center, including principal and interest are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ -	\$ 17,047
2014	-	32,130
2015	520,000	29,920
2016	485,000	25,043
2017	445,000	19,371
2018-2020	930,000	19,691
Totals	\$ <u>2,380,000</u>	\$ <u>143,202</u>

- B. In addition, the County entered into a lease-purchase agreement in November 2011 with a local bank for construction of a storage building for the Circuit Clerk at an interest rate of 3.43% maturing in December 2018. No advances were drawn on the loan in 2011. In 2012, \$100,000 was drawn on the loan less an annual payment, leaving the loan balance at \$86,429 at the end of 2012.

The approximate annual debt service requirements for the storage building, including principal and interest are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 13,352	\$ 3,039
2014	13,816	2,575
2015	14,296	2,095
2016	14,789	1,602
2017	15,308	1,083
2018	14,868	1,524
Totals	\$ <u>86,429</u>	\$ <u>11,918</u>

**NOTE 9. LEASES**

The County has entered into the following lease agreements:

- A. In March 2004, the County entered into a lease agreement for a storage unit. The term of the tenancy is month-to-month and the County pays \$30 per month rent for the storage unit.
- B. Randolph County along with the counties of Chariton, Howard, Linn, and Macon have a lease agreement with an independent company for the rental of space for the Public Defender system. The lease agreement addendum was effective October 1, 2009 to provide for additional office space. Each county can renew the lease for an additional three successive

**RANDOLPH COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 9. LEASES (CONTINUED)**

one-year periods with the renewal options to run through December 31, 2015. Each county will pay the monthly rental rate of \$2,500 per month through December 31, 2015.

- C. In January 2011, the County entered into a lease agreement for a building for the Prosecuting Attorney. The invoice is for four consecutive one-year terms from 2011 through 2015. The County pays a yearly rental of \$9,600 payable in quarterly installments of \$2,400. The owner of the building is a brother to the Prosecuting Attorney and, therefore, this is considered to be a related party transaction.
- D. The County entered into a lease agreement in March 2012 to run May 1 2012 through April 30, 2015 for the rental of its farm land at a price of \$5,250 per year.

**NOTE 10. SUBSEQUENT EVENT**

In April 2013, voters in Randolph County, Missouri, approved a local use tax on out-of-state purchases at the same rate as the total local sales tax rate of 1.00%. The tax goes into effect on July 1, 2013.

**RANDOLPH COUNTY, MISSOURI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2012	2011
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state:				
Department of Economic Development -				
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	2008-DI-27 2010-PF-21	\$ 9,700 91,229	\$ 89,258 221,848
U.S. DEPARTMENT OF JUSTICE				
Passed through state:				
16.575	Missouri Department of Public Safety- Crime Victim Assistance	2010-VOCA-061-SE	\$ 15,459	\$ 23,198
16.588	Violence Against Women Formula Grants	2011-WAWA-018-SE	\$ 51,855	\$ 48,022
16.738	Edward Byrne Memorial Justice Assistance Grant Program	2009 JAG-025, 2009 JAG-028 2009 JAG-028, 2010 JAG-030	\$ - \$ 118,403	\$ 59,806 -
16.580	Cape Girardeau County Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	2010-LBG-078	\$ -	\$ 8,982
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state:				
20.205	Highway and Transportation Commission - Highway Planning and Construction	BRO-021	\$ -	\$ 23,088
U. S. DEPARTMENT OF HOMELAND SECURITY				
Passed through state:				
97.036	Department of Public Safety- Disaster Grants - Public Assistance Grants (Presidentially declared disasters)	175-99175-00	\$ -	\$ 39,984
Total Expenditures of Federal Awards			\$ <u>286,646</u>	\$ <u>514,186</u>

**RANDOLPH COUNTY, MISSOURI**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. PURPOSE OF SCHEDULE AND REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Randolph County, Missouri.

**B. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards is presented in accordance with OMB Circular A-133, which defines federal financial assistance as assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for service rendered to individuals.

*Federal award* means Federal financial assistance and Federal cost-reimbursement contracts the non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

**C. BASIS OF ACCOUNTING**

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

**D. MATCHING REQUIREMENTS**

Certain Federal programs require that the County contribute non-federal funds (matching funds) to support the federally-funded programs. The County has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the schedule.

**NOTE 2. SUBRECIPIENT**

The County provided a federal award from the U.S. Department of Housing and Urban Development, Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii, CFDA No. 14.228, passed through the state Department of Economic Development totaling \$98,958 to the local community college. The federal awards were used for planning/capacity building by the college.

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September 3, 2013

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the County Commission  
and Officeholders of  
Randolph County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the various county funds of Randolph County, Missouri, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise Randolph County, Missouri's basic financial statements and have issued our report thereon dated September 3, 2013.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Randolph County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Randolph County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Randolph County, Missouri's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (CONTINUED)**

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is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness as item 12-01.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies as items 12-02 and 12-03.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Randolph County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 12-04.

**Randolph County, Missouri's Responses to Findings**

Randolph County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Randolph County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Casey-Beard-Boehmer PC  
Certified Public Accountants

# CASEY-BEARD-BOEHMER PC



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September 3, 2013

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the County Commission  
and Officeholders of  
Randolph County, Missouri

### Report on Compliance for Each Major Federal Program

We have audited Randolph County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on Randolph County, Missouri's major federal program for the years ended December 31, 2012 and 2011. Randolph County, Missouri's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### *Management's Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for Randolph County, Missouri's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Randolph County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Randolph County, Missouri's compliance.

### *Unmodified Opinion on Each Major Federal Program*

In our opinion, Randolph County, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the years ended December 31, 2012 and 2011.

MEMBER  
•  
American  
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133 (CONTINUED)**

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***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 12-04. Our opinion on the major federal program is not modified with respect to this matter.

Randolph County, Missouri's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Randolph County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control Over Compliance**

Management of Randolph County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Randolph County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Randolph County, Missouri's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We do not consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 12-04 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 12-04 to be a significant deficiency.

Randolph County, Missouri's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Randolph County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133 (CONTINUED)**

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This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Casey-Beard-Boehmer PC*

Casey-Beard-Boehmer PC  
Certified Public Accountants

**RANDOLPH COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**SECTION I – SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of auditors' report issued: Qualified

Internal control over financial reporting:

Material weakness(es) identified?   X   yes        No

Significant deficiency(ies) identified?   X   yes        none reported

Noncompliance material to financial statements noted?   X   yes        no

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified?        yes   X   No

Significant deficiency(ies) identified?   X   yes        none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?   X   yes        No

Identification of major programs:

<u>CFDA Number</u>	<u>Program Title</u>
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee?        Yes   X   no

**RANDOLPH COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

This section includes the audit findings that *Government Auditing Standards* require to be reported for an audit of financial statements.

**MATERIAL WEAKNESSES IN INTERNAL CONTROL**

**12-01 County Budget Documents Materially Misstated County's Financial Statements**

Condition: The County's budget documents for the years ended December 31, 2012 and 2011 materially misstated and did not include various receipt and expenditure classifications in various county funds as follows:

- A. The County has not prepared budget documents or financial statements for the Justice Center Bond Accounts Fund. The total sales tax collections for this fund for 2012 and 2011 totaled \$1,263,428 and \$1,257,186, respectively. The bond principal and interest payments for 2012 and 2011 totaled \$707,603 and \$690,398, respectively.
- B. Property tax collections from the railroad and utility taxes were misclassified in 2012 as Other Revenues in the General Revenue Fund instead of being classified under Property Tax. The total railroad and utility property tax collections totaled \$161,181 and were reclassified in the audit report.
- C. The County did not allocate any interest revenue to the General Revenue Fund in 2011 and \$3,553 of interest collected on delinquent taxes was included with interest revenue in the General Revenue Fund for 2012 when it should have been classified with property tax revenue.
- D. Expenditures from the emergency fund classification within the General Revenue Fund on the budget document reported \$60,610 for 2011. The actual documented emergency expenditures from the county's accounting system showed only \$31,900 overstating the emergency expenditures and misclassifying other expenditures by \$28,710.
- E. The County did not prepare budget documents or financial statements for the Community Development Block Grants received from the Department of Economic Development for 2012 and 2011 totaling approximately \$414,832. One grant was used for and by a local community college while a second one was used for a federal bridge program.

Due to the misclassifications on the budget documents the financial statements have not been adjusted, other than the railroad and utility taxes, to properly state receipts and disbursements and the cash balances for the various funds.

Criteria: Strong internal controls over financial information require that receipts and expenditures be properly classified within the respective funds and an independent review performed of the budget documents to ensure that the classifications of receipts and expenditures are proper.

Cause: The County had a lack of controls over the preparation of the budget documents and a lack of independent verification of amounts recorded on the budget documents.

Effect: The budget documents presented to the public and submitted to the State Auditor's Office contained material misstatements of financial amounts in various classifications of receipts and disbursements within various county funds or did not include all applicable funds. Financial information presented in the published financial statements is also not accurately stated for the general public.

**RANDOLPH COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**Recommendation:**

The County Commission, County Clerk, and respective officials take more care in preparation of the budget document each year to ensure that the classifications of receipts and expenditures within the various funds are properly stated and that budget documents are prepared for all funds as required or necessary.

**SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL**

**12-02      Accounting for Transfers Need Improvement**

**Condition:** The financial statements of the County as represented in the annual budget document do not present the proper amount of transfers between the various county funds. Total amounts reflected on the budget documents for actual transfers in do not agree with total actual transfers out for the years ended December 31, 2012 and 2011. Transfers out from the Collector Tech Fund to the General Revenue Fund for \$15,000 and \$10,000 in 2012 and 2011, respectively, were not shown on the budget document. These amounts have been adjusted on the audited financial statements to properly reflect the transfers.

**Criteria:** Strong internal controls over financial statements require that transfers in and out are properly reported in the various funds and are in balance.

**Cause:** The County Commission and County Clerk did not consider the importance of balancing the budgeted and actual amounts of transfers in and out between the various funds.

**Effect:** The transfers in and out between various county funds are not in balance on the budget documents filed with the state and misstate the financial statements presented by the county.

**Recommendation:**

The County Commission and County Clerk should ensure both budgeted and actual transfers to and from other funds are in agreement each year.

**12-03      Budgetary Procedures and Published Financial Statements Not in Compliance With State Law**

**Condition:** We noted the following issues with the County's budgeting process during our audit:

- A. The County Commission, County Clerk, and other County officials did not exercise adequate budgetary control over eight funds during the audit period. Expenditures were approved for payment that exceeded the approved budget for the following funds as shown below:

<u>Fund</u>	<u>Year</u>	<u>Amount</u>
General Revenue	2011	\$ 21,362
Prosecuting Attorney Training	2012	393
Law Enforcement Training	2011	95
Prosecuting Attorney Bad Check	2012	5,589
	2011	12,536
Cemetery Trust	2012	800
	2011	800
Prosecuting Attorney Grant	2012	3,058
Justice Center	2012	7,277
Sheriff Restitution	2011	1,301

**RANDOLPH COUNTY, MISSOURI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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Court Appointed Special Advocate (CASA)	2012	95
	2011	131

- B. The County Commission and County Clerk did not prepare budget documents for the Justice Center Bond Accounts Fund and the Sheriff Conceal and Carry Weapons (CCW) Fund for the years ended December 31, 2012 and 2011 and Prosecuting Attorney Delinquent Tax Fund for the year ended December 31, 2011.
- C. The County Commission budgeted a deficit cash balance for the following funds as shown below:

<u>Fund</u>	<u>Year</u>	<u>Deficit Amount</u>
Prosecuting Attorney Training	2012	\$ 3,154
	2011	1,499
User	2012	8,992
Prosecuting Attorney Grant	2012	4,657
Sheriff Restitution	2012	1,965
Prosecuting Attorney Delinquent Tax	2012	1,001

- D. The published financial statements did not include the Justice Center Bond Accounts Fund in 2012 or 2011 as required by state law.

Criteria: Section 50.540 RSMo, requires that a budget be prepared for all county funds and that the budget be revised prior to authorizing expenditures in excess of the budget. Section 50.540 RSMo, also states the estimated ending fund balance cannot be a deficit balance. Section 50.815 RSMo requires that published financial statements show a summary of receipts, disbursements, transfers, beginning and ending cash balances, and a summary of warrants of each fund of the county.

Cause: County officials did not consider the importance of preparing proper amended budgets and preparing budget documents in 2012 and 2011 for all applicable County operating funds.

Effect: The County Commission, County Clerk, and other County officials did not follow state law on the preparation of budget documents and expenditures of funds.

Recommendation:

- A. The County Commission should not approve expenditures in excess of budgeted amounts. The County Commission should properly amend the budgets in a public meeting when unforeseen circumstances arise that necessitate increased expenditures in any fund.
- B. The County Commission, County Clerk, and other county officials properly prepare annual budgets for all county funds in accordance with state law.
- C. The County Commission cease budgeting a deficit cash balance in any county funds.
- D. The County Commission and County Clerk should assure the published financial statements include all funds.



**RANDOLPH COUNTY, MISSOURI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**12-04      Schedule of Expenditures of Federal Awards**

Federal Grantor: U.S. Department of Housing and Urban Development, U.S. Department of Justice and U.S. Department of Homeland Security  
 Pass-Through Grantor: Various  
 Federal CFDA Number: 14.228, 16.575, 16.588, 16.738 and 97.036  
 Program Title: Various  
 Pass-Through Entity Identifying Number: Various  
 Award Year: 2012 and 2011  
 Questioned Costs: N/A

Condition: The County does not have procedures in place to report accurate grant information on the Schedule of Expenditures of Federal Awards (SEFA). The County reported only a few grants totaling \$90,919 for 2011 and did not report any grant information on the SEFA for 2012 meaning that the County took no time at all in preparing the SEFA or did not understand how to prepare it.

The County Clerk indicated that all officials did not provide their SEFA information to him in order to prepare the SEFA schedule properly. As a result of audit procedures, the County is required to have an A-133 audit because total federal expenditures for the year ended December 31, 2011 exceeded \$500,000. The SEFA presented in the audit report has been prepared and adjusted to reflect the federal grant award expenditures for 2011 and 2012.

The SEFA prepared by the county for 2011 included only the BRO federal bridge program, Violence Against Women Formula Grants program, and the Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants program. The County had other areas of federal awards that also should have been included on the SEFA as follows:

<u>Program or Grant Monies Received</u>	<u>2012</u>	<u>2011</u>
Disaster – Public Assistance from FEMA	\$ -	\$ 39,984
Crime Victims Assistance	15,459	23,198
Violence Against Women Formula Grants	51,855	-
Drug Task Force reimbursements	118,403	59,806
Community Development Block Grants from DED	100,929	311,106
Totals	\$ 286,646	\$ 434,094

The county had two Community Development Block Grants in which one was passed through for a program at the local community college while the other was administered by an outside agency for a county bridge program. The county had set up a separate account through the County Treasurer for this activity but did not include a fund within the budget system to present on the county's budget document.

Criteria: Section .310(b) of Circular A-133, Audit of States, Local Governments, and Non-profit Organizations, requires the County to prepare a SEFA for the period covered by the County's financial statements. The County is required to submit the SEFA to the State Auditor's Office as part of the annual Budget.

Cause: The County did not understand how to prepare and to take the appropriate time to prepare the SEFA properly by gathering all federal grant information from all officials.

**RANDOLPH COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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Effect: The County's SEFA was incorrectly prepared and misstated by the County.

Recommendation:

Compilation of the SEFA requires consulting County financial records and requesting information from other departments and/or officials. The County should take steps to ensure all departments and/or officials properly track federal awards to ensure all federal awards with the appropriate CFDA numbers and grant titles are properly reported on the SEFA.

*Auditee's Response:*

*Randolph County will implement all necessary policies and procedures to comply with the auditor's four recommendations.*

**RANDOLPH COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

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In accordance with Government Auditing Standards, this section reports the auditor's follow-up on the action taken by Randolph County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2010 and 2009.

Financial Statement Preparation (Prior auditors' finding No. 1)

Auditors may continue to assist clients with the preparation of the financial statements but such assistance is at least indicative of a significant deficiency.

*Status: Not implemented. Because of the continued problems with the county's financial statements the county should review the budgets and financial statements more thoroughly. See current finding 12-01.*

Documentation of County's Internal Controls Has Not Been Prepared (Prior auditors' finding No. 2)

*Status: Implemented. A new internal control policy manual has been written.*

No Formal Fraud Risk Assessment Is In Place (Prior auditors' finding No. 3)

*Status: Implemented.*

The County Does Not Have a Written Investment Policy (Prior auditors' finding No. 4)

*Status: Implemented.*

The County Does Not Report the Activity of the Four Bank Accounts From Commerce Trust (Prior auditors' finding No. 5)

*Status: Not implemented. See current finding 12-01.*

The Assessor's Office Does Not Correctly Account for Interfund Transfers (Prior auditors' finding No. 6)

*Status: Implemented.*

Lack of Segregation of Duties in the Collector's and Treasurer's Offices (Prior auditors' finding No. 7)

*Status: Implemented. The Treasurer and Collection have segregated duties to the extent possible.*



# Thomas A. Schweich

Missouri State Auditor

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## City of Liberal



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October 2013  
Report No. 2013-098

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

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## Findings in the audit of the City of Liberal

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### Accounting Controls, Procedures, and Records

The city does not segregate accounting duties, and the Board of Aldermen does not provide any independent or supervisory review of the City Clerk's work. The city does not have a consistent receipting procedure and does not always timely record or deposit monies received. Some disbursements were not recorded accurately in the accounting system, but were recorded at wrong amounts or in the wrong fund. Other disbursements were not posted to the accounting system, and some were posted to the system twice. Audit staff found serious problems with bank reconciliations, resulting in a \$151,330 difference between the adjusted bank balance and book balance, and the city issued over 100 checks which were not signed by a Board member.

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### Utility System Controls and Procedures

The city has not performed a formal review of water, sewer, gas, electric, and trash rates, providing less assurance that utility rates are set at an appropriate level. The city had not performed a reconciliation of total gallons of water billed to gallons of water pumped until we brought it to their attention. In addition, city water usage is not tracked, making it difficult to perform a proper reconciliation. The city conducted a reconciliation for the February 2013 billing cycle which revealed a discrepancy of 755,431 gallons (32 percent of water pumped). The City Clerk has the ability to make adjustments to the utility computer system without approval, which is a significant control weakness. A monthly list of utility deposits on hand is not prepared and reconciled to the deposit payable balance in the general ledger. At our request a list of utility deposits was prepared as of April 8, 2013, and the total differed from the city's general ledger.

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### Disbursements

The city does not have a formal bidding policy and did not solicit bids for numerous services and purchases during 2012, including \$52,450 for tree trimming, \$44,027 for natural gas, and \$42,701 for gas system maintenance, repairs and installations. The city did not maintain documentation to support the allocation of expenses among funds and did not maintain invoices for some purchases. The city lacks adequate procedures to review invoices and document receipt of goods and services. Audit staff found a duplicate payment totaling \$1,055 for police equipment; the city has since received a refund from the vendor. The city does not reconcile fuel billings and fuel purchases or have procedures to ensure fuel use is proper. Mayor Garrett approved timesheets of and signed payroll checks written to his wife, which created an actual or the appearance of a conflict of interest, and the city did not document its reasons for classifying the Mayor's wife as an independent contractor rather than an employee.

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### Payroll Controls

A former City Clerk received a \$4,020 check for accrued sick leave and a \$2,010 check for accrued vacation leave, but the city did not maintain any

leave records to support these final payments, and the city overpaid the former City Superintendent \$2,306 for vacation and sick leave upon termination. The same former City Clerk and former City Superintendent were paid \$220 and \$210, respectively, from the Park and Cemetery Funds, but the city had no documentation to support these additional payments, and these payments were not included on the employees' W-2 forms or subjected to payroll tax withholdings. The city failed to timely remit payroll taxes due for the period August 15 to October 15, 2012, to the IRS and the Missouri Department of Revenue, resulting in \$718 in penalties and interest.

Budgetary Procedures and Financial Reporting	Annual budgets do not contain all elements required by state law and are not approved timely. A 2011 budget amendment was approved in February 2012, well after the end of the fiscal year, and the city had already overspent the Water and Sewer Fund, Electric Fund, Gas Fund and Cemetery Fund budgets before the amendment was prepared. The city did not publish financial statements in 2012 or 2011, as required by state law.
Agendas, Meetings, and Ordinances	The Board did not retain notification or tentative agendas for some meetings. The Board discussed some issues in closed meetings which were not allowable, and open meeting minutes do not record a roll call vote of the Board to enter into closed session. The city has not adopted ordinances to establish the compensation of city officials or employees; to establish water, sewer, gas, electric, and trash rates; or to address utility service shutoff practices.
Capital Assets	The city does not maintain records for its capital assets, does not tag assets for specific identification, and does not conduct an annual physical inventory.

In the areas audited, the overall performance of this entity was **Poor**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our Web site: [auditor.mo.gov](http://auditor.mo.gov)**

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# City of Liberal

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**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the Honorable Mayor  
and  
Members of the Board of Aldermen  
City of Liberal, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Liberal. We have audited certain operations of the city in fulfillment of our duties. The city engaged Davis, Lynn, & Moots, P.C., Certified Public Accountants (CPAs), to audit the city's financial statements for the years ended December 31, 2012 and 2011. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm for the year ended December 31, 2011, since at the time of our audit, the CPA firm's audit of the year ended December 31, 2012, was not complete. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.



The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and its audited financial report and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Liberal.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Pamela Allison Tillery, CPA
In-Charge Auditor:	David Olson

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# City of Liberal

## Management Advisory Report

### State Auditor's Findings

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#### **1. Accounting**

##### **Controls, Procedures, and Records**

There are numerous weaknesses with accounting controls and procedures.

The city had significant turnover in the City Clerk position from July 2012 through February 2013, which may have caused some of these weaknesses. The same person served as City Clerk from 1989 to July 16, 2012. Mayor Garrett's wife served as acting City Clerk from July 16 to August 27, 2012, and again from November 27, 2012, to February 4, 2013, to temporarily fill in due to vacancies in the City Clerk position. Another individual served as City Clerk from August 27 until November 27, 2012. The current City Clerk has been employed since February 4, 2013.

##### **1.1 Segregation of duties**

There is no segregation of the accounting functions, and the Board does not provide any independent or supervisory reviews. Had reviews been performed, many of the errors noted below may have been identified. The City Clerk is responsible for receiving, recording, and depositing monies; reconciling bank accounts; preparing invoices for payment; issuing checks; and posting entries into the accounting system. Additionally, the City Clerk performs utility billing procedures and payroll related duties. Many of these duties would normally be performed by a City Treasurer and City Collector; however, the city does not have individuals serving in these positions.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. Attorney General's Opinion No. 24, 1955 to Dodds, concluded that in a fourth-class city, the holding of the positions of City Clerk, City Treasurer, and City Collector, or any two of these offices, by the same person at the same time would be incompatible. If segregating duties is not possible, a timely supervisory review by the Board of Aldermen should be performed and documented.

##### **1.2 Receipting, recording, and depositing procedures**

The city's receipting, recording, and depositing procedures are poor. As a result, there is no assurance all monies collected are properly receipted, recorded, or deposited.

- Rediform prenumbered receipt slips rather than official prenumbered receipt slips are issued for non-utility monies received. The city utilizes several different records/methods to receipt utility monies received, and all pertinent details of monies received are not documented on utility billing stubs. Unnumbered official receipt slips are issued for some utility payments received, unnumbered unofficial receipt slips are issued for utility deposits received, and utility billing stubs used to record some utility payments do not document the date payments are received. In addition, receipt slips and utility stubs do not always indicate the method of payment received. Further, receipt slips are not issued for some park monies received.



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City of Liberal  
Management Advisory Report - State Auditor's Findings

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- Monies received are not always recorded timely in the accounting system or deposited timely. For example, 12 utility receipts totaling \$2,201 received between February 17 and February 24, 2012, were not recorded in the accounting system until March 1, 2012, and 29 utility receipts totaling \$6,902 received between February 17 and February 28, 2012, were not deposited until March 5, 2012.

Failure to implement adequate receipting, recording, and depositing procedures increases the risk that loss or misuse of monies received will go undetected and accounting records will contain errors.

### 1.3 Accounting records

The city does not maintain accurate accounting records. As a result, reports generated from the accounting system cannot be relied upon by city officials when making decisions.

- Some disbursements were not accurately recorded in the accounting system. For example, a \$10,875 check issued on August 24, 2012, was recorded in the accounting system as \$108.75, a \$2,025 check issued on August 6, 2012, was recorded in the accounting system for \$624, and the same check number issued on both September 27, 2012 and October 23, 2012, was recorded in the accounting system for both \$91 and \$2,507. Additionally, some disbursements were posted to the wrong fund. For example, the city purchased electricity to be sold to its customers costing \$38,671 in August 2012, but the disbursement was erroneously posted to the Water and Sewer Fund instead of the Electric Fund.
- Some disbursements were not posted to the accounting system, and some disbursements were posted to the accounting system twice. For example, at least 45 accounts payable checks totaling over \$45,000 were not posted to the accounting system, and check number 23908 issued for \$263 was posted to the accounting system twice.
- We reviewed the December 31, 2012, bank reconciliation and identified numerous and significant problems, resulting in a difference of \$151,330 between the adjusted bank balance and book balance. Numerous checks totaling \$289,253 were listed as outstanding, but had previously cleared the bank account or were errors. In addition, 83 deposits and credits totaling \$227,228 were listed as uncleared transactions, but had previously cleared the bank account or were errors. Eighteen adjustments at a net total of \$213,355 were also listed as uncleared transactions. Legitimate deposits in transit totaling \$3,607 and an outstanding check totaling \$482 were not recorded on the city's bank reconciliation. Additionally, some deposits were recorded as checks and some checks were recorded as deposits on the bank reconciliation.



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Further, differences existed between the December 31, 2012, reconciled bank balance and the book balance recorded in the accounting records of the Park Fund and Cemetery Fund. The Park Fund's reconciled bank balance was \$9,189 while the book balance was \$8,416, resulting in a difference of \$773. The Cemetery Fund's reconciled bank balance was \$3,039 while the book balance was \$2,500, resulting in a difference of \$539.

Accurate and complete financial information is necessary for the Board to make informed decisions and to provide residents with reliable information about city finances. Inaccurately recorded transactions make it more difficult to detect loss or misuse of funds.

### 1.4 Check signers

The Board does not have adequate controls over bank accounts and disbursements. While dual signatures are required on all city checks, of 250 checks issued during the period January 1, 2012, to May 15, 2012, 118 were signed by the City Clerk and City Superintendent and not a Board member. These checks totaled over \$140,000. Ideally the first signature should be that of the check preparer and the second signature should be that of a Board member to show review and approval of the disbursement. With two non-board members signing the checks, the control provided by dual signatures is diminished.

To ensure adequate controls exist over bank accounts and disbursements, the Board of Aldermen should require at least one member of the Board to sign all checks.

## Recommendations

The Board of Aldermen:

- 1.1 Consider appointing separate individuals to the position of City Clerk, City Collector, and City Treasurer to adequately segregate duties. If this is not possible, the Board of Aldermen should perform and document reviews of the City Clerk's work.
- 1.2 Ensure official prenumbered receipt slips are issued for all monies received and the numerical sequence of receipt slips is accounted for properly. The method of payment should be documented and the composition of receipts reconciled to the composition of deposits. Additionally, the Board should ensure receipts are posted to the accounting system and deposited timely.
- 1.3 Ensure accounting records are accurately maintained.
- 1.4 Require at least one member of the Board to sign all checks.



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City of Liberal  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 1.1 The Board and Mayor will provide closer oversight of the City Clerk's work. The Board will compare receipts to deposits each month and checks to invoices and related accounting records. The Board plans to implement these changes immediately.*
- 1.2 The City Clerk will begin using pre-numbered official receipt slips to record all city collections including utilities, the numerical sequence of receipt slips issued will be accounted for at the time of deposit, the method of payment will be recorded on each receipt slip, and the composition of receipt slips will be agreed to the composition of related deposits, and these procedures will be implemented immediately. The Board and Mayor will ensure receipts are posted to the city's computer system and deposited timely.*
- 1.3 We believe we currently have the accounting records under control. The Board and Mayor will work together with the City Clerk to review accounting records for accuracy each month from this point forward.*
- 1.4 We now currently have two Aldermen, the Mayor and the City Clerk on the checking account, and two signatures are required on all checks.*

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## 2. Utility System Controls and Procedures

There are significant weaknesses in city operations related to utility services. The city provides utility services to approximately 420 customers. According to the city's audited financial statements, during the year ended December 31, 2011, the city collected approximately \$170,000, \$552,000, and \$232,000 in water and sewer (including trash fees), electric, and natural gas fees, respectively.

### 2.1 Utility rates

The city has not performed a formal review of water, sewer, gas, electric, and trash rates, and as a result, there is less assurance utility rates are set at an appropriate level. The city increased water, sewer, gas, and trash rates in September 2012. According to the city's independent audit report, the Water and Sewer Fund, Electric Fund, and Gas Fund incurred an operating net income (loss) of (\$29,724), \$125,847, and \$52,525, respectively, for the year ended December 31, 2011.

Section 67.042, RSMo, provides that fees may be increased if supported by a statement of costs, which shows the increase is necessary to cover costs of providing the service. Water, sewer, electric, gas, and trash fees are user charges which should cover the cost of providing the related services. The city should perform a detailed review of its utility costs, including



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depreciation and debt service costs, and set rates to cover the total cost of operation. Preparing a statement of costs would not only allow the city to determine the rates necessary to support current and future operations, but also provide documentation to customers of the rationale behind the rates. Such rate studies should be performed periodically.

## 2.2 Water reconciliation

The city had not performed a reconciliation of total gallons of water billed to gallons of water pumped until we brought this to the attention of the Utility Superintendent. The city then performed a reconciliation for the period from January 10 to February 10, 2013. In addition, city water usage is not tracked, and without this information the city cannot properly perform the reconciliation. The February reconciliation showed the city pumped 2,391,000 gallons of water and billed customers for 1,635,569 gallons, a difference of 755,431 gallons or 32 percent of water pumped. This significant difference is indicative of water loss issues and/or possible unbilled usage, and indicates a need for follow up.

Monthly reconciliations of gallons of water billed to gallons of water pumped and tracking city water usage is necessary to help detect significant water loss and ensure all water use is properly billed. According to the U.S. Environmental Protection Agency, the water industry goal for unaccounted for water is 10 percent or less.<sup>1</sup>

## 2.3 Adjustments

The City Clerk posts adjustments to the utility computer system without always obtaining independent approval or adequate documentation to support the reason for the adjustments. During June 2012, adjustments were made resulting in an overall reduction to utility account balances of \$711. Because the City Clerk is responsible for all accounting functions (see MAR finding number 1), the ability to make adjustments without approvals represents a significant control weakness.

Requiring someone independent of receipting and recording functions to review and approve adjustments, and requiring proper supporting documentation be maintained for such adjustments would help ensure all adjustments are valid.

## 2.4 Utility deposits

The city does not prepare a monthly list of utility deposits on hand and reconcile the list to the deposit payable balance in the general ledger. New customers are required by ordinance to pay a refundable deposit before receiving utility service. At our request, the City Clerk prepared a list of utility deposits on hand as of April 8, 2013. The list of utility deposits

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<sup>1</sup> United States Environmental Protection Agency, "Using Water Efficiently: Ideas for Utilities," <http://www.epa.gov/watersense/pubs/utilities.html>, accessed on April 8, 2013.



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totaled \$30,325 and the deposit payable balance in the city's general ledger totaled \$27,034, resulting in a difference of \$3,291.

Monthly reconciliations of the list of deposits to the deposit payable balance are necessary to ensure deposits are properly recorded and are sufficient to meet liabilities. Any discrepancies should be promptly investigated and resolved.

## Recommendations

The Board of Aldermen:

- 2.1 Document formal reviews of utility rates periodically to ensure revenues are sufficient to cover all costs of providing these services and to support any rate increases.
- 2.2 Ensure all water use is properly metered, gallons of water pumped is reconciled to gallons billed monthly, and investigate any significant differences.
- 2.3 Require someone independent of the utility system review and approve all adjustments, and ensure documentation is retained supporting such adjustments.
- 2.4 Ensure a list of utility deposits on hand is prepared and reconciled monthly to the deposit payable balance in the general ledger. Any discrepancies should be investigated and resolved.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 2.1 *The Mayor and Board will perform a review of water, sewer, gas, electric, and trash rates to ensure they are set at an appropriate level and will retain documentation of these reviews. The Board and Mayor will make a decision concerning rate increases in the near future.*
- 2.2 *We have currently been metering city utilities, and are reconciling gallons of water pumped to gallons billed monthly. We are trying to get a handle on the water usage loss issue.*
- 2.3 *The Mayor and Board are planning to work with the City Clerk on adjustments. These adjustments will be approved by more than one person, and documentation of the reason for the adjustment will be retained. The changes will be implemented immediately.*
- 2.4 *The City Clerk will begin using pre-numbered receipts for all utility collections, and this change will be implemented immediately. The City Clerk has been working diligently on correcting the list of*



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*utility deposits from customers, and is trying to reconcile it to the deposit payable balance in the general ledger. There is still some work to be made in this area, but we are confident we are making great progress.*

### 3. Disbursements

Controls and procedures over city disbursements are in need of improvement.

#### 3.1 Procurement procedures

The city does not have a formal bidding policy and did not solicit bids for numerous services and purchases made during the year ended December 31, 2012, including:

Item or Service	Cost
Tree trimming (annual)	\$ 52,450
Natural gas (annual)	44,027
Gas system maintenance, repairs, and installations (annual)	42,701
Utility system construction and repair projects (annual)	20,688
Transformers	9,653
Fuel (annual)	9,509
Utility system repairs and maintenance (annual)	7,008

Formal bidding procedures for major purchases or services provide a framework for economic management of city resources and help ensure the city receives fair value by contracting with the lowest or best bidders. Competitive bidding also helps ensure all parties are given an equal opportunity to participate in city business.

#### 3.2 Allocation of expenses

The city does not maintain documentation to support the allocation of expenses among funds. The cost of the independent audit was allocated 1/4 to the General Fund, 1/4 to the Electric Fund, and 1/2 to the Water and Sewer Fund during 2012, and none of these costs were allocated to the Gas Fund or Cemetery Fund, which were also reported in the audit. Additionally, there was no basis to support how payroll related expenses for employees performing multiple functions such as the City Clerk, City Superintendent, and maintenance workers were allocated among the various city funds. Without proper basis and support, it is unclear whether the expense allocation is reasonable as compared to job tasks of those performing multiple functions.

Proper allocation of expenses and payroll is necessary for the city to accurately determine the results of operations of specific activities, thus enabling the city to establish the level of taxation and/or user charges





## City of Liberal Management Advisory Report - State Auditor's Findings

necessary to meet all operating costs. Documentation and periodic reevaluation of allocations is important to ensure their validity.

### 3.3 Supporting documentation

Invoices were not maintained for transformers costing \$9,653, credit card purchases made during March 2012 totaling \$2,679, and utility system repairs and maintenance costing \$2,124.

To ensure obligations were actually incurred and amounts paid were proper, all disbursements should be supported by paid receipts, itemized vendor invoices or other detailed documentation with payment information clearly indicated.

### 3.4 Disbursement review

Procedures used to review invoices and document receipt of goods and services need improvement. We identified a duplicate payment of \$1,055 for police equipment. The equipment invoice was originally paid June 13 and then again on July 30, 2012. The city has since received a refund from the vendor. Additionally, documentation acknowledging receipt of goods for items was not indicated on many of the invoices paid by the city.

A thorough and documented review of disbursements reduces the possibility of duplicate payments, and documentation of the receipt of goods or services is necessary to ensure the city actually received the items or services.

### 3.5 Fuel use and purchases

Controls and procedures over fuel use and purchases need improvement. According to accounting records, the city purchased \$9,509 of fuel from a local gas station during the year ended December 31, 2012.

- Fuel purchases recorded in police department mileage and fuel use logs are not reconciled to fuel billings to the city.
- The city has no records to ensure fuel purchases for other city equipment and vehicles are used appropriately. As a result, fuel use is not reconciled to fuel purchases.

Procedures for reviewing fuel use and reconciling use to fuel purchased are necessary to ensure the reasonableness and propriety of fuel use and disbursements. In addition, mileage and fuel use logs are necessary to document the appropriate use of equipment and vehicles and to support fuel charges. Failure to account for fuel purchases could result in theft and misuse of fuel going undetected.

### 3.6 Conflicts of interest and employment classification

Mayor Garrett signed 13 timesheets approving contract payments to his wife totaling \$6,340 and signed 11 of the related checks totaling \$5,668 while serving as Mayor. Mayor Garrett's wife served as City Clerk (see MAR



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finding number 1) and also worked for the city assisting other City Clerks at other times during the period July 2012 through April 2013.

In addition, the city had not documented reasons for classifying Mayor Garrett's wife as an independent contractor rather than an employee. The other City Clerks were classified as employees. Payments to Mayor Garrett's wife were reported to the Internal Revenue Service (IRS) on Forms 1099-MISC.

The former Mayor served in a fiduciary capacity and approving his wife's timesheets and signing her checks created an actual or the appearance of a conflict of interest. In addition, Section 105.300, RSMo, defines an elected or appointed officer or employee of a political subdivision as an employee for Social Security and Medicare tax purposes. For employees, the IRS requires employers to report compensation on W-2 forms and withhold and remit income and payroll taxes. Similarly, Chapter 143, RSMo, includes requirements for reporting wages and withholding state income taxes. State and federal laws require employers to pay the employer's share of Social Security and Medicare on the compensation paid to employees.

## Recommendations

The Board of Aldermen:

- 3.1 Establish formal bidding policies and procedures, including documentation requirements regarding the bids or quotes received and justification for the bid selected.
- 3.2 Ensure city expenses are properly allocated to the applicable funds and allocations are supported by adequate documentation.
- 3.3 Maintain adequate supporting documentation for all disbursements.
- 3.4 Ensure all invoices are adequately reviewed, and all invoices are initialed or signed by an employee to indicate acceptance of goods or services.
- 3.5 Require fuel use logs be maintained for all city-owned vehicles and equipment, and ensure logs are reviewed for accuracy and reconciled to fuel purchases. Any significant discrepancies should be investigated.
- 3.6 Closely examine city transactions to identify and avoid apparent and actual conflicts of interest. The Board should also ensure all persons hired by the city are properly classified as employees or contract employees in compliance with state and federal laws and regulations, and all compensation paid is subject to income and payroll taxes and properly reported.



City of Liberal  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 3.1 *The Board and Mayor will implement a bidding policy immediately.*
- 3.2 *In the future, we will maintain documentation to support the allocation of expenses among funds.*
- 3.3&
- 3.4 *The Board and Mayor believe the city has this issue under control.*
- 3.5 *In the future, we will review fuel use logs maintained by the police department quarterly, and we will require employees to maintain fuel use logs on other city equipment and vehicles and will reconcile these quarterly, also.*
- 3.6 *In the future, we will review transactions closely for conflicts of interest, ensure all persons hired are properly classified, and ensure all compensation is subject to income and payroll taxes and is properly reported.*

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## 4. Payroll Controls

Controls and procedures over payroll disbursements and other related matters need improvement.

### 4.1 Final paychecks

No documentation was retained by the city to support the final amounts paid to a former City Clerk, and the former City Superintendent was overpaid for vacation and sick leave upon termination.

A former City Clerk received two final paychecks dated July 16, 2012; one for accrued sick leave totaling 30 days or \$4,020, and one for accrued vacation leave totaling 15 days or \$2,010; however, no leave records were maintained by the city to support these final payments.

The former City Superintendent received two final paychecks dated May 18, 2012; one for accrued sick leave hours totaling 35 days or \$6,521 and one for accrued vacation leave hours totaling 15 days or \$2,795, both of which included days in excess of policy maximums. According to attendance records, the former City Superintendent used 2.375 days of sick leave and 5 days of "2011" vacation days from January to May 2012. According to city policy, the former City Superintendent should have only been paid for 27.625 sick days or \$5,147 and 10 days of vacation or \$1,863, resulting in an overpayment of \$2,306. The city's personnel policy indicates this employee accrued 15 days of vacation leave annually, and vacation leave cannot accumulate from one year to the next. It also indicates this employee accrued 5 sick days annually, sick leave can be accumulated up to 30 days, and any sick days over 30 days are forfeited.



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Without leave records, the Board cannot ensure employee leave usage and balances are accurate. Leave records also aid in determining final compensation for employees leaving city employment. To ensure employees are treated equitably and are properly compensated, strict compliance with personnel policies is necessary.

**4.2 Additional compensation** From January to July 2012, additional compensation totaling \$220 and \$210 was paid to a former City Clerk and the former City Superintendent, respectively, from the Park and Cemetery Funds; however, timesheets or other supporting documentation were not retained to support this additional compensation. In addition, these payments were not included on the employees' W-2 forms and were not subjected to payroll tax withholdings. Also, it is unclear how the work performed was not within the normal job duties of these employees. Further, three of the checks totaling \$90 were signed by the former City Clerk and former City Superintendent and not a Board member.

Any overtime or additional part time hours worked should be reported on the employees' timesheets and compensated as such to ensure compliance with the Fair Labor Standards Act of 1938 (FLSA). The city should amend these employees' W-2 forms for these payments.

**4.3 Payroll taxes** The city failed to remit payroll taxes due for the period August 15 to October 15, 2012, to the IRS and Missouri Department of Revenue timely, resulting in an assessment of \$718 in penalties and interest.

The Internal Revenue Code requires Form 941 to be filed with the IRS on a quarterly basis along with payment of Social Security and Medicare taxes withheld from the employee and the employer's share, as well as federal income taxes withheld. Similarly, Chapter 143, RSMo, includes requirements for reporting wages and withholding state income taxes. Good business practices require the city to make timely deposits of tax withholdings to avoid unnecessary penalties and interest.

## Recommendations

The Board of Aldermen:

- 4.1 Ensure future final paychecks are supported by proper documentation and are in compliance with city personnel policies, and seek reimbursement of overpayments.
- 4.2 Ensure additional time worked is reported on employee timesheets and compensated properly. In addition, the Board should amend the employees' 2012 W-2 forms.
- 4.3 Ensure payroll taxes are remitted to the appropriate taxing entity on a timely basis.



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## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 4.1 *The Board and Mayor are working with the City Clerk to ensure proper documentation is kept in regards to sick days, vacation days, and comp time; thus, enabling the city to pay employees in an accurate manner. The Board and Mayor will consider seeking reimbursement of overpayments.*
- 4.2 *In the future, no additional compensation will be given for duties conducted during normal operating hours. We will contact the IRS and amend W-2 forms for the time period they recommend.*
- 4.3 *The Board and Mayor will ensure that payroll taxes are being remitted properly and on a timely basis.*

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## 5. Budgetary Procedures and Financial Reporting

The city does not comply with state law relating to budget preparation, monitoring, and amendments and publishing financial statements.

### 5.1 Budgets

Annual budgets do not contain all elements required by state law and are not approved timely. Budgets for the years ended December 31, 2012 and 2011, did not include a budget message, actual and budgeted amounts for the 2 preceding years, and beginning and ending actual and estimated cash balances. The budgets only included projected receipts and disbursements for the coming year. Additionally, as of March 9, 2013, the 2013 budget had not been prepared or approved by the Board, and the 2012 budget was not approved by the Board until June 2012.

Sections 67.010 to 67.080, RSMo, establish requirements for the format of the annual operating budget. In addition, the law requires if a new budget is not adopted by the beginning of the new year then the Board should operate under the prior year's budget, and provides that no expenditure of public monies shall be made unless it is authorized in the budget. To be of maximum benefit to the taxpayers and the city, the budget should be adopted in a timely manner.

### 5.2 Budget amendments

The city did not approve a 2011 budget amendment until February 2012, well after the end of the fiscal year and according to the city's accounting records the city had overspent the Water and Sewer Fund, Electric Fund, Gas Fund, and Cemetery Fund budgets.

Section 67.040, RSMo, requires political subdivisions to keep disbursements within amounts budgeted and allows for budget increases,



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after the governing body officially adopts a resolution setting forth the facts and reasons. To ensure compliance with state law, the Board should properly monitor actual disbursements compared to budgeted amounts and formally amend the budgets before the related disbursements are incurred.

### 5.3 Financial statements

The city did not publish financial statements in 2012 or 2011 in compliance with state law. Section 79.160, RSMo, requires the Board to prepare and publish financial statements for each six month period which include a full and detailed account of the receipts, disbursements, and indebtedness of the city. Section 79.165, RSMo, states the city cannot legally disburse funds until the financial statements are published.

## Recommendations

The Board of Aldermen:

- 5.1 Prepare budgets timely and in compliance with state law.
- 5.2 Prepare and approve budget amendments prior to incurring the related disbursements.
- 5.3 Ensure financial statements are published in accordance with state law.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 5.1 *The Board, Mayor and City Clerk will make sure the budget is prepared in compliance with state law and adopted on time.*
- 5.2 *The Board and Mayor will work with the City Clerk to prepare and approve any budget amendments before any related disbursements are incurred.*
- 5.3 *The Board and Mayor will make sure the city's financial statements are published every six months.*

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## 6. Agendas, Meetings, and Ordinances

The city did not always ensure compliance with the Sunshine Law, and improvement is needed with ordinances.

### 6.1 Agendas

The Board of Aldermen did not retain notification or tentative agendas for some meetings, and as a result, the city cannot demonstrate compliance with state law. Section 610.020, RSMo, requires the city to give notice at least 24 hours in advance of the time, date, and place of each meeting, and its tentative agenda, in a manner reasonably calculated to advise the public of the matters to be considered.



## City of Liberal Management Advisory Report - State Auditor's Findings

### 6.2 Meetings

The Board of Aldermen did not always comply with the Sunshine Law.

- Based upon closed meeting minutes documentation, some issues discussed in closed meetings were not allowable under the Sunshine Law. For example, trash service bids were opened, discussed, and approved in a closed meeting on March 20, 2012.
- Open meeting minutes do not record a roll call vote of the Board of Aldermen to enter into closed session.

The Sunshine Law, Chapter 610, RSMo, limits discussions in closed meetings to only those specifically allowed by law; and requires minutes to include at a minimum the date, time, place, members present, members absent and votes taken, including roll call votes before closing a meeting.

### 6.3 Ordinances

City ordinances are not complete.

- The city has not adopted ordinances to establish the compensation of city officials or employees. Sections 79.270 and 79.290, RSMo, require the Board of Aldermen to fix the salaries of all city officials and employees by ordinance.
- Ordinances have not been adopted to establish water, sewer, gas, electric, and trash rates charged.
- The city has not adopted ordinances to address utility service shutoff practices. Currently, utility service is shut off 4 days after the 25th of the month, if a partial payment has not been received on delinquent accounts.

Ordinances represent legislation passed by the Board to govern the city and its residents. In addition to meeting statutory requirements, ordinances documenting approved salary amounts and utility procedures help ensure equitable treatment and prevent misunderstandings.

## Recommendations

The Board of Aldermen:

- 6.1 Provide proper notice of meetings and ensure appropriate agendas are posted and retained.
- 6.2 Limit discussions in closed meetings to only those specifically allowed by law and record roll call votes to enter closed session in open meeting minutes.
- 6.3 Ensure ordinances are complete.



City of Liberal  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The Board of Aldermen provided the following written responses:*

6.1&

6.2 *The Board believes this issue is under control at this time.*

6.3 *The Board and Mayor intend to prepare an ordinance that addresses fixed salaries. We will also adopt ordinances to establish water, sewer, gas, electric, and trash rates, and to address utility shutoff practices.*

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## 7. Capital Assets

The city does not maintain records for its capital assets including buildings, utility system infrastructure, equipment, and other property. Additionally, assets are not tagged for specific identification, and an annual physical inventory is not performed.

Adequate capital asset records and procedures are necessary to provide controls over city property; safeguard city assets that are susceptible to loss, theft, or misuse; and provide a basis for proper financial reporting and insurance coverage.

## Recommendation

The Board of Aldermen ensure property records are maintained that include all pertinent information for each asset such as tag number, description, cost, acquisition date, location and subsequent disposition. The Board should also properly tag, number, or otherwise identify all applicable city property and conduct and document an annual inventory.

## Auditee's Response

*The Board of Aldermen provided the following written response:*

*The city is currently working on an inventory system. Though there are some improvements yet to be made, but we are confident we will succeed. We will also consider tagging all assets and will document an annual inventory.*



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# City of Liberal

## Organization and Statistical Information

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The City of Liberal is located in Barton County. The city was incorporated in 1880 and is currently a fourth-class city. The city employed five full-time employees and a part-time employee on December 31, 2012.

City operations include utility services, police, recreational services, and a city cemetery.

### Mayor and Board of Aldermen

The city government consists of a mayor and four-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at December 31, 2012, are identified below. The Mayor is paid \$100 per month and \$4 per meeting, and Board of Aldermen members are paid \$4 per meeting.

Bobbie Garrett, Mayor  
Val Clark, Mayor Pro-Tem  
John Nicolas, Alderman  
John Knox, Alderman  
Patsy Yount, Alderwoman



**Thomas A. Schweich**  
Missouri State Auditor

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# Office of Lieutenant Governor



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October 2013

Report No. 2013-099

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

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## Findings in the audit of the Office of Lieutenant Governor

Recusal	To avoid any appearance of a conflict of interest, the State Auditor has recused himself from all reports pertaining to the Office of Lieutenant Governor. Instead, the Deputy State Auditor oversaw the procedures performed by the State Auditor's professional audit staff in the completion of this audit.
Missouri Waste Report	<p>The Lieutenant Governor's office is in the process of creating a website, Missouri Waste Report, for the public to report suspected misuse of public funds. However, except for concerns related to specific duties provided by state law, the Lieutenant Governor lacks the statutory authority to investigate public concerns regarding the suspected misuse of taxpayer monies or to create a website or telephone hotline for that purpose. Because neither state law nor Governor Executive Orders authorize the Lieutenant Governor to address misuse of public funds, the Lieutenant Governor lacks the legal authority to access information and persons necessary to thoroughly investigate such misuse and to keep allegations, including the identity of persons reporting concerns, confidential and exempt from the Sunshine Law.</p> <p>Moreover, because state law already provides other elected officials and agencies, such as the State Auditor, the Attorney General, the Department of Social Services, and the Department of Labor and Industrial Relations, Division of Workers' Compensation, with authority to investigate fraud and misuse of public funds, the Lieutenant Governor's Missouri Waste Report may be a duplication of effort and a waste of state resources. The General Assembly increased the Lieutenant Governor's fiscal year 2014 personnel service appropriation by \$38,000 to support the website; through July 2013, the office had spent \$2,700 and the Lieutenant Governor's campaign committee paid \$1,189 for the website.</p>
Office Controls, Policies, and Procedures	The office provided pay raises to employees that were not provided to other state employees. In addition to the 2 percent cost of living adjustment in July 2012 given to all state employees earning less than \$70,000 per year, certain Lieutenant Governor staff received raises in September 2010, March 2011, and January 2012, representing a total annual increase in staff salaries of \$44,953 (13 percent). The Lieutenant Governor's Director of Administration and Director of Communications have the ability to both enter and approve expenditures in the state computerized accounting system without review or approval by another person, and employees did not receive appraisals during the 3 years ending June 30, 2013.
Lieutenant Governor Reimbursement	The Office of the State Auditor issued Report No. 2011-31, <i>Lieutenant Governor Reimbursement</i> , which communicated the results of our review of the Lieutenant Governor's calculation and reimbursement to the state of all in-state lodging costs.

We determined the \$52,030 reimbursement amount was correct based upon the assumptions and methodology used by the Lieutenant Governor, but indicated the Lieutenant Governor should consider making additional reimbursements due to (1) coding errors, (2) lodging expenses paid to the Lieutenant Governor by other state agencies, and (3) meal costs totaling \$10,893. On July 8, 2011, the Lieutenant Governor reimbursed the state \$1,888 related to coding errors and reimbursements paid by other state agencies. The Lieutenant Governor did not reimburse meal costs and assumed that any potentially questionable meals would be more than offset by the excessive reimbursement of in-state lodging, and our findings did not dispute this assumption.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Office of Lieutenant Governor

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Peter Kinder, Lieutenant Governor  
Jefferson City, Missouri

To avoid the appearance of a conflict of interest, the State Auditor has recused himself from participation in this audit and has directed the Deputy State Auditor to oversee procedures performed by the State Auditor's professional audit staff. We have audited certain operations of the Office of Lieutenant Governor, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2013, 2012, and 2011. The objectives of our audit were to:

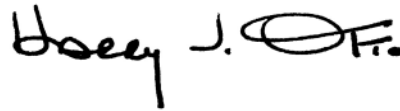
1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.
4. Evaluate the extent to which recommendations included in our prior audit report were implemented.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office; inspection of capital assets; analysis of comparative data obtained from external and/or internal sources; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) a deficiency in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. In addition, the prior recommendations were implemented or partially implemented. The accompanying Management Advisory Report presents our findings arising from our audit of the Office of Lieutenant Governor.

A handwritten signature in black ink, appearing to read "Harry J. Otto". The signature is stylized with a large, looped "H" and a distinct "O" at the end.

Harry J. Otto, CPA  
Deputy State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Toni M. Crabtree, CPA
In-Charge Auditor:	Denise Huddleston, MBA
Audit Staff:	Devin Jackson

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# Office of Lieutenant Governor

## Management Advisory Report

### State Auditor's Findings

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#### **1. Missouri Waste Report**

The Lieutenant Governor lacks the statutory authority to create a website and telephone hotline for the public to report suspected misuse of taxpayer monies, or for his office to investigate allegations of misuse.

The office is in the process of establishing a website, Missouri Waste Report, for the public to report suspected misuse of public funds. For the year ending June 30, 2014, the General Assembly approved increasing the Lieutenant Governor's personnel service appropriation by approximately \$38,000 to support the website. Through July 2013, the office has spent approximately \$2,700 for the creation of the website. In addition, the Lieutenant Governor's campaign committee paid \$1,189 for initial set up costs related to the website.

#### Statutory authority

Except for concerns related to the specific duties provided by state law, the Lieutenant Governor lacks the statutory authority to investigate public concerns regarding suspected misuse of taxpayer monies.

The Missouri Constitution provides that the Lieutenant Governor is the ex officio president of the senate. In addition, " . . . on the death, conviction, impeachment, or resignation, of the governor, the lieutenant governor shall act as governor . . . ." The Lieutenant Governor may also act as Governor when the Governor is absent from the state or has other disabilities. Various sections of state law and Governor Executive Orders (EO), provide that the Lieutenant Governor be a member of specific boards and commissions such as the Missouri Tourism Commission, Missouri Development Finance Board, Personal Independence Commission, Missouri Housing Development Commission, Board of Public Buildings, Board of Fund Commissioners, Second State Capital Commission, Alzheimer's State Plan Task Force, and Senior Advocate for Missouri.

Because neither state law nor EOs provide the Lieutenant Governor the authority to address misuse of public funds (other than concerns related to specific duties provided by state law), the Lieutenant Governor lacks the legal authority to access information and persons to properly investigate concerns received. In addition, no statutory authority exists related to keeping the allegations received, including the identity of persons reporting the allegations, confidential and not subject to Chapter 610, RSMo (Sunshine Law).

#### Duplication of effort

State law provides various other state elected officials and agencies with the authority to investigate fraud and misuse of public monies. For example:

- Chapter 29, RSMo, explicitly provides the State Auditor's office with the responsibility for receiving and investigating reports of allegations of improper governmental activities, such as misappropriation, mismanagement, waste of resources, fraud, and violations of state and





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Office of Lieutenant Governor  
Management Advisory Report - State Auditor's Finding

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federal laws, rules, or regulations and adopting policies and procedures for the investigation or referral of such allegations. In addition, individuals who report improper governmental activities may choose to remain anonymous, unless the individual consents to having his/her identity disclosed. Audit staff may not reveal any information secured in the course of any audit to anyone except the State Auditor. Violation of this duty is a felony.

- Chapter 191, RSMo, provides the Office of Attorney General, Medicaid Fraud Control Unit, the statutory authority to investigate and prosecute health care providers that defraud the Medicaid program. The unit may also review complaints of abuse or neglect of nursing home residents and misappropriations of residents' private funds in these facilities. An employee who initiates, assists in, or participates in a proceeding or court action is provided whistleblower protection.
- Chapter 208, RSMo, provides the Department of Social Services the statutory authority to investigate abuse, fraud, and waste committed by public assistance recipients and health care providers related to the Medicaid program. Reports to the department regarding these issues are confidential. Investigations may be referred to appropriate law enforcement agencies.
- Chapter 287, RSMo, provides the Department of Labor and Industrial Relations, Division of Workers' Compensation the statutory authority to investigate fraud related to workers' compensation claims and noncompliance with workers' compensation laws. Reports to the department regarding these issues are confidential. These cases are referred to the Office of Attorney General for prosecution.

These state agencies typically have a toll-free phone number, as well as mail and email addresses where the public can lodge concerns regarding the fraud, abuse, and misuse of public funds. Some agencies also have an on-line complaint form for public concerns.

As a result, it appears the Lieutenant Governor's website will duplicate the efforts/responsibilities of these agencies, and may represent a waste of state resources.

## Recommendation

The Lieutenant Governor discuss the concerns noted with the General Assembly and decide how to proceed. If the Lieutenant Governor decides the establishment of a fraud website and hotline number does not represent a duplication of effort, he should obtain specific statutory authority to receive and investigate public concerns regarding suspected misuse of taxpayer monies, and the authority to keep such allegations confidential.



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Office of Lieutenant Governor  
Management Advisory Report - State Auditor's Finding

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## Auditee's Response

*Historically, the functions of the Office of Lieutenant (Lt.) Governor have been tailored to fit the personalities, interests and goals of the office holder. The current Lt. Governor introduced programs like the Senior Service Award, the Veterans Service Award, and the non-official role of advocate for veterans' interests absent statutory authority or Executive Order to do so. Previously, Lt. Governors have used their office for a variety of purposes absent specific authority. For instance Lt. Governor Wilson used the office to serve as the ombudsman to all Missouri's citizens. (Auditor's Report, 3/2/2001)*

*The Office of Lt. Governor has statutory authority to serve as Missouri's "official senior advocate." (Section 660.620, RSMo) In that role, the Office serves as a clearinghouse for all senior-related issues and coordinates with the state's long-term care ombudsman. In this duty, the Office has the power to ". . . conduct a suitable investigation into any actions complained of . . ." within the scope of authority of the senior citizen advocate and relevant to Missouri's senior community, including reports of wasteful abuse of taxpayer dollars detrimental to the health and well-being of Missouri's seniors.*

*The Lt. Governor serves as an advisor and ex officio member of several Missouri boards and commissions, many of which vote to allocate millions of taxpayer dollars for various purposes. (Sections 8.003, 33.300, 100.265, 178.695, 191.115, 208.533, 215.020, 288.330, 311.620, 620.455, and 620.586, RSMo) The Lt. Governor has an interest by virtue of his position on these boards to ensure taxpayer dollars are spent prudently.*

*There exists precedent in the Office of Lt. Governor to implement programs and initiatives absent statutory or executive authority. As the state's official senior advocate, the Lt. Governor has statutory power to investigate claims made to the office relating to senior issues. This would include allegations of waste, fraud and abuse of taxpayer dollars detrimental to our already vulnerable senior citizens. The Lt. Governor votes to allocate millions in taxpayer dollars by nature of his placement on an array of boards and commissions, and it is well within his interest to make sure those dollars are spent wisely.*

*The Lt. Governor will seek legislation to keep reports of waste and abuse confidential within Chapter 610, RSMo (Sunshine Law) to ensure honest and open reports.*

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## 2. Office Controls, Policies, and Procedures

Certain staff received pay raises at a time when other state employees were not receiving pay increases. In addition, current office practice does not prevent users from initiating and approving transactions in the state accounting system, and the office does not prepare performance appraisals.



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Office of Lieutenant Governor  
Management Advisory Report - State Auditor's Finding

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For the 3 years ending June, 30, 2013, office expenditures totaled approximately \$1.2 million.

## 2.1 Salary increases

The office provided pay raises to employees that were not provided to other state employees.

In addition to a 2 percent cost of living adjustment in July 2012 (an increase that was provided to state employees paid less than \$70,000 per year), certain Lieutenant Governor staff received raises in January 2012, March 2011, and September 2010. These raises represented an annual increase in staff salaries totaling \$44,953, or a 13 percent increase to employees.

Given the recent state budget constraints and that other state employees have generally not received such pay increases, the office should re-evaluate the reasonableness and necessity for these salary increases.

## 2.2 Transaction approvals

The Lieutenant Governor's Director of Administration and Director of Communications have the ability to both enter and approve expenditure transactions in SAM II, without review or additional approval from another party.

According to office management, the Director of Administration usually enters expenditure transactions and the Director of Communications approves the transactions in SAM II. In addition, although the Director of Communications indicated that he approves expenditures before the expenditures are entered in SAM II, he does not document his approval on invoices or other supporting documentation.

By allowing users to enter and approve transactions, there is an increased risk that inappropriate or unauthorized transactions may be processed. Documented approval of expenditures also helps ensure expenditures are properly reviewed and approved.

## 2.3 Performance appraisals

The office does not require performance appraisals be prepared for employees. Employees did not receive appraisals during the 3 years ending June 30, 2013.

The Office Policies and Procedures Manual provides that the Chief of Staff may prepare a written performance review of staff once every 12 months, on or before July 1, each year.

Performance appraisals are needed to adequately evaluate employee performance and provide documented feedback to employees. Performance appraisals also assist in personnel decisions.



Office of Lieutenant Governor  
Management Advisory Report - State Auditor's Finding

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## Recommendations

The Office of Lieutenant Governor:

- 2.1 Discontinue providing pay increases over and above those provided to other state employees in the future.
- 2.2 Ensure SAM II users do not have the ability to both enter and approve transactions. In addition, the review and approval of supporting documentation for expenditures should be documented.
- 2.3 Complete formal documented employee performance appraisals on an annual basis.

## Auditee's Response

2.1 *Like the Governor, the Lt. Governor may ". . . within the limits of appropriations for such purpose . . . employ and fix the compensation of a secretary." (Section 26.020, RSMo) This gives the Lt. Governor discretion to set compensation of employees as he sees fit so long as the office does not exceed its appropriation limits. The Lt. Governor has never exceeded his appropriation. In fact, the Lt. Governor has returned unspent taxpayer dollars to General Revenue each fiscal year reviewed by the Auditor, totaling \$98,886. Further, an analysis of compensation paid to employees similarly situated in other statewide offices shows the Lt. Governor routinely keeps salaries lower than his statewide counterparts. This was also noted and applauded by the Senate Appropriations Chairman Kurt Schaefer during a February 28, 2013 hearing of the Office of Lt. governor FY14 Budget.*

2.2 *The Office of Lt. Governor exhibited fiscal responsibility and sound control at each test conducted by the Auditor. The Auditor reviewed expenditures for three years totaling \$1.2 million and the Auditor did not find one instance of an undocumented, unauthorized expenditure. A 2010 audit conducted by the previous Auditor spanning FY08-FY10 totaled \$2.8 million in expenditures, and that Auditor did not find one instance of an undocumented, unauthorized expenditure.*

*The Auditor made the Administrator aware she has the ability in SAM II to approve and enter expenditures. The Administrator did not have previous knowledge of this ability and thus the Administrator did not exercise this ability at any time in the previous three fiscal years. The Office has consulted with the Office of Administration (OA) to remedy the problem and the Administrator no longer has the ability to approve and enter expenditures per OA. Documentation is available upon request. This is considered implemented.*



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Office of Lieutenant Governor  
Management Advisory Report - State Auditor's Finding

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*Even though Office procedures requires independent approval of expenditures, documentation by initialing expenditure approvals will be displayed on each paid bill moving forward. This is considered implemented.*

- 2.3 *The Office Policies and Procedures Manual provides the Chief of Staff may prepare a written performance review of staff once every 12 months. This policy intentionally leaves the decision to prepare a written performance review at the discretion of the Chief of Staff. During the scope of the audit, the Office of Lt. Governor employed at the most five (5) full-time employees. This fosters an environment where the Chief of Staff can identify and address any and all issues arising from an employee's performance daily. Feedback is provided instantly. However, the Office will complete formal documented performance appraisals on an annual basis and modify the Office Policies and Procedures Manual to reflect the change.*

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### **3. Lieutenant Governor Reimbursement**

On July 6, 2011, the Office of State Auditor issued Report No. 2011-31, *Lieutenant Governor Reimbursement*. The report communicated the results of our review of the Lieutenant Governor's calculation and reimbursement of all in-state lodging costs previously paid to the Lieutenant Governor or on his behalf by the State of Missouri from January 2005 through April 2011.

We determined the reimbursement amount of \$52,030 was calculated correctly based on the assumptions and methodology used by the Lieutenant Governor. However, we also indicated the Lieutenant Governor should consider making additional reimbursements due to (1) coding errors made by his office within the state accounting system which netted to \$1,472, (2) lodging expenses totaling \$416 paid to the Lieutenant Governor by other state agencies, and (3) not considering meal costs totaling \$10,893 when calculating the reimbursement.

On July 8, 2011, the Lieutenant Governor reimbursed the state \$1,888 related to coding errors and reimbursements paid by other state agencies. The Lieutenant Governor did not reimburse meal costs and assumed that any possible reimbursement calculation of potentially questionable meals would more than be offset by the excessive reimbursement of in-state lodging. The findings of our review did not dispute this assumption.

### **Auditee's Response**

*The Auditor does not dispute the Lt. Governor's assumption that his reimbursement of in-state lodging offsets any potential "meal reimbursement." This matter is considered closed.*

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# Office of Lieutenant Governor

## Follow-up on Prior Audit Findings

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This section reports the auditor's follow-up on action taken by the Office of Lieutenant Governor on findings in the Management Advisory Report (MAR) of our prior audit report issued for the years ended June 30, 2010, 2009, and 2008.

### Accounting Controls, Records, and Procedures

- 1.1 There were numerous mathematical errors and inconsistencies in the leave and compensatory time records and timesheets. These error/inconsistencies were not detected because the information recorded was not verified when timesheets were approved.
- 1.2 There was no independent approval of purchase transactions in SAM II. The Director of Administration both entered and approved all purchase transactions in SAM II.

### Recommendations

The Office of Lieutenant Governor:

- 1.1 Periodically reconcile leave slips to timesheets, and timesheet leave balances to SAM II.
- 1.2 Require an independent approval of the expenditure transactions in SAM II.

### Status

- 1.1 Implemented.
- 1.2 Partially implemented. See MAR finding number 2.

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# Office of Lieutenant Governor

## Organization and Statistical Information

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The lieutenant governor is required to meet the same qualifications as the governor. The lieutenant governor is elected for a four-year term.

Under the constitution, the lieutenant governor serves as the ex officio president of the Missouri Senate. In addition, upon the governor's death, conviction, impeachment, resignation, absence from the state or other disabilities, the lieutenant governor shall act as governor.

By law, the lieutenant governor is a member of the Board of Public Buildings, the Board of Fund Commissioners, the Missouri Development Finance Board, the Missouri Housing Development Commission, the Missouri Tourism Commission, and the Second State Capitol Commission. The lieutenant governor is an advisor to the Department of Elementary and Secondary Education on early childhood education and the Parents-as-Teachers program.

The lieutenant governor also serves as the official Senior Advocate for Missouri. The office investigates problems and issues on behalf of senior citizens, and works with the Department of Health and Senior Services to ensure the safety and well-being of Missouri's senior citizens.

In addition, the lieutenant governor promotes the Missouri Military Family Relief Fund, is chair of the Alzheimer's State Plan Task Force, and coordinates/manages the Missouri Mentor Initiative. Other boards and commissions on which the lieutenant governor serves include: the Missouri Community Service Commission, the Personal Independence Commission (co-chair), and the Special Health, Psychological, and Social Needs of Minority Older Individuals Commission.

On January 10, 2005, Peter Kinder was inaugurated as the forty-sixth Lieutenant Governor of the State of Missouri. His third term expires in January 2017.

At June 30, 2013, the office employed four full-time employees.

Appendix A-1

Office of Lieutenant Governor  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2013

	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND			
Personal Service	\$ 360,013	359,023	990
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	35,157	34,106	1,051
Expense and Equipment	52,552	25,091	27,461
Total General Revenue Fund	<u>\$ 447,722</u>	<u>418,220</u>	<u>29,502</u>

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30, 2013
General Revenue Fund	
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	<u>\$ 1,051</u>



Appendix A-2

Office of Lieutenant Governor  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2012

	<u>Appropriation Authority</u>	<u>Expenditures</u>	<u>Lapsed Balances</u>
GENERAL REVENUE FUND			
Personal Service	\$ 362,812	360,076	2,736
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	35,250	34,192	1,058
Expense and Equipment	44,745	16,857	27,888
Total General Revenue Fund	\$ <u>442,807</u>	<u>411,125</u>	<u>31,682</u>

The lapsed balances include the following withholdings made at the Governor's request:

	<u>Year Ended June 30, 2012</u>
General Revenue Fund	
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	\$ <u>1,058</u>

Appendix A-3

Office of Lieutenant Governor  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2011

	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND			
Personal Service	\$ 356,042	352,670	3,372
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	33,669	33,668	1
Expense and Equipment	59,745	23,305	36,440
Total General Revenue Fund	\$ 449,456	409,643	39,813

Appendix B

Office of Lieutenant Governor  
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2013	2012	2011	2010	2009
Lieutenant Governor's office:					
Salaries and wages	\$ 359,023	360,076	352,670	363,498	368,035
Travel, in-state	1,209	1,224	3,457	14,238	25,603
Travel, out-of-state	959	0	1,388	1,163	335
Supplies	5,961	2,020	6,641	9,758	6,836
Professional development	2,700	1,000	425	4,146	2,268
Communication services and supplies	9,859	5,337	5,818	7,834	9,621
Services:					
Professional	3,142	4,080	1,842	2,330	6,203
Maintenance and repair	0	45	822	2,055	1,913
Office equipment	0	108	0	0	0
Building lease payments	34,106	34,192	33,668	34,966	36,325
Equipment rental and leases	108	100	100	98	90
Agency provided food	1,153	2,759	1,057	207	257
Miscellaneous expenses	0	184	1,755	266	197
Total office expenditures	<u>418,220</u>	<u>411,125</u>	<u>409,643</u>	<u>440,559</u>	<u>457,683</u>
Veterans Remembrance Project:					
Communication services and supplies	0	0	0	2,638	1,210
Services:					
Professional	0	0	0	591,034	592,840
Maintenance and repair	0	0	0	3,957	2,783
Total project expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>597,629</u>	<u>596,833</u>
Total	\$ <u>418,220</u>	<u>411,125</u>	<u>409,643</u>	<u>1,038,188</u>	<u>1,054,516</u>

## Appendix C

### Office of Lieutenant Governor Statement of Changes in General Capital Assets

	Furniture and Equipment	Motor Vehicles	Total
Balance, July 1, 2010	\$ 54,868	19,995	74,863
Additions	0	0	0
Dispositions	0	0	0
Balance, June 30, 2011	54,868	19,995	74,863
Additions	0	0	0
Dispositions	(2,409)	(19,995)	(22,404)
Balance, June 30, 2012	52,459	0	52,459
Additions	0	0	0
Dispositions	(19,274)	0	(19,274)
Balance, June 30, 2013	\$ 33,185	0	33,185



Thomas A. Schweich  
Missouri State Auditor

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## ADMINISTRATION

# State Purchasing Card Program



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October 2013  
Report No. 2013-100

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the Office of Administration, State Purchasing Card Program

Background	The Office of Administration (OA), Division of Accounting established the state purchasing card program to provide a more efficient, cost-effective method of purchasing and paying for goods and centralized travel services. The card contractor pays the state a rebate of 1.44 percent on all purchases. During calendar year 2012, the state received about \$713,000 in rebates.
Policies and Procedures	State agency personnel used purchasing cards to make prohibited purchases, including ammunition, interagency payments, and non-bulk motor fuel. Some state agency personnel did not maintain and sign transaction logs, and one coordinator approved his/her own transaction log. State agencies failed to pay 25 percent of the statements reviewed within 30 days of the statement date. State vehicle rental contracts indicate a preference for the use of purchasing cards for payment, but only 38 percent of rental payments analyzed were made using purchasing cards, thereby forfeiting \$5,200 in potential rebate revenue. Similarly, audit staff found over 45,000 small dollar transactions totaling over \$1.8 million which potentially could have been paid using purchasing cards. The OA did not have current interagency agreements or addendums for nine state agencies or divisions.
Cardholder Account Controls	State agency personnel did not cancel the purchasing card accounts of nine former state employees. One hundred thirty-three non-emergency purchasing cards remained assigned to employees that did not use the cards during calendar year 2012, and the OA did not ensure all cardholder records contain accurate and consistent data.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Office of Administration  
State Purchasing Card Program  
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# THOMAS A. SCHWEICH

## Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Douglas E. Nelson, Commissioner  
Office of Administration  
Jefferson City, Missouri

We have audited certain operations of the State Purchasing Card Program administered by the Office of Administration, Division of Accounting. This audit was conducted in fulfillment of our duties under Chapter 29, RSMo. The objectives of our audit were to:

1. Evaluate the program's internal controls over significant management operations and financial functions.
2. Evaluate the program's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the State Purchasing Card Program.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor: Harry J. Otto, CPA  
Director of Audits: John Luetkemeyer, CPA  
Audit Manager: Jeffrey Thelen, CPA, CISA  
In-Charge Auditor: Patrick M. Pullins, M.Acct., CISA  
Audit Staff: Brian Hammann, M.Acct., CPA



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# State Purchasing Card Program

## Introduction

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### Background

The Office of Administration (OA) Division of Accounting established the state purchasing card program in 1998 to set up a more efficient, cost effective method of purchasing and paying for goods and centralized travel services. The program was designed to reduce the number of purchase orders and checks issued and to enhance efficiency within state agencies. The OA contracts with an outside vendor to administer the purchasing card program.

Under a typical purchase order system, a state employee obtains supervisory approval, prepares a purchase order and takes the order to a local vendor to obtain the goods. The vendor bills the state for the purchase and the state pays the vendor during the next payment cycle. Under the purchasing card program, employees take their card directly to a vendor (with or without prior supervisory approval) and procure the needed goods. The vendor electronically bills the card contractor for payment, and the contractor sends the state agencies a statement for each card monthly. Accordingly, the state is able to process fewer payments to the card contractor rather than processing multiple payments to individual vendors.

Cardholders are responsible for maintaining a log of their purchases. Upon receipt of the monthly statement from the card contractor, the employee is responsible for reconciling their log to the statement, attaching supporting documentation such as receipts, invoices, and packing slips; and submitting all documentation to their fiscal office for payment to the card contractor.

The OA is responsible for establishing state policy and administering the state purchasing card program. The OA established standard program policies, procedures, and purchase dollar limits based on general statutory guidelines for state purchasing outlined under Chapter 34, RSMo. Each participating state agency is required to designate program coordinators.

The OA has created a statewide Policy and Procedure Manual which contains details and requirements of the program. For instance, the manual includes detailed instructions on the records that must be kept by cardholders, coordinators, and the agencies involved; instructions on how to make administrative changes to the cards (such as issuing cards to new employees, renewing cards upon expiration, and closing accounts of old employees); and what purchases are and are not allowed to be made with the cards. Agencies may set stricter policies for the program, but must adhere to state policies, unless a waiver is granted.

The card contractor has on-line reporting tools available to allow for monitoring and analysis of agency transactions as well as a process that allows state agencies to upload transaction data with accounting code defaults into the state accounting system.

Under the terms of the current contract effective in March 2007, the card contractor pays the state a rebate of 1.44 percent on all purchases. Rebate



## State Purchasing Card Program Introduction

amounts are deposited in funds specified by the purchasing agency, or in the state General Revenue Fund. During calendar year 2012, the state received about \$713,000 in rebates.

During calendar year 2012, all state agencies participated in the purchasing card program. Total card usage per agency is presented in the table below.

**Table 1:  
Agency Purchasing Card Activity**

State Agency	Card Expenditures Calendar Year 2012
Conservation	\$ 13,190,102
Transportation	11,499,966
Corrections	5,849,915
Public Safety	5,131,113
Natural Resources	3,071,445
Office of Administration	2,194,900
Health & Senior Services	1,037,800
Mental Health	778,782
Judiciary	719,241
Elementary & Secondary Education	706,898
Economic Development	679,873
Revenue	590,706
Social Services	353,741
Insurance, Finance, and Professional Registration	290,558
Agriculture	196,963
Secretary of State	106,865
Labor & Industrial Relations	77,826
Higher Education	67,667
Attorney General	49,548
Governor	48,254
Legislature	38,738
Public Defender	35,280
State Treasurer	26,548
State Auditor	3,450
Lieutenant Governor	1,825
Total	\$ 46,748,004



## State Purchasing Card Program Introduction

### Scope and Methodology

Our methodology included reviewing written policies and procedures, and interviewing various personnel of the OA and participating state agencies. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We obtained purchasing card transaction data for calendar year 2012. To ensure completeness of the data, we summarized transactions by agency and month to ensure all agencies and time periods were included and performed other testing. Although we used computer-processed data from the card contractor system to review transaction related information, we did not rely on the results of any processes performed by this system in arriving at our conclusions. Our conclusions were based on our review of the controls over transactions.

We obtained cardholder account data as of January 2013. To ensure completeness of the data, we summarized accounts by agency, matched accounts to transaction records, scanned the names of employees, and performed other testing. Although we used computer-processed data from the card contractor system to identify cardholder accounts and related information, we did not rely on the results of any processes performed by this system in arriving at our conclusions. Our conclusions were based on our review of the controls over cardholder accounts. However, the results of testing cardholder records determined that data fields key to our review contained inaccurate or inconsistent data. Since we were able to use other data fields and obtain information from OA personnel to accomplish our audit objectives, we determined the cardholder data were sufficiently reliable for the purpose of testing cardholder accounts. However, since accurate cardholder data is necessary for effective program administration and monitoring, our report includes a recommendation to improve cardholder data quality and reporting capabilities to allow for more effective and efficient monitoring of the program.

We obtained the employment records of all state employees for fiscal years 2001 to 2013 from the statewide accounting system for human resources. We matched these records to cardholder accounts to determine if any terminated employees had active purchasing cards. We provided OA management a list of all terminated employees we found who had active purchasing cards. Although we used computer-processed data from the human resources system for our audit work, we did not rely on the results of any processes performed by this system in arriving at our conclusions. Our



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## State Purchasing Card Program Introduction

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conclusions were based on our review of the issues specific to the audit objectives.

We obtained calendar year 2012 financial transaction records for selected vendors from the statewide financial accounting system. We compared these records to purchasing card transaction records to determine if preferred use criteria established in policy was being followed. Although we used computer-processed data from the financial system for our audit work, we did not rely on the results of any processes performed by this system in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objectives.

To identify examples of improper purchasing card activity, we used data mining techniques on purchasing card transactions occurring in calendar year 2012. The data mining criteria included identifying (by vendor or merchant code) potential transactions involving goods or services prohibited by policy or likely to be used for non-business purposes. For selected transactions, we requested and reviewed supporting documentation from agencies and performed test work.

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# State Purchasing Card Program

## Management Advisory Report

### State Auditor's Findings

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#### **1. Policies and Procedures**

Internal control weaknesses, caused by a lack of agency compliance with and Office of Administration (OA) enforcement of state purchasing card policies, exposed the state to an increased risk of improper purchases. Agency personnel used purchasing cards to pay transactions prohibited by policy and did not comply with certain policies and procedures designed to ensure purchasing cards are used appropriately. In addition, the OA did not maintain current interagency agreements or addendums for participation in the program.

##### **1.1 Prohibited Transactions**

State agency personnel used purchasing cards to make purchases prohibited by policy.

According to state policy, purchasing cards may not be used to purchase particular classes or types of items. Examples of prohibited purchases include items such as alcohol, ammunition, cash advances, payments between state agencies, most non-bulk motor fuel, and transactions involving easily pilfered inventory such as gift cards or postage stamps. Agencies can request a waiver from the OA to allow for the purchase of prohibited or excluded items by presenting a justified business case. Using data mining techniques to analyze the transaction data, we found examples of purchasing cards being used for payment of purchases prohibited by policy.

- We tested 5 of 119 potential interagency payments, totaling \$14,160, and confirmed all 5, totaling \$1,142, were interagency payments.
- We tested 9 of 3,291 potential purchases of non-bulk motor fuel, totaling over \$103,000, and found 6 purchases, totaling \$337, were improper.
- Agencies made three purchases of ammunition totaling \$3,196 without receiving a waiver from the OA.

Although the OA has the ability to block purchases from vendors using certain merchant codes, OA personnel indicated they do not utilize this feature because many vendors sell merchandise from numerous categories, even if primary sales are in a prohibited category. Instead, the OA relies on transaction reviews by agency personnel to detect improper purchases. Without additional controls to prevent or enhanced transaction reviews to detect prohibited purchases, there is an increased risk of improper purchases.

##### **1.2 Policy compliance**

State agency personnel did not always comply with state purchasing card policies and procedures.

We reviewed 72 purchasing card statements from 21 agencies and divisions and found the following instances of non-compliance:



## State Purchasing Card Program Management Advisory Report - State Auditor's Finding

- One cardholder did not maintain a transaction log to reconcile the card statement.
- Another cardholder did not sign the transaction log to indicate all charges had been verified.
- One coordinator approved his own transaction log.
- Certain agencies had been granted a waiver allowing cardholders and coordinators to sign a certification statement to acknowledge the validity and accuracy of purchases, rather than completing transaction logs. However, neither the cardholder nor the coordinator applied the certification for one card statement, and the coordinator did not sign the certification on another statement.
- Cardholders used a third-party processor (such as Paypal) to process six transactions without obtaining supervisory approval.
- In 18 instances, state agency personnel did not pay balances within 30 days of the card statement date.

Failure to follow established purchasing card policies increases the risk of inappropriate activity occurring without detection.

### 1.3 Preferred Use

State agency personnel did not always comply with policies for the preferred use of purchasing cards.

#### Vehicle Rental Contracts

State vehicle rental contracts contain a clause indicating the preferred use of purchasing cards for invoice payment. Using purchasing cards for payment allows for more timely payments and by combining multiple purchasing card transactions on one statement, administrative costs can be reduced.

We analyzed payments to the two vehicle rental contractors processed in the state accounting system and those paid through the purchasing card program. During calendar year 2012, agencies processed approximately 4,200 transactions for \$361,000 through the state accounting system and 2,600 transactions for \$273,000 using the purchasing card program. Utilizing purchasing cards for all vehicle rental transactions would have reduced the number of transactions processed by the state accounting system, likely reducing administrative costs. Additionally, because the purchasing card program generates a rebate of 1.44 percent to the state based on total purchases, the state forfeited potential rebate revenue of \$5,200 from rental vehicle transactions not paid with a purchasing card.

#### Small Dollar Transactions

Apart from the state vendors which are covered by preferred use contracts, the state purchasing card manual encourages the use of cards to consolidate numerous, small dollar transactions onto a single statement, which can then



## State Purchasing Card Program Management Advisory Report - State Auditor's Finding

be paid with one payment transaction. Consolidating transactions allows for greater efficiency in the payment cycle since the number of transactions that need to be processed is reduced.

We reviewed transaction records from the state accounting system to determine if agencies were using purchasing cards to reduce administrative inefficiencies. We selected vendors who received three or more payment transactions totaling \$1,000 or less. Our analysis found 45,489 transactions totaling over \$1.8 million with 4,500 vendors which potentially could have been paid using purchasing cards. In addition, over \$1.6 million of these payments were made by paper check, which is an even more costly method of payment than transactions paid through the accounting system and disbursed through Electronic Funds Transfer (EFT) methods.

According to OA management, not all cardholders have the ability to use purchasing cards to the same extent due to budgets and purchasing requirements. Purchasing card use is also discussed at the quarterly and annual purchasing card meetings.

Without maximizing the use of purchasing cards to pay vendors, agencies face increased administrative costs related to payment processing as well as forfeiting additional revenue from transaction rebates paid by the card contractor.

### 1.4 Interagency Agreements

The OA did not have current interagency agreements or addendums for nine state agencies or divisions.

State policy requires each agency and/or division to designate coordinators to serve as central administrators to oversee participation in the purchasing card program. The coordinator, along with senior agency staff and accounting staff (if they are not also the coordinator), must sign an interagency agreement acknowledging responsibilities for participation in the program. When coordinator changes occur, policy requires an addendum to the agreement to be completed to ensure the new coordinator is aware of program responsibilities.

Without current agreements in place, the OA does not have assurance all coordinators are aware of and acknowledge program responsibilities.

## Recommendations

The OA:

- 1.1 Establish additional controls to ensure purchasing cards are not used to purchase goods or services prohibited by policy.
- 1.2 Provide periodic reminders to agencies on the importance of complying with purchasing card policies and procedures.



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State Purchasing Card Program  
Management Advisory Report - State Auditor's Finding

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## Auditee's Response

- 1.3 Continue encouraging agencies to increase the use of purchasing cards for small purchases and for those vendors who have specifically agreed to accept them.
- 1.4 Maintain complete and current information to document agency coordinator acceptance of responsibilities associated with participation in the purchasing card program.
- 1.1 *We will enhance our reporting capabilities which will increase our oversight capabilities.*
- 1.2 *We agree to stress and reiterate purchasing card requirements to coordinators and users of the p-card. We are providing periodic reminders at annual and quarterly meetings for coordinators and users of the p-card and we do address and correct any weaknesses discovered. We will however, devote additional effort to ensuring the purchasing card policies and procedures are understood.*
- 1.3 *We agree to continue to encourage the most efficient methods of procuring and paying for state goods and services. We agree that purchasing cards are an important tool especially in relation to small dollar purchases.*
- 1.4 *We agree.*

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## 2. Cardholder Account Controls

State agencies did not cancel purchasing cards assigned to employees upon termination of their employment with the state and cards were assigned to employees that did not use the cards. As a result, the OA did not enforce compliance with established policies to limit access to only employees with a justifiable business need to use purchasing cards. In addition, the OA did not ensure all cardholder records contain accurate and consistent information.

### 2.1 Terminated Employees

State agency personnel did not cancel the purchasing card accounts of nine former state employees.

According to the state policy, when a purchasing card account needs to be canceled, the card should be cut in half (to prevent further use), and sent to the agency coordinator to notify the card contractor to cancel the account. We matched the cardholder records to the state human resources accounting system records and found nine active accounts assigned to former employees of five agencies. Purchasing card coordinators provided the following explanations:

- Two cards were destroyed, and one card was never picked up from the agency coordinator, after the assigned cardholders left state





## State Purchasing Card Program Management Advisory Report - State Auditor's Finding

employment. However these accounts were not closed. One of these cardholders left state employment in November 2011.

- One card account was restricted to deny purchases from processing; however, the account was not closed.
- One card account was closed according to the agency coordinator, but the cancellation apparently failed to process in the card contractor system.
- Agency coordinators could not provide evidence that any actions had been taken to close four cardholder accounts timely. These four employees left state employment between October and December 2012; however, the purchasing cards were still active as of late January 2013.

While no instances of state agency personnel using purchasing cards after the cardholders left state employment were noted, failure to cancel purchasing card accounts after employees leave state employment increases the risk of financial exposure to loss from improper or fraudulent purchases.

### 2.2 Inactive Cards

State agencies had not canceled 133 non-emergency<sup>1</sup> purchasing cards that employees did not use during calendar year 2012.

Annually, the OA provides coordinators with a report of cardholder account information and a summary of transactions. Coordinators are required to review this information to determine if accounts should remain active and to ensure credit limits are set appropriately. However, cardholder accounts that did not have any purchase activity during the reporting period are not included on this report. According to OA management, cardholder accounts without activity are not included in the report due to system reporting limitations. OA management told us that since coordinators are required to keep a list of cardholders, they have the capability to identify inactive accounts by reconciling the agency list to the list of accounts with activity.

According to the Government Accountability Office (GAO), by limiting the number of purchase cards and related credit limits to the levels necessary to meet operational requirements, an agency can better manage and control its purchase card program<sup>2</sup>. Failure to cancel inactive purchasing cards increases the administrative burden of maintaining accounts and exposes the

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<sup>1</sup> An additional 81 cards were indicated as emergency cards. These cards are primarily assigned to National Guard units and are available in case the unit is activated for disaster response to procure necessary equipment and supplies at local retailers. Because these cards are not intended for routine use, they have been excluded from our analysis of inactive cards.

<sup>2</sup> Report GAO-04-87G, *Audit Guide, Auditing and Investigating the Internal Control of Government Purchase Card Programs*, issued in November 2003.



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## State Purchasing Card Program Management Advisory Report - State Auditor's Finding

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state to unnecessary liability to loss from improper or fraudulent purchases. In addition, complete and accurate cardholder information would help ensure cardholder account reviews are properly performed.

### 2.3 Cardholder Data

The OA did not ensure all cardholder records contain accurate and consistent data.

The OA, in coordination with the card contractor, maintains system records for the purchasing card program and delegates some account maintenance and reporting responsibilities to agency coordinators. However, as administrator of the program, the OA is responsible for ensuring the integrity and completeness of cardholder data.

In our analysis of cardholder records, we found inaccurate data recorded in the agency name field for 12 cardholder accounts. We verified that no purchasing card payments from the state accounting system were processed from the wrong agency due to the inaccurate cardholder data. We also found the employee name recorded in the cardholder records was not always consistent with the name recorded in the state accounting system. As a result, we could not match 50 cardholder records to state employee records without the help of OA management and agency coordinators.

Cardholder data is administered and maintained by the card contractor. As a result, the OA is not directly responsible for the data recorded in the cardholder records. However, by not establishing data quality standards and uniform rules regarding how cardholder data is recorded and maintained, the OA cannot ensure the accuracy or consistency of cardholder data. By ensuring the card contractor establishes processes to increase and maintain data quality standards, the OA can more effectively administer and monitor the purchasing card program.

### Recommendations

The OA:

- 2.1 Provide periodic reminders to agency coordinators of the importance of closing purchasing card accounts belonging to former employees in a timely manner.
- 2.2 Develop a report of purchasing cards without activity during the reporting period to ensure all purchase card accounts are reviewed at least annually.
- 2.3 Improve cardholder data quality to allow for more effective and efficient monitoring of the program.

### Auditee's Response

- 2.1 *We are implementing a process to delete the cards for former employees in OA rather than relying on the agencies to close the accounts. We anticipate comparing the list of cardholders to SAM II*



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State Purchasing Card Program  
Management Advisory Report - State Auditor's Finding

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*HR and cancelling the accounts in which we determine the employee is no longer working for the agency.*

- 2.2 *We agree to develop a report of purchasing cards without activity.*
- 2.3 *We agree to continue to improve data related to the purchasing cards when possible. We have already instructed coordinators to only use the employee's legal name when establishing cards.*



Thomas A. Schweich  
Missouri State Auditor

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# Glenwood-Watson Transportation Development District



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October 2013

Report No. 2013-101

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Glenwood-Watson Transportation Development District

Background	The Glenwood-Watson Transportation Development District (TDD) was created in 2005 and is located in the City of Crestwood. The qualified voters of the TDD, in this case the property owners, approved a 1-cent sales tax on all taxable transactions within the TDD. The TDD was formed for the purpose of constructing a new driving lane from Watson Road to serve as the western entrance to commercial development. The project was completed in October 2006. The TDD is located within a Tax Increment Financing (TIF) area. The TDD agreed to pay debt service costs on the portion of bonds issued by the TIF used to pay for the transportation portion of the project. The TDD satisfied the debt service related to the TDD project costs on October 5, 2012. On January 23, 2013, the TDD Board of Directors approved a resolution formalizing its intent to dissolve the TDD and notified the State Auditor's office in April 2013.
Statutory Requirement	Section 238.275, RSMo, requires the State Auditor to determine the financial status of a TDD before it may be abolished. The law prohibits the abolition of a TDD while there are outstanding claims or causes of action pending against it, if its liabilities exceed its assets or while the TDD is insolvent, in receivership or under the jurisdiction of a bankruptcy court.
Financial Status	The Glenwood-Watson TDD had a cash balance of \$255,481 at May 31, 2013, but the current balance is significantly higher since the sales tax was not repealed until July 1, 2013, and distributions of sales tax monies from the state to the TDD will continue for several months after that date. The TDD's legal counsel estimates the outstanding liabilities to be less than \$8,500, and a representative of the TDD said the remaining funds at the time of abolishment will be remitted to the City of Crestwood. Based upon our audit, the Board of Directors may proceed with the abolishment of the Glenwood-Watson TDD.

Because of the limited objective of this audit, no overall rating is provided.

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# Glenwood-Watson Transportation Development District

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Gary J. Grewe, Chairman  
and  
Board of Directors  
Glenwood-Watson Transportation Development District  
Crestwood, Missouri

The State Auditor is required under Section 238.275, RSMo, to audit a transportation development district prior to the question of abolishment being submitted to a vote. On January 23, 2013, the Board of Directors of the Glenwood-Watson Transportation Development District approved a resolution of its intent to dissolve the district and request an audit as required by statute. The State Auditor was subsequently notified of this resolution.

The district engaged Wade Stables P.C., Certified Public Accountants (CPAs), to audit the district's financial statements for the year ended December 31, 2012. To minimize duplication of effort, we reviewed the report issued by the CPA firm. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012, and the period from January 1 through March 31, 2013. The objectives of our audit were to evaluate the financial status of the district and determine whether it may be abolished pursuant to law.

Our methodology included reviewing minutes of meetings, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The audit determined the Board of Directors may proceed with abolishment of the district in accordance with Section 238.275, RSMo.

The accompanying Management Advisory Report presents our findings arising from our audit of the Glenwood-Watson Transportation Development District.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible, and a middle initial "A" in between.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Rex Murdock, M.S.Acct.
Audit Staff:	Wayne Kauffman, MBA



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# Glenwood-Watson Transportation Development District Management Advisory Report - State Auditor's Findings

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## **Financial Status**

Our audit of the Glenwood-Watson Transportation Development District (TDD) indicates the financial condition of the district is such that it may be abolished.

The Glenwood-Watson TDD is located in the City of Crestwood. The TDD was organized in July 2005 by petition of the property owners within the proposed TDD. The Board of Directors and officers include two representatives of the property owners and three representatives of the City of Crestwood. The TDD has a fiscal year end of December 31 and had an independent audit performed for the year ending December 31, 2012.

The qualified voters of the TDD, in this case the property owners, approved the imposition of a sales tax of 1-cent (1 percent) on all transactions which are taxable within the boundaries of the district effective September 1, 2005. The Board of Directors subsequently passed a resolution that set the sales tax rate at 1-cent (1 percent) effective September 1, 2005, for 23 years unless terminated sooner. The retail establishments within the district collected and remitted the TDD sales tax to the Missouri Department of Revenue (DOR). In turn, the DOR distributed the sales tax monies to the TDD.

The TDD was formed for the purpose of constructing a new driving lane from Watson Road to serve as the western entrance to commercial development. The City of Crestwood is the public entity with jurisdiction over the project and serves as the Local Transportation Authority. The project was completed in October 2006 and the city accepted dedication of the project upon completion.

The TDD is located within a Tax Increment Financing (TIF) area. The City of Crestwood issued TIF bonds of \$2.35 million in 2005 to finance the TDD project and other TIF projects. The TDD agreed to pay the debt service costs on the portion of the TIF bonds used for the transportation project, with the TDD's revenue limit set at 14.8936 percent of the TIF debt service costs. The TDD satisfied the debt service related to the TDD project costs on October 5, 2012.

On January 23, 2013, the Glenwood-Watson TDD Board approved resolutions formalizing its intent to dissolve the district and repealing its sales tax effective July 1, 2013. In April 2013, the TDD's financial analyst advised the State Auditor's office (SAO) of the Board's intent to dissolve the TDD and requested the SAO proceed with all necessary actions as required pursuant to Section 238.275, RSMo.

The SAO has performed an audit of the Glenwood-Watson TDD as required by Section 238.275, RSMo. That statute requires the State Auditor to audit the TDD to determine its financial status, and determine whether the TDD may be abolished pursuant to law. That law also states the board shall not



Glenwood-Watson Transportation Development District  
Management Advisory Report - State Auditor's Findings

propose the question to abolish the TDD while there are outstanding claims or causes of action pending against it, if its liabilities exceed its assets, or while the TDD is insolvent, in receivership, or under the jurisdiction of a bankruptcy court.

The following table presents the financial activity and cash balances of the TDD for the year ended December 31, 2012, and the period from January 1 through March 31, 2013. The information provided below differs from that reported on the year ending December 31, 2012, audited financial statements as the financial statements did not report the TDD Revenue Fund that was maintained by the trustee as an asset of the TDD.

	Period	
	January 1, 2013 to March 31, 2013	Year Ended December 31, 2012
<b>RECEIPTS</b>		
Sales taxes	\$ 47,488	239,646
Miscellaneous	1	15
Total Receipts	47,489	239,661
<b>DISBURSEMENTS</b>		
Administrative fees	2,750	11,900
Debt service	0	87,723
Insurance	0	1,429
Legal and professional fees	165	11,221
TIF payment	7,887	119,517
Total Disbursements	10,802	231,790
<b>RECEIPTS OVER (UNDER)</b>		
DISBURSEMENTS	36,687	7,871
BEGINNING CASH	97,419	89,548
ENDING CASH	\$ 134,106	97,419

Based on our audit, the cash balance of the TDD at March 31, 2013, is \$134,106. The TDD subsequently received sales tax collections of \$49,737, and a \$77,232 refund of Tax Increment Finance payments in excess of the TIF debt, and paid various professional fees of \$5,594. As of May 31, 2013, the TDD maintained a balance in its account of \$255,481, but the current balance is significantly higher since the sales tax was not repealed until July 1, 2013, and distributions of sales tax monies from the DOR to the TDD will continue for several months after that date. The TDD's legal counsel estimates the outstanding liabilities for final administrative costs (legal and accounting) to be less than \$8,500. A representative of the TDD said the remaining funds at the time of abolishment will be remitted to the City of Crestwood.



## Glenwood-Watson Transportation Development District Management Advisory Report - State Auditor's Findings

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Based on our audit, the Board of Directors may proceed with the abolishment of the district in accordance with Section 238.275, RSMo.



# Thomas A. Schweich

Missouri State Auditor

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## Cooper County



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October 2013

Report No. 2013-102

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

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## Findings in the audit of Cooper County

County Treasurer Controls and Procedures	The County Treasurer did not enter receipts into the computerized accounting system in a timely manner and did not perform timely bank reconciliations. As a result, the County Treasurer could not provide up-to-date fund balances to the County Commission or ensure the county's accounting records were in balance. The County Treasurer indicated he did not understand the computerized accounting system, so the county paid a software provider \$2,163 to enter the backlog of receipts, perform the backlog of bank reconciliations, and provide software training to the County Treasurer. After this training, the County Treasurer stated he was still not familiar enough with the system to adequately perform these duties himself, so the county budgeted another \$2,000 in 2013 for the software provider to perform data entry and bank reconciliations, though no 2013 receipts had been entered into the computerized system as of June 2013. The County Treasurer is required to separate and divide the revenues of the county as they come into his hands and to keep a separate account with the County Commission of each fund. State law provides for penalties if the County Treasurer fails or refuses to perform the duties required.
County Collector Controls and Procedures	As of April 2013, the County Collector had not yet disbursed \$14,941 in 2009 protested taxes due to the political subdivisions and had not distributed \$4,499 in interest accrued in the protested tax account between March 2002 and February 2013. The County Collector lacks procedures to follow up on outstanding checks; as of January 2013, 25 checks totaling \$4,540 had been outstanding for over a year, with two checks dating back to 2005.
Property Tax System	Neither the County Clerk nor the County Commission adequately reviews the activities of the County Collector. The County Clerk does not maintain an adequate account book or other records summarizing all property tax transactions each month, and neither the County Clerk nor the County Commission verifies the accuracy and completeness of the County Collector's annual settlements. The County Commission does not approve additions and abatements entered into the property tax system by the County Assessor, and the County Clerk does not reconcile these additions and abatements to system reports or the Collector's annual settlements. Further, the County Commission neither reviews nor approves outlawed personal property taxes.
Use of Restricted Funds	The county transferred \$14,148 from the Road and Bridge Trust Fund to the General Revenue Fund to reimburse the General Revenue Fund for election costs, which is not allowed by law. Road and Bridge Trust Fund monies can only be used for the construction of county road systems improvements, including new bridges and culverts. In addition, the county transfers \$75,000 each year from the Law Enforcement Center Fund to the 911 Fund to reimburse for salaries and benefits related to 911 dispatching, but the County Commission does not document how this amount was derived and has not conducted a study to determine whether the transferred amount is fair based upon the relative work load of the 911 dispatchers.

Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.
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In the areas audited, the overall performance of this entity was **Fair**.<sup>\*</sup> However, the audit revealed serious shortcomings with the Treasurer's office.

<sup>\*</sup>The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our Web site: [auditor.mo.gov](http://auditor.mo.gov)**

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# Cooper County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Cooper County

We have audited certain operations of Cooper County in fulfillment of our duties under Section 29.230, RSMo. In addition, Casey-Beard-Boehmer PC, Certified Public Accountants, was engaged to audit the financial statements of Cooper County for the 2 years ended December 31, 2012. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.



For the areas audited, we identified: (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Cooper County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Kenneth Erfurth
Audit Staff:	Mariam Ahmedbani
	Jennifer Anderson

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# Cooper County Management Advisory Report State Auditor's Findings

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## **1. County Treasurer Controls and Procedures**

The County Treasurer did not enter receipts into the computerized accounting system in a timely manner during 2012 and did not perform timely bank reconciliations from October to December 2012. As a result, the County Treasurer could not provide up-to-date fund balances to the County Commission during 2012 or ensure the county's accounting records were in balance during the last 3 months of the year. According to county records, the County Treasurer processed receipts of approximately \$7.6 million during the year ended December 31, 2012.

Manual receipt slips are prepared by the County Treasurer and monies are deposited on a weekly basis; however, receipts are not entered into the computerized accounting system timely. In addition, bank reconciliations were not performed timely because the computerized accounting system records were not up-to date. Prior to January 2012, the County Clerk's office entered receipts into the computerized accounting system, even though this is a duty of the County Treasurer. As of January 2012, this duty was turned back over to the County Treasurer, but he has not been performing this duty in a timely manner. Due to delays in the entry of receipts into the system, the fund balances and actual receipts of the various county funds were not known. As a result, the fund balance of the Road and Bridge Trust Fund had to be manually calculated to determine if there were enough monies in the fund to pay a December 2012 invoice pending a reimbursement from the applicable grant. Based on this calculation, the Commission approved a \$60,000 transfer from the General Revenue Fund to the Road and Bridge Trust Fund dated December 31, 2012, to ensure the Road and Bridge Trust Fund did not have a negative fund balance. In January 2013, the Road and Bridge Trust Fund transferred \$60,000 back to the General Revenue Fund. In addition, the County Clerk had to estimate receipt amounts to prepare the 2013 county budget. According to the County Treasurer, the failure to perform his duties during this time was due to not understanding the computerized accounting system, personal health problems, and time commitments from a personal business.

Through December 2012, the county paid the software provider \$2,163 to perform the backlogged receipt data-entry and bank reconciliation work, and to provide software training to the County Treasurer. Despite the training received, the County Treasurer stated he was still not familiar enough with the system to adequately perform these duties himself. Therefore, an additional \$2,000 was budgeted in 2013 for the software provider to perform the data entry of the backlogged receipts and bank reconciliation work; however, no receipts for 2013 had been entered into the computerized accounting system as of June 2013.

Section 54.140, RSMo, requires the County Treasurer to separate and divide the revenues of the county as they come into his hands, and keep a separate account with the county commission of each fund. This section also



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Cooper County  
Management Advisory Report - State Auditor's Findings

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provides for penalties if the County Treasurer fails or refuses to perform the duties required. Further, Sections 54.120 and 54.130, RSMo, require that the County Treasurer keep the books, papers and moneys pertaining to his office at all times ready for the inspection of the commission and provide an account of receipts and expenditures. Entering receipts timely into the computerized accounting system is necessary to monitor county fund balances, perform proper reconciliations, and provide information needed to monitor and prepare budgets. In addition, timely preparation of monthly bank reconciliations ensures accounting records are in balance and helps identify errors in a timely manner.

## Recommendation

The County Treasurer ensure receipts are timely entered into the computerized accounting system and bank reconciliations are completed in a timely manner.

## Auditee's Response

*The County Treasurer provided the following written response:*

*I agree with the auditor's recommendation to enter the receipts and prepare bank reconciliations timely.*

*Until 2012, from 1991 to 2011, I entered receipts manually in a hand written ledger from my hand written receipts, and the funds always balanced to the penny. Our practice in the past was the county clerk's office wrote the warrants for the six major funds. Spending was controlled by the county commission. The expenses were allocated as the warrants were written by the clerk's office. However I wrote the checks on the other thirty-six funds, twelve schools and six fire districts. I also reconciled the bank each month. My bank statements show daily batches of warrants which I can see coming out on my on-line bank account. At the end of each month, I would provide the clerk's office with the balances of all funds, investment accounts and certificates of deposit. The clerk's office employee would enter the receipts on her program for the six major funds and see if we were together on the balances in those six funds before she subtracted the outstanding warrants on those six funds. I had the outstanding checks on all the other funds. This was the practice through 2011 and we always balanced to the penny.*

*I object to the auditor's comment about the county clerk's office having to do my job. I have always done my job to the best of my ability.*

*However it may always seem easy to make excuses for not doing what you want to accomplish. Here are the circumstances that occurred.*

*In 2012 we decided to network the county clerk's office and the treasurer's office computers since the clerk's office had been using the software for some time. I had been doing the work by hand written ledger through 2011.*



Cooper County  
Management Advisory Report - State Auditor's Findings

*In 2012 I was faced with a new computer program about which I knew nothing. I got a little training but it was after I had fallen behind. So by the time we created a new chart of accounts, I decided to code the revenue and checks and had the software vendor input the information. I am currently just learning the various features of the program.*

*Since I started as treasurer in 1991 the work load for my office has increased by four times what it was in 1991. I am a one person office and you are not supposed to get sick or take a vacation. However, I did have some health issues in June 2010 when I had a heart attack but had to go back to work sooner than I was supposed to. I had carpal tunnel surgery on June 2, 2012 since I could not grip a pencil or sleep. My mother passed away on June 15, 2012 and I had to take care of the estate issues. My back had been giving me trouble for a couple of years and I had outpatient surgery on November 27, 2012. When things go wrong or when things don't go wrong, the treasurer is at the point where he needs help. I need help to keep our accounting records up to date. I asked for \$2,500 for part-time help in my 2013 budget, I received \$2,000. I was told that if I needed more help I had to pay for it myself as was the treasurer's practice in 1990. I am somewhat disappointed that other offices are treated with more respect than mine. I am an elected official by the people.*

*I will ask again in the 2014 budget for \$2,500 for outside services. This would be money well spent for the county.*

## Auditor's Comment

Receipts need to be entered into the computerized accounting system in a timely manner so the County Commission has current information available to help make decisions and bank reconciliations can be performed timely. Monies already spent and additional amounts approved in the budget for assistance in entering data have not resulted in more current records. The limited number of staff does not negate the need for proper controls and procedures.

## 2. County Collector Controls and Procedures

Weaknesses exist in the County Collector's accounting controls and procedures. The County Collector's office processed transactions totaling approximately \$15 million during the year ended February 28, 2013.

### 2.1 Reconciliations and distributions

The County Collector does not adequately evaluate liabilities when reconciling the protested tax account, and as a result, did not disburse some monies timely. Our review of the protested tax account noted the following:

- As of April 2013, the County Collector had not disbursed 2009 protested taxes totaling \$14,941 that are due to the political subdivisions. The protested tax case was not filed by the taxpayer within the allotted amount of time, and therefore, taxes were due to the



## Cooper County Management Advisory Report - State Auditor's Findings

political subdivisions in 2009. The County Collector stated she identified this amount in the protested tax account while reviewing liabilities when conducting a bank reconciliation in January 2013.

- Bank interest totaling \$4,499 earned in the protested tax account between March 2002 and February 2013 remained in the protested bank account and had not been distributed as of April 2013. According to the County Collector, she had forgotten to distribute the interest, as required.

Adequate reviews of open items while performing bank reconciliations are necessary to ensure all collections are properly identified and disbursed in a timely manner.

### 2.2 Outstanding checks

Procedures have not been established to routinely follow up on outstanding checks from the County Collector's main account. As of January 2013, 25 checks totaling \$4,540, had been outstanding for over a year with two checks dating back to 2005.

Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of old outstanding checks and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

## Recommendations

The County Collector:

- 2.1 Ensure all collections are distributed in a timely manner by adequately reviewing the list of liabilities during bank reconciliations.
- 2.2 Establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If the payee cannot be located, the amount should be disbursed in accordance with state law.

## Auditee's Response

*The County Collector provided the following written responses:*

- 2.1 *The protested tax amount has been posted and will be distributed in the next monthly distribution. The interest amount has been distributed. The collector's office will take steps to ensure timely processing of any protested monies received in the future and will include any protested interest in the annual interest distribution each year.*
- 2.2 *All payees of outstanding checks have been contacted. The payees who responded have been reissued checks, and the original checks have been voided. The remaining outstanding checks will be sent to the Missouri State Treasurer's Unclaimed Property Division. The*



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Cooper County  
Management Advisory Report - State Auditor's Findings

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*collector's office will continue to monitor outstanding checks on a timely basis.*

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### **3. Property Tax System**

#### **3.1 Account book**

Controls over the property tax system are in need of improvement. As a result there is less assurance property tax monies have been accounted for properly.

Neither the County Clerk nor the County Commission adequately reviews the activities of the County Collector. The County Clerk does not maintain an adequate account book or other records summarizing all property tax transactions each month. The County Clerk maintains spreadsheets which include beginning tax book totals, monthly collections, and monthly totals for additions and abatelements, but does not include protested taxes or delinquent balances. In addition, procedures are not performed by the County Clerk or the County Commission to verify the accuracy and completeness of the County Collector's annual settlements. As a result, there is an increased risk of loss, theft, and misuse of property tax monies going undetected, and less assurance the annual settlements are complete and accurate.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records which summarize all tax charges and credits should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector each year are complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's annual settlements. In addition, Section 139.160, RSMo, assigns responsibility to the Commission for the verification of the County Collector's annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

#### **3.2 Additions and abatements**

The County Commission does not approve addition and abatement court orders or outlawed personal property taxes. In addition, the County Clerk's review of additions and abatements is not sufficient.

The County Assessor enters information for additions and abatements into the property tax system and provides documentation to the County Clerk's and County Collector's offices. However, these additions and abatements are not approved by the County Commission and the County Clerk does not reconcile this addition and abatement documentation to reports he generates from the system or to the additions and abatements presented on County Collector's annual settlement. As a result, any discrepancies are not identified and resolved. In addition, outlawed personal property taxes are not reviewed or approved by the Commission.



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Cooper County  
Management Advisory Report - State Auditor's Findings

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During the year ended February 28, 2013, additions totaling over \$234,000 and abatements totaling over \$358,000 were recorded in the property tax system without County Commission approval, and outlawed taxes totaling over \$37,000 were removed from the tax books, without County Commission approval.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission. In addition, if changes to the amount of taxes the County Collector is charged with collecting are not properly monitored, errors or irregularities could go undetected.

## Recommendations

- 3.1 The County Clerk maintain a complete and accurate account book with the County Collector. In addition, the County Commission and the County Clerk should use the account book to review the accuracy and completeness of the County Collector's annual settlements.
- 3.2 The County Commission and County Clerk ensure all changes made to the property tax system are supported by court orders approved by the County Commission. In addition, the County Clerk should reconcile his records of additions and abatements to the Collector's annual settlements.

## Auditee's Response

*The County Clerk provided the following written responses:*

- 3.1 *The County Clerk will implement updated procedures in order to maintain a complete and accurate account book with the Collector.*
- 3.2 *The County Clerk will adjust the procedures in order to reconcile the office records of additions and abatements to the Collector's annual settlement.*

*The County Commission provided the following written responses:*

- 3.1 *The County Commission will review the account book and annual settlements for accuracy and completeness.*
- 3.2 *The County Commission will work with the County Clerk to ensure revisions/corrections to the property tax system are reviewed and documented per statute. We currently review changes monthly and will formally approve these changes during Commission meetings.*



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## 4. Use of Restricted Funds

Procedures related to the use of restricted funds are not adequate.

### 4.1 Capital improvement sales tax

The county transferred \$14,148 from the Road and Bridge Trust Fund to the General Revenue Fund to reimburse the General Revenue Fund for election costs, which is not allowed by state law.

The Road and Bridge Trust Fund was established in 1984 after the county voters passed a 1/2 cent capital improvement sales tax to be used for the purpose of the construction of county road systems improvements, including new bridges and culverts. The sole source of funding for the Road and Bridge Trust Fund is the sales tax revenue, which is restricted by law for the purpose designated on the ballot. This sales tax was set to expire on December 31, 2012, and was placed on the ballot for renewal in 2012. After its renewal, the county calculated the ballot issue's pro-rata share of election costs and recouped the money from the Road and Bridge Trust Fund. However, election costs are not an allowable disbursement of these sales tax monies.

Section 67.700, RSMo, allows counties to impose a sales tax for any capital improvement purpose designated by the county in its ballot, and requires the monies received from the sales tax be used solely for the designated capital improvement purpose.

### 4.2 Law Enforcement Center Fund transfers

The county transfers \$75,000 annually from the Law Enforcement Center (LEC) Fund to the 911 Fund to reimburse for salaries and benefits related to 911 dispatching; however, the County Commission does not document the portion of salaries and benefits which relate to law enforcement services or maintain other data to support the amount of the transfer. According to the County Commission order authorizing this transfer, the transfer from the LEC is to cover costs of duties performed by 911 personnel related to dispatching, maintaining warrant registries, and checking information in the Missouri Uniform Law Enforcement System. However, the county has no documentation to demonstrate how this annual amount was derived, nor has the county undertaken a study to determine whether the amounts transferred are fair based on the relative work load of the 911 dispatchers.

Monies in the LEC Fund represent revenues which are restricted by Section 67.582.3, RSMo, for the purpose of providing law enforcement services. Costs paid by the fund should be clearly related to the services allowed by law and documentation should be retained to demonstrate the disbursements comply with statutory restrictions.

A similar condition was noted in our prior report.





Cooper County  
Management Advisory Report - State Auditor's Findings

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## Recommendations

The County Commission:

- 4.1 Discontinue making transfers from the Road and Bridge Trust Fund to the General Revenue Fund for election costs. In addition, the Commission should transfer these election costs back to the Road and Bridge Trust Fund.
- 4.2 Maintain adequate documentation to support the monies transferred from the Law Enforcement Center Fund to the 911 Fund.

## Auditee's Response

*The County Commission provided the following written responses:*

- 4.1 *In the future, the County Commission will follow audit recommendations on election costs, and transfers between the Road and Bridge Trust and General Revenue Funds. However, we have historically paid for election costs out of the Road and Bridge Trust Fund, so we do not feel it is necessary to transfer the 2012 election costs back to the fund.*
- 4.2 *The LEC Fund was established by voter approval authorizing a sales tax for the purpose of providing law enforcement services including operation of a law enforcement and communication center.*

*The Commission continues to believe the level of funding transferred is reasonable when all 911 Fund support services are considered. It would be burdensome and counter-productive to maintain work activity documentation.*

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# Cooper County

## Organization and Statistical Information

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Cooper County is a county-organized, third-class county. The county seat is Boonville.

Cooper County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 60 full-time employees and 14 part-time employees on December 31, 2012.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2013	2012
Eddie Brickner, Presiding Commissioner	\$	43,067
Paul Davis, Associate Commissioner		40,636
Ernie Walther, Associate Commissioner		40,636
Nancy Fisher, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Darryl Kempf, County Clerk (2)		90,686
Douglas Abele, Prosecuting Attorney		82,583
Jerry Wolfe, Sheriff		68,745
Stanley Serck, County Treasurer		44,248
James Hurt, County Coroner		20,494
Stephanie Young, Public Administrator		61,564
Carol Nauman, County Collector (3), year ended February 28 ,	70,503	
James R. Lachner, County Assessor, year ended August 31,		61,161

(1) Compensation is paid by the state.

(2) Includes \$29,122 of commissions earned for preparing city property tax books for 2012 and 2011.

(3) Includes \$8,940 of commissions earned for collecting city property taxes for 2011.

### Financing Arrangements

In January 2010, the county refinanced and obtained a 2 year extension for its leasehold revenue bonds used to construct the Law Enforcement Center in 1998. The bonds are now scheduled to be paid off in 2020. The remaining balance of the bonds at December 31, 2012, was \$1,235,000 in principal and \$269,488 in interest.



## Cooper County Organization and Statistical Information

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The county entered into a lease-purchase agreement for two graders on August 20, 2012. Principal and interest payments are made from the Special Road and Bridge Fund. Final payment is scheduled to occur in 2016. The remaining balance on the lease-purchase agreement at December 31, 2012, was \$400,000 in principal and \$23,076 in interest.



# Thomas A. Schweich

Missouri State Auditor

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## Ste. Genevieve County



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October 2013

Report No. 2013-103

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

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## Findings in the audit of Ste. Genevieve County

County Collector's Procedures	The County Collector had not performed bank reconciliations of the main account since June 2012 and does not monthly reconcile the protested tax account. To avoid writing insufficient funds checks in the main account, the County Collector transferred \$137,810 from the protested tax account to the main account but transferred back \$139,985 a month later. The County Collector could not explain why the main account was short in the first place or why \$2,175 more was returned to the protested tax account.
Public Administrator's Procedures	The Public Administrator does not always timely file annual settlements, in accordance with state law. Also, the Public Administrator does not assess and collect fees from the accounts of active wards and estates, so the county is not recouping any of the Public Administrator salary costs.
Fuel Usage	As noted in our prior audit report, the Road and Bridge department still needs to improve controls and procedures over fuel use and purchases. Although the road and bridge supervisor maintains a log of fuel pumped, he does not reconcile fuel pumped to fuel purchased each month.
Senate Bill 40 Board	The Senate Bill 40 (SB40) Board does not prepare a formal budget for the Donation Fund, as required by state law, and does not have written contracts with two entities to which it provides funding, making it more difficult to ensure tax payer monies are spent for their intended use. The SB40 Board does not issue receipt slips for donations received and does not maintain a detailed record of donation receipts.
Computer Controls	The Public Administrator does not require passwords to log on to her computer, and in the offices of the Sheriff, Recorder of Deeds, Prosecuting Attorney, and Assessor, passwords do not have to be changed periodically. Also, the Sheriff, Recorder of Deeds, Assessor, and Public Administrator have no security control to shut down computers after a certain period of inactivity and to detect or prevent incorrect login attempts. The county does not have formal emergency contingency plans and has not made formal arrangements for the use of backup facilities in the event of a disaster or other disruption of services.
Closed Meetings and Minutes	As noted in our prior audit report, the County Commission did not always comply with the Sunshine Law. The County Commission did not document its reasons for closing three meetings and did not maintain minutes for three other closed meetings. The County Commission closed one meeting to discuss the importance of maintaining equipment in good working order and closed another meeting to discuss the importance of placing warning signs in road construction zones; the Sunshine Law does not allow either of these topics to be discussed in closed session.

Sheriff's Procedures	The Sheriff's office does not perform a periodic physical inventory of all seized property and reconcile the results to seized property records. The Deputy Office Clerk has not been routinely following up on outstanding checks for the inmate account. At December 31, 2012, 133 checks totaling \$2,314 had been outstanding for over a year, with some dating back to 2009.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our Web site: [auditor.mo.gov](http://auditor.mo.gov)**

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# Ste. Genevieve County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Ste. Genevieve County

We have audited certain operations of Ste. Genevieve County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones & Associates, Certified Public Accountants, was engaged to audit the financial statements of Ste. Genevieve County for the 2 years ended December 31, 2012. The scope of our audit included, but was not necessarily limited to the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.



For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Ste. Genevieve County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Chris Vetter, CPA
In-Charge Auditors:	Steven Re', CPA
	Julie M. Moore, MBA
Audit Staff:	Albert Borde-Koufie, MBA
	Alexander Druzenko, MBA

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# Ste. Genevieve County Management Advisory Report State Auditor's Findings

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## **1. County Collector's Procedures**

Bank reconciliations are not prepared timely and accurately. In addition, liabilities are not properly identified and reconciled to the cash balance. The County Collector's office processed collections of approximately \$23 million during the year ended February 28, 2013.

### **1.1 Main account**

The County Collector had not performed bank reconciliations since June 2012. As a result, disbursement errors were not identified timely and there is no assurance all monies are accounted for properly. In February 2013, at our request, the County Collector prepared bank reconciliations through December 2012; however, these reconciliations were not prepared properly. As of May 2013, the bank reconciliations for January 2013 through April 2013 had not been prepared.

The County Collector's main account balance at December 31, 2012, was short \$185,109 due to a double payment of Tax Increment Financing monies totaling \$182,795 and other disbursement errors totaling \$2,314. Problems were noted with the County Collector's procedures for identifying outstanding checks when preparing bank reconciliations. The County Collector does not consider checks outstanding for more than a month, regardless of actual bank clearing date. In addition, the County Collector transferred \$137,810 from the protested tax account to the main account to avoid writing insufficient funds checks in January 2013. However, \$139,985 was subsequently transferred back to the protested tax account in February 2013. The County Collector could not provide an explanation for the shortage in the main account or why \$2,175 more than the original transfer amount was transferred back to the protested tax account.

Without preparing accurate monthly bank reconciliations there is little assurance that cash receipts and disbursements have been properly handled and recorded or that bank or book errors will be detected and corrected in a timely manner.

### **1.2 Protested tax account**

Monthly bank reconciliations are not prepared and identified liabilities are not reconciled to the cash balance for the protested tax account. As a result, there is no assurance available cash is sufficient to cover liabilities. We prepared a bank reconciliation for January 2013. At January 31, 2013, the list of identified liabilities totaled \$172,156; however, the reconciled bank balance was \$172,074 indicating a shortage of \$82.

To ensure records are in balance and sufficient funds are available for payment of all liabilities, a monthly bank reconciliation and a complete and accurate list of liabilities should be prepared monthly and reconciled. Prompt investigation is needed to determine the cause of and resolve any differences.



Ste. Genevieve County  
Management Advisory Report - State Auditor's Findings

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## Recommendations

The County Collector:

- 1.1 Prepare monthly bank reconciliations for the main account and investigate and resolve any errors.
- 1.2. Prepare monthly bank reconciliations for the protested tax account and reconcile the cash balance to the monthly list of liabilities. Any differences should be promptly investigated and resolved.

## Auditee's Response

*The County Collector provided the following responses:*

- 1.1 *The bank reconciliations for the main account have been completed through July 2013 and I will continue to work on resolving any discrepancies. In addition, the overpayment of the TIF monies has been recouped except for approximately \$500.*
- 1.2 *The bank reconciliations for the protest taxes account have been completed through July 2013. I am also working on reconciling the open liabilities to the remaining cash balance.*

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## 2. Public Administrator's Procedures

The Public Administrator does not timely file annual settlements. In addition, there is no written policy or procedure to assess fees to the wards or estates. The Public Administrator acts as the court appointed personal representative for wards or estates of the Probate Division. The Public Administrator administered 54 wards or estates as of December 31, 2012. For 47 of these wards or estates the court required filing a summary status report rather than an annual settlement.

### 2.1 Annual settlements

The Public Administrator does not always file annual settlements timely in compliance with state law.

We reviewed all seven case files that required an annual settlement to be filed for 2012 and 2011. Three annual settlements filed in 2012 were filed between 4 and 9 months late and one annual settlement was not filed. In addition, four annual settlements filed in 2011 were filed from 3 to 5 months late and one annual settlement was filed 9 months late.

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual settlement with the court for each ward or estate. Timely settlements are necessary for the court to properly oversee the administration of cases and reduce the possibility that errors or misuse of funds will go undetected.

### 2.2 Fees assessed

The Public Administrator does not assess and collect fees from the accounts of active wards and estates. Given the current circumstances, the county is not recouping any of the Public Administrator salary costs which are paid



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Ste. Genevieve County  
Management Advisory Report - State Auditor's Findings

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from the county General Revenue Fund. Section 473.742, RSMo, provides all fees collected by a Public Administrator who elects to be salaried are to be deposited into the county treasury.

To ensure fees are properly assessed against the accounts of the wards and estates and remitted to the county treasury, the Public Administrator should work with the Associate Circuit Judge to establish a policy for fees to be assessed.

## Recommendations

The Public Administrator:

- 2.1 Ensure annual settlements are timely filed.
- 2.2 Work with the Associate Circuit Judge to establish a formal policy outlining the fee amount to assess the wards and estates and ensure fees are assessed and paid to the county for all applicable wards and estates.

## Auditee's Response

*The Public Administrator provided the following responses:*

- 2.1 *A full time deputy clerk was hired in October 2012 who is responsible for preparing the annual settlements. We are in the process of completing all of the annual settlements which have not been filed and will ensure all future required filings are completed timely.*
- 2.2 *We will work with the Associate Circuit Judge to establish a policy for assessing fees.*

*The Associate Circuit Judge and Probate Clerk provided the following response:*

- 2.2 *We are willing to work with the Public Administrator to establish a fee schedule for qualifying wards.*

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## 3. Fuel Usage

As noted in our prior audit report, controls and procedures over fuel use and purchases for the Road and Bridge department still need improvement. The Road and Bridge department uses 13 vehicles and 19 pieces of equipment as of December 31, 2012. Road and Bridge department fuel purchases totaled approximately \$123,000 for the year ended December 31, 2012.

The county maintains two diesel tanks and one gasoline tank for fueling road and bridge vehicles and equipment, and the road and bridge supervisor maintains a log of fuel pumped and records the beginning and ending fuel readings of the fuel tanks each day. However, he does not reconcile fuel pumped to fuel purchases each month.



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Ste. Genevieve County  
Management Advisory Report - State Auditor's Findings

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To ensure the validity and propriety of fuel disbursements and detect fuel loss or misuse on a timely basis, procedures should be adopted to ensure fuel pumped is reconciled to fuel purchased. Failure to account for fuel use could result in theft and misuse and billing errors going undetected.

## Recommendation

The County Commission ensure fuel purchases are reconciled to fuel usage and investigate any significant differences.

## Auditee's Response

*The County Commission provided the following response:*

*We check the fuel tank levels each morning, maintain usage logs, and turn off the power to the fuel pumps after all vehicles have been refueled. We do not feel additional procedures to monitor fuel need to be implemented.*

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## 4. Senate Bill 40 Board

The Senate Bill 40 (SB40) Board did not prepare budgets for the Donation Fund or enter into written contracts with entities providing services. In addition, receipt slips are not issued for monies received.

### 4.1 Donation Fund budget

Formal budgets were not prepared detailing receipts, disbursements, beginning cash balance, or estimated ending cash balance for the Donation Fund. The Donation Fund was established in June 2012; however, a budget was not prepared for 2012 or 2013. The Donation Fund had receipts of \$37,838 and disbursements of \$11,574 resulting in an ending cash balance of \$26,264 at December 31, 2012.

To be of maximum assistance as a planning tool and to adequately inform the public, budgets should be prepared for all funds. Chapter 50, RSMo, requires county officials to prepare annual budgets for all funds and prohibits the disbursement of public funds without an approved budget. In addition, Section 50.590, RSMo, requires budgets to include the amounts for the last two completed fiscal years to provide a comparison with the estimates for the current fiscal year, and Section 50.740, RSMo, requires budgets to be submitted to the State Auditor's office.

### 4.2 Contracts for services

The SB40 Board does not have written contracts with two entities to which it provides funding. As a result, there is less assurance tax payer monies are being spent for their intended use. During the year ended December 31, 2012, the Board provided funding totaling \$126,000. The Board indicated the lists of requests for funding acts as the contract between the entities and Board.

SB40 Board tax revenues are restricted to specific uses by law and it is the responsibility of the Board to oversee and ensure the appropriate use of those funds. As a result, the need for clear and detailed written contracts is necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.



Ste. Genevieve County  
Management Advisory Report - State Auditor's Findings

A similar condition was noted in our prior audit report.

### 4.3 Receipt slips

The SB40 Board Treasurer does not issue receipt slips for donations received or maintain a detailed record of donation receipts. While the SB40 Board Treasurer sends each donor a letter acknowledging the donation and retains a copy on file, there is no centralized record of monies collected to ensure all monies are properly recorded and deposited.

To adequately account for receipts and reduce the risk of loss, theft, or misuse of funds, official prenumbered receipt slips should be issued for all monies immediately upon receipt and a centralized record of donation receipts should be maintained.

## Recommendations

The Senate Bill 40 Board:

- 4.1 Ensure an annual budget is prepared in accordance with state law for the Donation Fund.
- 4.2 Enter into written contracts for funding requests that clearly detail the services to be performed and the compensation to be paid or benefits received.
- 4.3 Ensure prenumbered receipt slips are issued for all monies received and maintain a detailed record of all receipts.

## Auditee's Response

*The Senate Bill 40 Board provided the following written responses:*

- 4.1 *We are working on getting a budget in order for the fund raising account (Challenger Sports baseball field project) effective 2014.*
- 4.2 *All future contracts will clearly detail the services to be performed and compensation paid and will be signed by both parties, the recipient of the funds as well as a member of our board.*
- 4.3 *A numbered receipt book which will include a detailed record of the receipt will be used effective immediately to acknowledge donations or any other monies given on behalf of the Challenger Sports baseball field project.*

## 5. Computer Controls

Controls over county computer systems are not sufficient to prevent unauthorized access, or to restore important systems in the event of a disaster or systems failure. As a result, county records are unprotected and susceptible to damage or theft.

### 5.1 User passwords

The Sheriff, Recorder of Deeds, Prosecuting Attorney, and Assessor do not require passwords to be periodically changed. In addition, the Public Administrator does not require passwords to log on to her computer.



Ste. Genevieve County  
Management Advisory Report - State Auditor's Findings

Requiring and changing passwords periodically limits access to data files and programs to only those individuals who need access for completion of job responsibilities, and reduces the possibility of unauthorized users.

## 5.2 Computer inactivity

The Sheriff, Recorder of Deeds, Assessor, and Public Administrator do not have a security control in place to shut down computers after a certain period of inactivity and detect or prevent incorrect login attempts. As a result, unauthorized individuals could access an unattended computer and have unrestricted access to programs and data files. To help protect computer files, security controls should be implemented to shut down the system after a certain period of inactivity and to detect and prevent incorrect login attempts.

## 5.3 Contingency plan

The county does not have formal emergency contingency plans and has not made formal arrangements for the use of backup facilities in the event of a disaster or other disruption of services.

Contingency plans should include plans for a variety of situations, such as short- and long-term plans for backup hardware, software, facilities, personnel, and power usage. The major benefit of a thorough contingency plan is the ability of the county to recover rapidly from disaster or extraordinary situations that might cause considerable loss or disruption to the county. Because of the degree of reliance on data processing, the need for contingency planning is evident.

## Recommendations

The County Commission:

- 5.1 Work with the Sheriff, Recorder of Deeds, Prosecuting Attorney, Assessor, and Public Administrator to require passwords for all employees and ensure passwords are periodically changed.
- 5.2 Work with the Sheriff, Recorder of Deeds, Assessor, and Public Administrator to establish a security control requiring computers to shut down after a certain period of inactivity.
- 5.3 Work with other county officials to develop formal contingency plans for the various computer systems.

## Auditee's Response

*The County Commission provided the following responses:*

- 5.1 *We will discuss and work with the other office holders to ensure passwords are confidential and are changed periodically.*
- 5.2 *We will work with a computer programmer to determine the feasibility of locking out computer after a period of inactivity and/or a specific number of incorrect login attempts.*



Ste. Genevieve County  
Management Advisory Report - State Auditor's Findings

5.3 *The county is currently working on developing an emergency plan.*

*The Sheriff and Prosecuting Attorney provided the following response:*

5.1 *We will consider the recommendation.*

*The Recorder of Deeds and Assessor provided the following response:*

5.1 *We will work with the County Commission to require passwords to be changed.*

*The Public Administrator provided the following response:*

5.1 *This has been implemented.*

*The Assessor provided the following response:*

5.2 *I will work with the County Commission on this issue.*

*The Sheriff provided the following response:*

5.2 *We will work with our IT technician to implement the recommendation.*

*The Recorder of Deeds and Public Administrator provided the following response:*

5.2 *We will work the County Commission to implement the recommendation.*

## 6. Closed Meetings and Minutes

As noted in our prior report, County Commission procedures related to closed meetings were not always in compliance with the Sunshine Law. The County Commission held 12 closed meetings during the year ended December 31, 2012.

- Reasons for closing three meetings were not documented and minutes were not maintained for three other closed meetings. Without documenting the reasons for closing the meetings and preparing minutes of closed sessions, there is no record to support the decisions made, and less assurance to the public that various statutory provisions are followed.
- The County Commission closed a meeting on July 2, 2012, to discuss the importance of maintaining equipment in good working order and closed another meeting on August 9, 2012, to discuss the importance of





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Ste. Genevieve County  
Management Advisory Report - State Auditor's Findings

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placing warning signs in road construction zones. The Sunshine Law does not allow these topics to be discussed in closed session.

The Sunshine Law, Chapter 610, RSMo, requires minutes be kept for all closed meetings and the reason for the closed meeting be voted on in an open meeting. The law also provides guidance on which topics and actions are allowable in closed meetings.

## Recommendation

The County Commission ensure open meeting minutes document the reason and the corresponding vote for entering into closed session and minutes are prepared for all closed meetings. In addition, the County Commission should ensure items discussed in closed meetings comply with the Sunshine Law.

## Auditee's Response

*The County Commission provided the following response:*

*We will document the reasons for all closed meetings and the corresponding vote. In addition, we will prepare minutes for all closed meetings and ensure topics discussed are allowable per the Sunshine Law.*

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## 7. Sheriff's Procedures

Controls over seized property are in need of improvement and several old outstanding checks have not been investigated and resolved.

### 7.1 Seized property

The Sheriff's office does not perform a periodic physical inventory of all seized property and reconcile results to seized property records. As a result, there is an increased potential for theft or misuse of items going undetected.

Considering the often sensitive nature of seized property, performing a periodic physical inventory is essential to ensure items are accounted for properly.

### 7.2 Old outstanding checks

The Deputy Office Clerk has not routinely followed up on outstanding checks for the inmate account. As a result, at December 31, 2012, 133 checks totaling \$2,314 had been outstanding for over a year with some checks dating back to 2009.

Follow up on outstanding checks is necessary to ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

## Recommendations

The Sheriff:

- 7.1 Ensure a periodic physical inventory of all seized property is conducted and reconciled to the seized property records.
- 7.2 Routinely follow up on outstanding checks. Old outstanding checks should be voided and reissued to payees who can be readily located.



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Ste. Genevieve County  
Management Advisory Report - State Auditor's Findings

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If the payees cannot be located, the amount should be disbursed in accordance with state law.

## Auditee's Response

*The Sheriff provided the following responses:*

- 7.1 *We will conduct spot inventories of various cases throughout the year.*
- 7.2 *The deputy clerk is currently working on resolving the old outstanding checks.*

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# Ste. Genevieve County

## Organization and Statistical Information

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Ste. Genevieve County is a county-organized, third-class county. The county seat is Ste. Genevieve.

Ste. Genevieve County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 99 full-time employees and 90 part-time employees on December 31, 2012.

In addition, county operations include the Senate Bill 40 Board, Senior Citizens Board, Mental Health Board, and the Community Center Board.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2013	2012
Garry Nelson, Presiding Commissioner	\$	36,343
Ray Gettinger, Associate Commissioner		33,951
Randy Bahr, Associate Commissioner		33,951
Peggy Yamnitz, Recorder of Deeds		51,441
Kay A. Basler, County Clerk		51,441
Carl Kinsky, Prosecuting Attorney		116,858
Gary Stolzer, Sheriff		57,440
Judy E. Thomas, County Treasurer		51,441
Leo C. Chipper Basler Jr., County Coroner		17,944
Mary Jo Ramer, Public Administrator		25,000
Phyllis A. Vessell, County Collector (1), year ended February 28,	61,185	
Linda Wagner, County Assessor , year ended August 31,		55,831
Gerald Bader, County Surveyor (2)		

(1) Includes \$9,534 of commissions earned for collecting city property taxes.

(2) Compensation on a fee basis.

### Financing Arrangements

In February 2006, the county entered into an agreement to issue taxable Industrial Development Revenue Bonds as authorized by Article VI, Section 27, Missouri Constitution, and Sections 100.010 to 100.200, RSMo. The proceeds of the bonds, which were issued in 2006 in the amount of



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## Ste. Genevieve County Organization and Statistical Information

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approximately \$1 billion, are to be used for the acquisition, construction, and furnishing costs related to an industrial development project in Ste. Genevieve County. The county is not liable for ultimate repayment of the bonds. The county subsequently amended the agreement in August 2010 increasing the total amount of the bonds issued to \$2 billion. It is expected the company developing the project will receive property tax abatements of approximately \$1.6 billion until 2020 and will make payments in lieu of taxes during that period.

A lease-purchase agreement was entered into with the Community Center Foundation of Ste. Genevieve to lease the community center on June 1, 2008. The terms of the agreement are for the Community Center Foundation of Ste. Genevieve to purchase the community center and lease the community center back to the county for payments totaling the principal and interest due on the outstanding Certificates of Participation. Payments are made from the Community Center Sales Tax Fund. The Certificates of Participation are scheduled to be paid off in 2018. The remaining principal and interest due on the lease-purchase agreement at December 31, 2012, was \$3,365,000 and \$412,000 respectively. In June 2011, an amendment to the lease was entered into to issue an additional \$950,000 of Certificates of Participation which are scheduled to be paid off in 2021. The remaining principal and interest at December 31, 2012, was \$925,000 and \$241,000 respectively.

The county entered into a lease agreement with the Bank of Bloomsdale (the Grantor) on June 21, 2012. The terms of the agreement call for the Grantor to provide funding for the costs of acquiring, constructing, furnishing, and equipping the justice center and for the county to lease the justice center from the Grantor for lease payments equal to the amount due to retire the trustee's indebtedness. The aggregate amount of the loan cannot exceed \$6.5 million. The negotiated interest rate is 4 percent for 10 years. The county paid \$34,400 in interest for the year ended December 31, 2012. Construction on the jail expansion is expected to be completed in October 2013.



**Thomas A. Schweich**  
Missouri State Auditor

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# Pemiscot County Collector and Property Tax System



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October 2013

Report No. 2013-104

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the Pemiscot County Collector and Property Tax System

Background	Section 52.150, RSMo, requires the State Auditor to audit the office of a County Collector after being notified of a vacancy in that office. A vacancy occurred in the office of the County Collector of Pemiscot County on April 3, 2013. A successor was appointed and sworn into office effective May 17, 2013. The scope of our audit included, but was not necessarily limited to, the year ended February 28, 2013, and the period from March 1, 2013, to April 3, 2013.
Property Tax System Controls and Procedures	As noted in our prior audit report, neither the County Clerk nor the County Commission adequately reviews the activities of the County Collector. The County Clerk does not create an account book or other records summarizing property tax charges, transactions, and changes, so the County Clerk and the County Commission do not have information readily available and do not adequately review the annual settlements prepared by the County Collector. The County Collector did not file the 2012 and 2013 annual settlements timely.
Property Tax Withholdings	The County Collector should have withheld assessment fund withholdings on tax collections at a rate of 1.7 percent but only withheld them at a rate of 1 percent. As such, the Assessment Fund is owed approximately \$42,000 for the period November 1, 2012, through February 28, 2013. The County Collector also incorrectly calculated commissions on school taxes, so more than \$30,000 which should have been withheld from schools and paid to the County Treasurer for the General Revenue Fund was not withheld. The same problems occurred during December 2011, but the amount of the errors was not quantified.

In the areas audited, the overall performance of this entity was **Fair**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Pemiscot County Collector and Property Tax System

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# THOMAS A. SCHWEICH

## Missouri State Auditor

To the County Commission  
and  
County Collector  
Pemiscot County, Missouri

We have audited the County Collector and Property Tax System of Pemiscot County. Section 52.150, RSMo, requires the State Auditor to audit the office of the County Collector after being notified of a vacancy in that office. On April 3, 2013, a vacancy occurred in the office of the County Collector of Pemiscot County. A successor was appointed and sworn into office effective May 17, 2013. The scope of our audit included, but was not necessarily limited to, the period from March 1, 2013, to April 3, 2013, and the year ended February 28, 2013. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant property tax functions.
2. Evaluate the county's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the County Collector and county management and was not subjected to the procedures applied in our audit of the County Collector and property tax system.



Section 52.150, RSMo, requires the County Commission to accept the State Auditor's report and, if necessary, to take certain specific actions if the State Auditor finds any monies owing to the county or the former County Collector. For the areas audited, we identified (1) deficiencies in internal controls and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the County Collector and Property Tax System of Pemiscot County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	David Olson

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# Pemiscot County Collector and Property Tax System

## Management Advisory Report

### State Auditor's Findings

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#### **1. Property Tax System Controls and Procedures**

The County Clerk and County Commission do not provide adequate monitoring over property tax system activities. The County Collector collected approximately \$11.4 million during the year ended February 28, 2013.

##### **1.1 Review of property taxes**

As noted in our prior audit report (No. 2011-65, *Pemiscot County*, issued in September 2011), neither the County Clerk nor the County Commission adequately reviews the activities of the County Collector. While the County Clerk maintains files of tax charges, additions and abatements, and the County Collector's monthly settlements, the County Clerk does not use this information to create an account book or other records summarizing property tax charges, transactions, and changes. Therefore, the County Clerk and the County Commission do not have information readily available, and do not adequately review the annual settlements prepared by the County Collector. County officials indicated in our follow up report (No. 2012-140, *Follow-Up Report on Audit Findings-Pemiscot County*, issued in November 2012) that other counties would be contacted to determine the best way to maintain an account book for use in reviewing the County Collector's annual settlements and that limited reviews of settlement information would continue in the meantime. Although the County Clerk indicated she contacted some other counties, current audit work shows a continuation of this significant weakness and lack of review. Another property tax year has been completed (property tax year ended February 2013) since release of our prior audit report and follow up report, and the related annual settlement was filed for review without the benefit of an account book to assist in verifying the information. As a result, there continues to be an increased risk of loss, theft, and misuse of property tax monies going undetected.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records which summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector are complete and accurate and could also be used by the County Clerk and the County Commission to verify the County Collector's annual settlements.

##### **1.2 Annual Settlements**

The County Collector's annual settlement for the year ended February 28, 2013, was not filed with the County Clerk until June 5, 2013. The settlement for the year ended February 29, 2012, was filed with the County Clerk on June 18, 2012.

Section 139.160, RSMo, requires the County Collector to annually settle with the County Commission the accounts of all monies received from taxes and other sources. To help ensure the validity of tax book charges,



## Pemiscot County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

collections, and credits, and for the County Clerk and County Commission to properly verify these amounts, it is imperative the County Collector file annual settlements on a timely basis.

### Recommendations

- 1.1 The County Clerk maintain an account book with the County Collector. In addition, the County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.
- 1.2 The County Collector file annual settlements in a timely manner.

### Auditee's Response

- 1.1 *The County Clerk provided the following response:*

*I contacted another county clerk and obtained their account book spreadsheet. I will use this to develop an account book for the tax year ending February 2014. The account book will be reconciled to the County Collector's February 2014 settlement. The County Commission will review the account book and annual settlement.*

- 1.2 *The County Collector provided the following response:*

*The settlement for the year ended February 28, 2013, was delayed due to the conversion to a new computer system and the death of the former County Collector. We will make every effort to file the settlements more timely in the future.*

## 2. Property Tax Withholdings

Property tax withholdings are not calculated correctly on school taxes, resulting in more than \$42,000 not being withheld for the Assessment Fund and more than \$30,000 not being withheld for the General Revenue Fund.

### 2.1 Assessment withholdings

The County Collector failed to accurately calculate amounts withheld from tax collections for the Assessment Fund, and as a result, approximately \$42,000 is due to the Assessment Fund for the period November 1, 2012, through February 28, 2013. A review of the County Collector's monthly distribution report indicates the same problem occurred during December 2011. The amount of the error, however, was not quantified.

Assessment fund withholdings on tax collections should have been withheld at the rate of 1.7 percent; however, only 1 percent was withheld from school taxes and paid to the Assessment Fund.

Section 137.720, RSMo, requires a one and one-half percent commission on ad valorem property tax collections allocable to each taxing authority be deducted from the collections of taxes each year and deposited into the assessment fund of the county. Section 137.720.3, RSMo, limits the one-



## Pemiscot County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

half of one percent deduction to \$75,000. An additional one-fifth of one percent is allowed per Section 137.082, RSMo.

### 2.2 Commissions

The County Collector incorrectly calculated commissions on school taxes, and as a result, more than \$30,000 was not withheld from schools for the period November 1, 2012, through February 28, 2013. Commissions were withheld at the rate of 1 percent but should have been withheld at the rate of 1.5 percent and paid to the County Treasurer for the General Revenue Fund. A review of the County Collector's monthly distribution report indicates the same problem occurred during December 2011. The amount of the errors, however, was not quantified.

Section 52.260, RSMo, provides for a one percent commission on all tax collections and Section 52.250, RSMo, provides for a one-half of one percent mailing commission on all current taxes collected, except railroad and utility tax collections, to be paid to the county's General Revenue Fund.

### Recommendations

The County Collector:

- 2.1 Ensure Assessment Fund withholdings comply with statutory provisions. The County Collector should review Assessment Fund withholdings prior to November 2012 and subsequent to February 2013, and calculate the amount owed by each school district, if any. Any amounts due should be discussed with the County Commission and school districts to determine an appropriate approach for resolving amounts owed to the Assessment Fund.
- 2.2 Ensure commissions calculations comply with statutory provisions. The County Collector should review commissions prior to November 2012 and subsequent to February 2013, and calculate the amount owed by each school district, if any. Any amounts due should be discussed with the County Commission and school districts to determine an appropriate approach for resolving amounts owed to the General Revenue Fund.

### Auditee's Response

*The County Collector provided the following response:*

*I have discussed these findings with the County Commission. The calculations will be corrected in the future.*

*The County Clerk provided the following response:*

*The County Commission has contacted the Prosecuting Attorney regarding these findings and will make a final decision after receiving his response.*

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# Pemiscot County Collector and Property Tax System

## Organization and Statistical Information

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The County Collector bills and collects property taxes for the county and most local governments. Pursuant to Section 52.015, RSMo, the term for which collectors are elected expires on the first Monday in March of the year in which they are required to make their last final settlement for the tax book collected by them. Annual settlements are to be filed with the county commission for the fiscal year ended February 28 (29).

Keith Jean served as County Collector until April 3, 2013. Dr. Terry Swinger was appointed the Pemiscot County Collector and sworn into office on May 17, 2013.

The County Collector received compensation of \$5,125 for the period March 1, 2013, to April 3, 2013. During the year ended February 28, 2013, the County Collector received compensation of \$41,000. Compensation was in accordance with statutory provisions.



Thomas A. Schweich  
Missouri State Auditor

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# Eleventh Judicial Circuit

## St. Charles County



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October 2013  
Report No. 2013-105

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the Eleventh Judicial Circuit, St. Charles County

Accounting Controls and Procedures	Due to coding errors in the court case management system, the court incorrectly assessed various fees for certain juvenile cases, which overstated the accounts receivable balance. Because the court did not actually collect monies on these cases, court personnel did not discover the erroneous fees, which have been assessed since 2005, until this audit. As of June 30, 2013, the court had corrected \$200,000 for the period of 2009 through June 2013. The Probate Division does not timely close mental health cases. At our request, office personnel reviewed all 26 open mental health cases and found that 25 of these cases should have been closed, including seven which should have been closed in 2010.
Law Library	The jury services supervisor serves as librarian of the law library, but her accounting duties are not adequately segregated or reviewed. Such segregation or review would reduce the risk of loss, theft, or misuse of funds going undetected.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Eleventh Judicial Circuit

## St. Charles County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Presiding Judge and Court en banc  
and  
Circuit Clerk of the  
Eleventh Judicial Circuit  
St. Charles County, Missouri

We have audited certain operations of the Eleventh Judicial Circuit, St. Charles County in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the court's internal controls over significant financial functions.
2. Evaluate the court's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the court, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the court's management, the Office of State Courts Administrator, and St. Charles County and was not subjected to the procedures applied in our audit of the court.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) no significant noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the Eleventh Judicial Circuit, St. Charles County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Toni M. Crabtree, CPA
In-Charge Auditor:	Nathaniel Fast, M.Acct., CPA, CFE
Audit Staff:	Alex R. Prenger, M.S.Acct., CPA
	Meghan Dowell

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# Eleventh Judicial Circuit

## St. Charles County

### Management Advisory Report - State Auditor's Findings

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#### **1. Accounting Controls and Procedures**

The Circuit Clerk's office needs to improve controls and procedures for monitoring juvenile and probate cases.

##### **1.1 Juvenile fees**

Coding errors in the Justice Information System (JIS), the Missouri Courts automated case management system, caused the incorrect assessment of various fees for certain juvenile cases and overstatement of the accounts receivable balance. However, the total overstatement cannot be readily identified. At December 31, 2013, the accounts receivable balance (fines, court costs, and fees) totaled approximately \$3.2 million,

The coding errors and misstatements pertain to juvenile cases involving abuse/neglect and transfer of parental rights. Fees should not be assessed for these types of cases. However, starting in 2005, when juvenile cases were placed on the JIS, court personnel miscoded these types of cases which resulted in various fees of \$123 being incorrectly assessed. Because no monies were actually collected on these cases, court personnel did not identify the erroneous fees. During our review of accounts receivable and discussions with court personnel in June 2013, court personnel identified the problem, and started removing the erroneous fees from the JIS records. As of June 30, 2013, erroneous fees of approximately \$200,000, for the period of 2009 through June 2013, had been corrected in juvenile case records.

Accounts receivable records need to be accurate to assist office personnel with making decisions and to more easily review the amounts owed to the court. The Circuit Clerk should continue to review and correct erroneous fees on juvenile cases, and ensure future juvenile cases are coded correctly.

##### **1.2 Probate case review**

Mental health cases, handled by the Probate Division, are not closed timely. These cases are not monitored and followed-up on properly. According to court personnel, mental health cases are held open until closing documentation is received from a hospital where the patient was held.

During our review of open cases in July 2013, we identified a mental health case which should have been closed. The case records indicated that a closing document was received from a hospital in August 2010. Upon our request, office personnel reviewed all 26 open mental health cases and determined that 25 of these cases should be closed, including 7 cases which should have been closed in 2010. Although closing documentation was not received on all these cases, individuals are typically only held for 25 days unless the court intervenes.

Adequate review and follow-up controls and procedures are necessary to help ensure open mental health cases are handled properly and to improve accountability.



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## Recommendations

The Circuit Clerk:

- 1.1 Ensure the accounts receivable list is accurate by continuing to review and correct juvenile cases with erroneous fees. The Circuit Clerk should also ensure juvenile cases recorded on the JIS in the future are coded properly.
- 1.2 Establish controls and procedures to ensure open mental health cases are monitored and periodically reviewed to ensure cases are closed, as appropriate.

## Auditee's Response

*The Circuit Clerk provided the following written responses:*

- 1.1 *Juvenile went on JIS in 2005. We were given a code for Juvenile petitions and we have used it since then. During the Auditor's visit we realized that we were using the wrong code on termination of parental rights cases. We have gone back through 2005 and removed the fees from these cases so that amount does not show as being owed to the Court. OSCA has given us the proper code for the cases which will not assess a fee. This should correct this problem in the future.*
- 1.2 *Once a month the Probate clerks will run an open case report on mental health cases in order to close these cases in a timely manner.*

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## 2. Law Library

Accounting duties are not segregated, and there is no documented supervisory review of the work performed by the librarian. For the year ended December 31, 2012, law library receipts and disbursements totaled approximately \$103,000 and \$85,000, respectively. The bank balance of the law library account as of December 31, 2012, was \$178,736.

The Court en banc has authority over law library monies and operations, and has appointed the jury services supervisor as librarian. Her accounting duties include receiving and depositing monies, recording receipts and disbursements, preparing and distributing checks, receiving bank statements, and preparing bank reconciliations and financial records. The librarian also signs all checks and is the only required signature. The librarian indicated she periodically provides certain financial records to the Court en banc and local bar association for their review. However, neither entity maintains documentation of their review.

Internal controls would be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, there should be a documented independent review of law library transactions. Thorough supervisory reviews help ensure all transactions are accounted for properly



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Eleventh Judicial Circuit  
St. Charles County  
Management Advisory Report - State Auditor's Findings

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and assets are adequately safeguarded. Such reviews would reduce the possibility of loss, theft, or misuse of funds going undetected.

## Recommendation

The Circuit Clerk in conjunction with the Court en banc segregate the accounting duties of the law library to the extent possible, or at a minimum, establish procedures for a documented independent review of the record keeping functions.

## Auditee's Response

*The Court en Banc provided the following written response:*

*While it is encouraging to note that there were no issues relating to any funds being misappropriated, the Court does recognize the need to strengthen case controls related to the fund. The Court en Banc did, on September 9, 2013 amend Rule 100.3 of the Rules of the Eleventh Circuit to provide additional cash controls and to provide additional oversight with respect to this account. It is believed that these changes will provide greater security for the Law Library Fund.*

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# Eleventh Judicial Circuit

## St. Charles County

### Organization and Statistical Information

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The Eleventh Judicial Circuit consists only of St. Charles County.

The Eleventh Judicial Circuit consists of six circuit judges, one who serves as presiding judge and one who serves as family court administrator, and six associate circuit judges, one who serves as drug court administrator.

In September 2011, the Eleventh Judicial Circuit became the pilot circuit court for the state electronic filing system, Missouri eFiling System. The Missouri eFiling System allows registered attorneys to file cases and documents electronically in courts participating in the program. The goal of the system is to enable attorneys and court clerks to work more efficiently by reducing the time and effort they spend managing case files, which ultimately will save them time, money, and resources. Electronic filing allows subscribers to file and view cases 7 days a week, 24 hours a day, with occasional unavailability due to system maintenance. There is no additional cost associated with using the system. Electronic filing for self-represented cases is planned for a later phase. Public access to electronic case files is available at the courthouse.

#### Personnel

At December 31, 2012, the judges, Circuit Clerk, and Juvenile Officer of the Eleventh Judicial Circuit, St. Charles County, were as follows:

Title	Name
Circuit Judge, Division 1	Ted House
Circuit Judge, Division 2	Nancy L. Schneider
Circuit Judge, Division 3	John P. Banas, Family Court Administrator
Circuit Judge, Division 4	Rick Zerr, Presiding Judge
Circuit Judge, Division 5	Jon A. Cunningham
Associate Circuit Judge, Division 6	Terry R. Cundiff
Circuit Judge, Division 7	Daniel Pelikan
Associate Circuit Judge, Division 8	Erin Burlison
Associate Circuit Judge, Division 9	Elizabeth Swann
Associate Circuit Judge, Division 10	Norman Steimel
Associate Circuit Judge, Division 11	Philip Ohlms, Drug Court Administrator
Associate Circuit Judge, Division 12	Matthew E.P. Thornhill
Circuit Clerk	Judy Zerr
Juvenile Officer	Ken Simmons



Eleventh Judicial Circuit  
St. Charles County  
Organization and Statistical Information

Financial Information

Receipts of the Eleventh Judicial Circuit, St. Charles County, were as follows:

	Year Ended December 31, 2012
Court deposits, fee, bonds, and other	\$ 8,463,405
Garnishments	5,954,679
Interest income	6,708
Total	\$14,424,792

Caseload Information

From the Office of State Courts Administrator Missouri Judicial Reports, case filings of the Eleventh Judicial Circuit, St. Charles County, were as follows:

	Year Ended June 30, 2012
Civil	16,003
Criminal	14,638
Juvenile	442
Probate	1,177
Total	32,260



# Thomas A. Schweich

Missouri State Auditor

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## City of Warrenton



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October 2013

Report No. 2013-106

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<http://auditor.mo.gov>





# CITIZENS SUMMARY

## Findings in the audit of the City of Warrenton

### Real Estate Acquisition and Planning

In 2007, the city purchased 6.91 acres of land for \$791,000 (\$114,450 per acre) for construction of a recreational facility, but did not obtain an appraisal prior to making the purchase. The city had planned to construct a recreational facility on the property, but the associated tax issue needed to finance the construction failed on two separate occasions. The city has not developed a contingency plan for the land and has no alternative means to finance this project. In January 2006, the Industrial Development Authority (IDA) borrowed \$908,600 to purchase 30 acres in a neighboring city for industrial development, and the city signed a 15 year "lease" agreement with the IDA. After the purchase the IDA determined it was too costly to develop the property and the project was abandoned. The city has not utilized the property and has no documented plans for its future use, but has begun making lease payments to the IDA so the loan payments can be made. At the completion of the "lease" the city will have paid \$717,000 plus interest to the IDA, and the IDA will own the property.

### Health Insurance Procurement

The city did not ensure all potential health insurance bidders had sufficient historical claims information to provide complete proposals, thereby favoring the existing contractor. Since the existing contractor was an insurance agency owned by the Mayor at the time of the bidding, this arrangement has the appearance of a conflict of interest. By not providing the same level of information to all potential bidders the city's process is flawed. City officials also did not adequately document the evaluation and selection process.

### Restricted Funds

The city transfers monies from the Park Fund to the General Fund, but does not separately track parks and recreation expenses within its General Fund. As a result, the city cannot be sure restricted parks monies are being spent for the intended purpose, as required by state law. In addition, the city used \$218,000 in recreational capital improvements monies to purchase a building which is partly used for non-recreational activities. The city has not established a separate fund or accounting procedure to ensure law enforcement training receipts are expended only for local law enforcement training.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# City of Warrenton

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the Mayor and Board of Aldermen  
Warrenton, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Warrenton. We have audited certain operations of the city in fulfillment of our duties. The city engaged Boatz, Deal, and Company, P.C., Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2012. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2012. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and its audited financial statements and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Warrenton.

An additional report, 2013-52, *Twelfth Judicial Circuit, City of Warrenton Municipal Division*, was issued in June 2013.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Robert E. Showers, CPA, CGAP
In-Charge Auditor:	Heather R. Stiles, MBA, CPA
Audit Staff:	Terese Summers, MSAS, CPA

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# City of Warrenton

## Management Advisory Report

### State Auditor's Findings

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#### **1. Real Estate Acquisition and Planning**

##### Recreational facility

City officials entered into a real estate transaction without obtaining an appraisal, and did not adequately plan for contingencies in the event funding for the project did not pass voter approval. In another project, city officials did not perform sufficient planning to ensure a development project would be successful prior to purchasing the property.

In 2007, the city purchased 6.91 acres of land for \$791,000 for the future construction of a recreational facility. The city did not obtain an appraisal prior to purchasing property to ensure the price paid, \$114,450 per acre, was reasonable. While the city planned to construct a recreational facility shortly after the purchase, the associated sales tax issue necessary to finance the construction of the facility failed on two separate occasions, November 2008 and April 2012. The city did not develop and document a contingency plan for the land should the funding fail, and currently has no alternative means to finance this project.

Good business practice requires that major real estate purchases be formally and independently appraised to ensure a reasonable price is paid, and discussions and reasons supporting the eventual purchase price are documented. To ensure efficient use of city resources, projects should be adequately planned, including appropriate contingencies.

##### Industrial park

The Board of Aldermen did not ensure the development of an industrial park was adequately planned prior to signing a "lease" document to allow the city's Industrial Development Authority (IDA) to take out a significant real estate loan.

In January 2006, the IDA borrowed \$908,600 for the purchase of approximately 30 acres in a neighboring city for industrial development. To assist the IDA with securing this loan, the city signed a 15 year "lease" agreement with the IDA. City officials indicated the IDA had planned to develop the property with monies set aside for IDA purposes which would allow the property to generate income to pay the loan, making the city's "lease" payments unnecessary. According to discussion with city officials, after the purchase of the land the IDA determined the development of the property required a more significant investment than initially thought. As a result, the industrial development project was abandoned. When IDA funds were depleted in January 2010, the city began making the "lease" payments to the IDA so the loan payments could be made. The city has not utilized the property and does not have any documented plans for the future use of this property. Between January 2010 and June 2012, the city has paid approximately \$172,000 from the General Fund for the "lease" of this property. At the completion of the "lease" the city will have paid approximately \$717,000, plus interest, to the IDA, and the IDA will own the property.



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City of Warrenton  
Management Advisory Report - State Auditor's Findings

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Currently, the IDA and city are attempting to sell this property; however, based on discussion with city officials, it is unclear when, or if, the funds used to make the loan payments will be repaid to the city upon the sale or future development of this property by the IDA.

Documented long-term planning is essential to ensure city resources are used effectively and efficiently. Failure to adequately plan for future needs and potential contingencies could result in wasted resources. A project of such magnitude should be given the utmost care, attention, and scrutiny of the Board to ensure funds are spent in the best interest of the city and potential liabilities to the city are minimized.

## Recommendation

The Board of Aldermen should ensure independent appraisals are obtained for all future real estate purchases. In addition, the Board should develop plans for the utilization of property purchased and ensure adequate planning is performed and documented and associated costs are considered for future real estate purchases. All actions taken and decisions made should be fully documented during all phases of future projects.

## Auditee's Response

*The Board of Aldermen provided the following written response:*

*The city agrees that additional planning would have provided guidance for alternative uses of the properties previously purchased by the city and be beneficial prior to the purchase of real property by the city in the future. The city will develop and pass an ordinance related to future purchases of real property and its associations requiring: 1) an independent appraisal of the property, 2) a written report which includes details of projected uses, 3) estimated costs of necessary improvements, 4) projected improvement completion dates, 5) alternative uses and estimated associated costs of alternative uses, and, 6) use of the due diligence period of the real estate purchase agreement to develop projected costs of additional investment prior to closing on the purchase of the real property. Documentation of all studies, cost estimates, written plans and agreements will be compiled and maintained in the property file.*

*The city will pursue options for the use of the 6.91 acre property on Market Street and develop a written study of feasible uses. The city will investigate the ability to take ownership of the Industrial Development Authority property and will continue to pursue selling the property. At such time as the property is sold, any funds in excess of those required to pay off the balance of the loan will be repaid into the General Fund of the city.*

## Auditor's Comment

The industrial park property and any potential proceeds from its sale are under the control of the IDA Board. The IDA Board would need to vote to transfer the property or any proceeds from the property's sale to the city.



## 2. Health Insurance Procurement

City officials did not ensure all potential health insurance bidders had sufficient historical claims information to provide complete proposals, thereby favoring the existing contractor, who already had claims data. Since the existing insurance provider is an agency owned by the city's Mayor at the time the bids were solicited, this arrangement has the appearance of a conflict of interest. City officials also did not clearly document the methodology used to select the winning bid. The city expended more than \$436,105 for employee health insurance for the fiscal year ended June 30, 2012.

The city solicited proposals for employee health insurance in 2011. During the bid process, the city indicated it was not willing to provide employee health information, typically obtained through the completion of individual health questionnaires, to allow bidders adequate information to provide final rate quotes. Upon request of the bidders, the city did eventually provide previous claim history information (number of claims; total dollar amount of claims); however, the data was provided approximately 30 hours before bids were due, and the bid deadline was not extended.

The city received multiple proposals for health insurance coverage; however, according to a city official, proposals which included final rates were given higher consideration. The city's refusal to initially provide employee health information and the untimely presentation of claim information to prospective insurance companies precluded them from providing a proposal with final rates. The city's request for proposals did not specify that proposals with final rates would be given higher consideration, and the only vendor that would have realistically been able to provide final rates was the city's existing provider, an insurance agency owned by the city's Mayor at the time the bids were solicited.

Sections 105.454 and 105.458, RSMo, require public notice to solicit proposals and the acceptance of the lowest bid or offer for financial transactions involving more than \$500 between the city and appointed officials. In this case, the appointed official's company was the lowest bidder; however, the flawed procurement process impacted the ability of other bidders to provide a competitive proposal. In fact, one bidder did provide a proposal that was lower than the selected proposal, but city officials eliminated it from consideration because it did not include final rates and varied slightly from the bid request. However, the winning bid also varied from the bid request in terms of copays and coinsurance percentages. While the former Mayor abstained from all discussions and decisions related to selection of health insurance, the city has an obligation to ensure potential conflicts of interest and opportunities for personal gain are avoided. In addition, the city's conflict of interest policy states no officer or employee shall profit from any contract, sale, or service between the city and the person or company.



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City of Warrenton  
Management Advisory Report - State Auditor's Findings

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City officials also did not adequately document the evaluation and selection process for health insurance. The city retained a side-by-side comparison of the proposals, including the various coverage levels and deductibles, but did not document the criteria used to evaluate the various proposals. As a result, it is unclear why the plan selected was chosen over the other proposals submitted.

An open and fair procurement process helps ensure all interested vendors are given an equal opportunity to participate in the city's business and the city receives the best services for the best price. In addition, when a potential conflict of interest arises, city officials must take steps to ensure the procurement process is fairly administered. Complete documentation of reasons why a bid or proposal was selected helps demonstrate the city conducted a fair procurement process and provides necessary information should questions arise.

## Recommendation

The Board of Aldermen ensure all potential vendors are given the same opportunity to provide final bids in future efforts to procure health insurance. For all significant purchases of goods and services, the Board of Aldermen should establish a formal competitive selection process which includes the preparation and retention of a standard analysis of proposals, including methodology used and criteria considered, and reasons for selecting the bid.

## Auditee's Response

*The Board of Aldermen provided the following written response:*

*The city agrees with the Auditor's suggestion that the city implement a rating system based upon specific aspects of employee health insurance benefit plans to be included in the standardized selection methodology for the bidding and award of employee health insurance. Health insurance plans vary significantly in benefits, employee co-pays and cost to the city from provider to provider. A standardized selection methodology that more clearly defines and furthers the city's goal of minimizing the financial impact of health insurance premiums to the city yet balances the increase in financial burden of coverage changes to employees will be reviewed and implemented in the city's health insurance bidding process. Consideration will also be given to selecting a broker to handle the health insurance bidding for the city.*

*With regards to the bidding of health insurance in 2011, the city respectfully disagrees with some of the factual representations set forth in the Auditor's report. In 2011, the city advertised for bidders to submit at least one plan matching the benefits of the current insurance plan offered to city employees in 2010. The city specified twenty-one separate components of the health insurance benefits offered by the 2010 insurance plan to which bidders were requested to submit at least one matching plan. When bids were received*





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City of Warrenton  
Management Advisory Report - State Auditor's Findings

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*some of the submitted plans did not meet the advertised bid criteria in that they contained as much as a 20 percent increase in co-insurance for benefits that had no co-insurance requirements under the 2010 plan. Even though some of submitted plans quoted lower premiums, these plans were disregarded because of the significant increase in out-of-pocket costs to the employee. Because these plans were disregarded, it was unnecessary to solicit final rates for these plans in that they failed to meet the advertised bid criteria. The two plans reviewed for final consideration by the city were selected because they most closely met or exceeded the twenty-one specified benefits of the 2010 employee plans. The lowest cost plan was selected from the two plans that the city determined had the most comparable benefits to the 2010 health insurance plan.*

*Every bidder that had a contract to provide a bid from United Health Care had access to final rate quotes from United Health Care. Additionally, two separate agencies requested previous claims history information, one on March 17, 2011, and the second on March 26, 2011, which was in turn requested from the 2010 insurance plan carrier along with renewal rate information. The city received the requested claims history report and renewal rates at 4:22 pm on April 4, 2011, and forwarded it to all bidders at 10:26 am on April 5, 2011, consistent with standard bidding practices. No other requests were received for individual or group health information nor did any bidder request that the city extend the bid deadline to allow for additional final rates to be obtained.*

*The city believes that the 2011 health insurance bid process was fair and impartial; the advertised bid specifications were unambiguous and all bidders had the ability to request the information necessary to submit comparable bids. Furthermore, the incumbent insurance agency did not have access to claims history information other than the existing insurance carrier having the claims data to provide final renewal rate for the existing policy which was provided to all agencies. In the future, additional efforts will be undertaken to implement a rating system as a component of a more clearly defined selection methodology. Documentation of the reason why a proposal was or was not selected, along with comparative data will be maintained.*

## Auditor's Comment

The city's representation of the bid process for health insurance conflicts with documentation and other information obtained during audit fieldwork. Auditors were given information which indicated the lack of final rates was a significant factor in certain plans being excluded, while the city's written response indicates other factors made the final rates unnecessary. Improved documentation of the criteria used to evaluate the proposals, as recommended above, would have helped to clarify the selection process. This is particularly important considering the Mayor's insurance agency was chosen to provide the city's health insurance. The Mayor's agency, along



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City of Warrenton  
Management Advisory Report - State Auditor's Findings

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with any agent selling the existing insurance carrier's policies, would have indirect access to claims data; however, agents selling other carriers' policies would not. By not providing the same level of information to all potential bidders the city's process was flawed.

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### 3. Restricted Funds

The city has not established adequate procedures to ensure restricted monies are used only for intended purposes.

#### 3.1 Parks and Recreation

The city has not established procedures to separately account for park related expenses paid from the General Fund to ensure these park expenses are at least equal to the amount transferred from the Park Fund. In addition, records of any accumulated balance of these monies in the General Fund are not maintained. As a result, the city cannot determine at any point in time what portion of the General Fund balance represents restricted park monies or demonstrate compliance with restrictions. The city transfers 95 percent of the Park Fund's annual revenues to the General Fund. In 2012, the transfer from the Park Fund to the General Fund totaled \$163,750.

In September 2006 the Parks and Recreation Board entered into a maintenance and management agreement with the City of Warrenton and the city assumed responsibility for the supervision, maintenance, improvement, and care of all parks and recreational areas of the city for an annual transfer from the Park Fund to the city's General Fund not to exceed 95 percent of the annual revenue from the real and personal property taxes collected for parks purposes. In December 2010, this agreement was amended to reflect the annual contractual transfer amount would equal 95 percent of the annual parks tax revenue.

Section 90.500, RSMo, requires tax collections levied for public parks be deposited in the city treasury to the credit of the park fund and utilized for the establishment and maintenance of free public parks. Separately accounting for park-related expenses would help ensure restricted park monies are used for their intended purpose.

#### 3.2 Capital improvement

Capital improvement sales tax monies, which are restricted to funding recreational improvements and activities, were used for non-recreational purposes. In October 2012 the city purchased a building for \$218,000 using capital improvement sales tax monies. The building is currently used to store grounds and maintenance equipment and house grounds and maintenance offices. While the grounds and maintenance department is responsible for the maintenance of city parks and recreational areas, it is also responsible for non-recreational activities such as streets, cemetery, and general city maintenance.

The use of recreational capital improvement sales tax monies to purchase a building used, in part, for non-recreational purposes appears inappropriate.



## City of Warrenton Management Advisory Report - State Auditor's Findings

The city has not completed an analysis of the percentage of time the grounds and maintenance department spends on maintaining parks and recreational facilities versus other non-recreational responsibilities. Such an analysis would allow the city to reimburse the recreational capital improvement fund for any non-recreational portion of the purchase.

### 3.3 Law enforcement training

The city has not established a separate fund or accounting procedure to ensure law enforcement training receipts are expended only for the purpose of local law enforcement training. As a result, the city cannot determine at any point in time what portion of the General Fund balance represents these restricted monies or demonstrate compliance with statutory spending restrictions. During the year ended June 30, 2012, the city received local Law Enforcement Training fees of \$7,545 from the City of Warrenton Municipal Court and Peace Officer Standards and Training Commission monies of \$4,307 from the state. These fees were deposited in the general bank account. According to city records, the city provided funding totaling \$7,246 for police personnel training during the year ended June 30, 2012.

Sections 488.5336 and 590.178, RSMo, provide these fees are to be used solely for the purpose of local law enforcement training. Maintaining law enforcement training monies in separate funds or properly tracking within already existing funds would help ensure the monies are spent for the intended purposes.

## Recommendations

The Board of Aldermen:

- 3.1 Determine if any park revenue monies remain in the General Fund, and establish a separate accounting of these monies as required by state law.
- 3.2 Determine the portion of grounds and maintenance spending used for recreation purposes and consider reimbursing the recreational capital improvement fund for any non-recreation portion of the Butler building purchase.
- 3.3 Establish a separate fund for law enforcement training fees, or properly track training fees within existing funds, to ensure monies are used in compliance with state law.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 3.1 *The city partially agrees with this finding in that the identification of expenses directly related to the parks would be more efficient if specific accounts for the direct coding of park expenses were created. Records have been maintained by each Grounds and Maintenance employee on their individual timesheet for payroll to*



City of Warrenton  
Management Advisory Report - State Auditor's Findings

*allow for the accurate accounting of payroll costs. The Grounds and Maintenance Director's records related to each invoice provide the ability to segregate other costs specific to parks. These detailed records were utilized to prepare an analysis of the costs associated with the parks which reflected evidence that not only the entire amount of the management fee is used for parks but that the general fund expenses for this purpose far exceed the contractual management fee. Since the management fee funds are not transferred from the restricted park fund to the general fund until year end after the expenditures have occurred, there is no balance of restricted park funds contained in the general fund thus it is not necessary to maintain a separate account.*

*Separate expense accounts have been created to directly code invoices which will make the process more efficient at year end when an analysis will be completed and maintained in the fiscal year end files to document the compliance with the use of the restricted park funds equivalent to the management fee.*

3.2 *The city agrees with the recommendation that a portion of the Grounds and Maintenance department purchase of the Butler building should come from General funds since some of the department time is spent on functions unrelated to recreation and parks. An analysis was completed of time and expense of the Grounds & Maintenance department and it was determined that 12 percent related to non-recreation activities. At the February 5, 2013 meeting the Board of Alderman approved reimbursing the capital sales tax fund for 12 percent of the cost of the building, or \$26,009, which was transferred on February 20, 2013.*

3.3 *The city agrees with the recommendation that maintaining the balance of Law Enforcement Training fees separately would simplify the reconciliation process. During the course of the audit, a reconciliation was completed reflecting the balance of unexpended Law Enforcement and Peace Officer Training funds which totaled \$4,173. At no time have these funds been expended for any purpose other than the intended law enforcement training purpose. A general ledger account was established in February, 2013 specifically for maintaining the balance of Law Enforcement Training cash.*

Auditor's Comment

3.1 *The analysis of parks expenses the city references in its response was prepared as a result of audit inquiries and comingles non-park expenses with park-related expenses. While the analysis suggests that parks-related expenses from the General Fund more than likely exceed the transfer made from the Parks Fund, without restricted*



City of Warrenton  
Management Advisory Report - State Auditor's Findings

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funds being tracked separately it is difficult to determine whether monies restricted for parks are being used for the intended purposes.

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# City of Warrenton

## Organization and Statistical Information

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The City of Warrenton is located in Warren County. The city was incorporated in 1864 and is currently a fourth-class city. The city employed 61 full-time employees and 9 part-time employees on June 30, 2012.

City operations include law enforcement services, utilities (water, sewer, and trash), street maintenance, planning and zoning, recreational services (parks), and economic development.

### Mayor and Board of Aldermen

The city government consists of a mayor and six-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at June 30, 2012, are identified below. The mayor is paid \$750 per month and members of the board are paid \$400 per month. The compensation of these officials is established by ordinance.

Jerry Dyer, Mayor  
Phil Tallo, First Ward Alderman  
John Cornell, First Ward Alderman  
Beth Kendall, Second Ward Alderwoman  
Fred Flake, Second Ward Alderman  
John Clark, Third Ward Alderman  
James Dreyer, Third Ward Alderman



Thomas A. Schweich  
Missouri State Auditor

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# Thirteenth Judicial Circuit

## City of Columbia Municipal Division



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October 2013

Report No. 2013-107

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the Thirteenth Judicial Circuit, City of Columbia Municipal Division

Municipal Procedures	Neither the municipal division nor the ticket-issuing agencies maintain adequate records to account for the numerical sequence or ultimate disposition of parking and traffic tickets issued. Records for some parking and traffic tickets could not be located. The municipal division failed to include various data in monthly summary reports submitted to the city and the Office of State Courts Administrator, resulting in understatements of revenues totaling \$150,000 and cases filed totaling 1,200 for the fiscal year ended September 30, 2012. The municipal division and the Columbia Finance Department (CFD) do not reconcile their respective bond records with the bond records of the other office. Audit staff brought a \$14,000 discrepancy between the bond records of the two offices to the municipal division's attention in April 2013, but as of May 31, 2013, the CFD had not corrected the bond ledger or made any necessary disbursements.
Accounting Controls and Procedures	The municipal division has not adequately segregated accounting duties for parking tickets and does not conduct supervisory reviews comparing the voided and dismissed parking tickets to supporting authorizing documentation. The municipal division does not account for the numerical sequence of receipt transactions, and receipt dates can be changed in the parking ticket and traffic and ordinance case management systems.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.



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# Thirteenth Judicial Circuit

## City of Columbia Municipal Division

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# THOMAS A. SCHWEICH

## Missouri State Auditor

Presiding Judge  
Thirteenth Judicial Circuit  
and  
Municipal Judge  
and  
Honorable Mayor  
and  
Members of the City Council  
Columbia, Missouri

We have audited certain operations of the City of Columbia Municipal Division of the Thirteenth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended September 30, 2012. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's compliance with certain legal provisions.
3. Evaluate the city's compliance with Section 302.341.2, RSMo, which restricts the amount of fines and court costs that may be retained by municipalities from traffic violations occurring on state and federal highways.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) no noncompliance with Section 302.341.2, RSMo. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Columbia Municipal Division of the Thirteenth Judicial Circuit.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	John Lieser, CPA
Audit Staff:	Sherrye Lesmes

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# Thirteenth Judicial Circuit

## City of Columbia Municipal Division

### Management Advisory Report - State Auditor's Findings

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#### **1. Municipal Procedures**

Municipal procedures over accounting for parking and traffic tickets, preparing monthly reports, and reconciling bond liabilities need improvement.

##### **1.1 Ticket accountability**

Neither the municipal division nor the ticket-issuing agencies maintain adequate records to account for the numerical sequence or ultimate disposition of parking and traffic tickets issued.

###### **Parking tickets**

Records for some parking tickets could not be located. Parking tickets issued by the Columbia Police Department (CPD) are given to the municipal division and the municipal division enters the tickets into the computerized parking ticket case management system. In addition, Columbia Parking Enforcement Office (CPEO) employees generate sequentially numbered parking tickets on hand held devices and download those tickets daily into the case management system. However, the municipal division does not retain the CPD parking tickets after they have been paid and all CPEO and CPD paid parking ticket information is purged from the municipal division part of the system semi-annually to conserve electronic storage space. Only the record of the payments receipted on the purged parking tickets is retained.

For 2 of 12 CPD parking tickets tested, neither the municipal division nor the CPD could locate any record of the ticket, including whether the ticket had been issued or was still in an unissued ticket book. For 6 of the 12 parking tickets, the municipal division retained no record of the violation, except for the record of payment, due to the semi-annual purging process. However, without complete parking ticket information the propriety of handling and payment information cannot be verified. In addition, for 2 of 36 CPEO parking tickets tested, neither the municipal division nor the CPEO could locate any record of the disposition of the ticket although the CPEO part of the case management system indicates the tickets were issued in October 2011 and November 2011.

###### **Traffic tickets**

Records for some traffic tickets could not be located. Both the CPD and the University of Missouri Police Department (UMPD) maintain logs of traffic ticket books assigned to officers and require officers to remit copies of tickets issued and voided to the records officers for entry into the law enforcement records management systems maintained by those agencies. Traffic tickets issued are sent to the City Prosecutor's office and traffic tickets signed by the City Prosecutor are filed with the municipal division and entered into the traffic and ordinance violation ticket case management system of the municipal division.

For 2 of 34 CPD traffic tickets tested, neither the CPD nor the municipal division could locate any record of the tickets although the ticket numbers



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Thirteenth Judicial Circuit  
City of Columbia Municipal Division  
Management Advisory Report - State Auditor's Findings

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were included in the range of ticket numbers assigned to the CPD by the Missouri State Highway Patrol. Also, for one of nine UMPD traffic tickets tested, neither the UMPD nor the municipal division had any record of the ticket disposition, although the UMPD system indicated the ticket was issued in July 2012.

## Conclusion

Without a proper accounting for the numerical sequence and ultimate disposition of parking and traffic tickets issued, the Police Departments, CPEO, and municipal division cannot be assured all tickets issued are properly submitted for processing and no errors, theft, or misuse of funds occurred. Additionally, City of Columbia Municipal Court Revised Operating Order Number 1 (COR 1), Section VIII (A) requires the Court to work jointly with the CPD and UMPD to account for all traffic tickets in numerical sequence and ultimate disposition of all tickets assigned and issued by the Police Departments.

## 1.2 Monthly reports

The municipal division erroneously excluded various data from monthly summary reports submitted to the city and the Office of State Courts Administrator (OSCA), including fees collected for probation services and jail boarding, and fines, court costs, surcharges, and fees collected on red light camera violations, as well as total number of red light camera cases. When probation services and jail boarding fees were established, the municipal division failed to make system programming changes to include these revenues in monthly summary reports produced from the ticket management system. In addition, because the red light camera data is in a separate case management system, these revenues were not included in the monthly reports. Consequently, for monthly reports filed during the fiscal year ended September 30, 2012, reported net collections, totaling approximately \$2.4 million, were understated by approximately \$150,000, and reported cases filed, totaling approximately 10,700, were understated by approximately 1,200 cases.

Section 479.080.3, RSMo, and Supreme Court Operating Rules 4.28 and 4.29 require accurate monthly reports of cases filed and fines and court costs collected be verified by the Court Clerk or Municipal Judge and submitted to the city and OSCA.

## 1.3 Bond liabilities

The municipal division and the Columbia Finance Department (CFD) do not reconcile their respective open bonds records with the bond records maintained by the other office. Bond monies received by the municipal division are transmitted to the CFD for deposit and entry on the CFD bond ledger. When the municipal division determines the proper distribution of a bond, it is the municipal division's responsibility to notify the CFD of the required distribution so the CFD can make the necessary disbursement or refund and update its bond ledger. The municipal division also provides a monthly bond activity report to the CFD.



Thirteenth Judicial Circuit  
City of Columbia Municipal Division  
Management Advisory Report - State Auditor's Findings

Neither the municipal division nor the CFD had reconciled any of the monthly bond reports to the CFD bond ledger during the fiscal year ended September 30, 2012. As of September 30, 2012, the open bonds on the CFD bond ledger totaled approximately \$48,000, which exceeded the open bonds of approximately \$34,000 on the municipal division bond report. When we brought this discrepancy to the municipal division's attention in April 2013, the CFD began reconciling the reports and ledgers and determined the \$14,000 difference pertained to 77 cases. The CFD had not made timely disbursement on many of those cases. As of May 31, 2013, the CFD had not corrected the bond ledger for these cases or made any necessary disbursements.

Monthly reconciliations between the open bonds maintained by the municipal division and the open bonds reported by the city are necessary to ensure proper accountability over open cases, monies held in trust by the city are sufficient to meet liabilities, and bonds are disbursed timely.

## Recommendations

The City of Columbia Municipal Division:

- 1.1 Work with the CPD, CPEO, and UMPD to ensure the numerical sequence and ultimate disposition of all parking and traffic tickets issued are accounted for properly.
- 1.2 Include all cases and collections in the monthly reports.
- 1.3 Work with the CFD to ensure timely reconciliations of the bond reports and bond ledgers are prepared, discrepancies are promptly investigated and resolved, and bonds are disbursed timely.

## Auditee's Response

*The Municipal Judge and Court Administrator provided the following written responses:*

### *1.1 PARKING TICKETS*

*A new procedure was put into place in 2013 for tracking parking tickets issued to officers. This should help hold the Department more accountable for all Uniform Parking tickets provided by the Municipal Courts.*

*With the implementation of the new parking ticket system July 1, 2013, Clancy Systems, this is no longer an issue as the system is a web based program and parking tickets are no longer purged.*



Thirteenth Judicial Circuit  
City of Columbia Municipal Division  
Management Advisory Report - State Auditor's Findings

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*TRAFFIC TICKETS*

*RSMo 300.575.3 states that the responsibility for the issuance of tickets and citations rests with the police chief. The municipal court will continue to work with UMPD and CPD to better monitor the issuance of tickets.*

*Out of the tickets selected for the 2013 traffic ticket audit, the Columbia Police Department was unable to account for two of the tickets.*

*Possible reasons for this is an individual can be released on a summons but when officers are completing data entry within our records management system it is not mandatory that an officer document that ticket number within the arrest entry fields. The arrest entry field for a ticket number is not easily searchable due to our records management system being more than 20 years old. The missing two citations could have been entered in this arrest field and the computer system is just unable to pull from that data field to find them. Or the tickets could have been issued and not documented in the arrest data field and they are attached to a paper copy of the report in our files.*

*After the ticket audit the Columbia Police Department began to enter all voided summons directly into the Records Management System to eliminate multiple locations for tracking tickets issued or voided. Voided tickets were entered into the Records Management System dating back to October of 2010.*

*The Columbia Police Department is looking to replace the Records Management System which should help with ticket tracking and provide a more reliable data search to account for all tickets issued.*

- 1.2 We agree with this finding. This has been corrected as of July 1, 2013. We are now reporting these items as recommended in this audit report by amending the form provided by the Office of State Court's Administrator to include these items.*
- 1.3 Currently, CFD and Columbia Municipal Court are reconciling the bond report provided to CFD monthly and ensuring that disbursement of bond money is timely. As of July 31, 2013, \$2,760.10 in bond money remains in the account waiting identification prior to disbursement. The Finance Department liaison and the Municipal Court Administrator are working to identify the correct source to disburse this remaining money.*



## 2. Accounting Controls and Procedures

Accounting duties are not adequately segregated and the municipal division does not account for the numerical sequence of receipts issued.

### 2.1 Segregation of duties

The municipal division has not adequately segregated accounting duties for parking tickets. One employee enters voided and dismissed parking tickets on the parking ticket case management system and also collects and records payments on parking tickets. In addition, supervisory reviews comparing the voided and dismissed tickets to supporting authorizing documentation from the parking supervisor and City Prosecutor are not performed.

To reduce the risk of possible errors, theft, or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly and assets are adequately safeguarded. Proper segregation of duties for voiding or dismissing parking tickets and collecting and recording payments is necessary to ensure all transactions are accounted for properly. If proper segregation of duties cannot be achieved, the municipal division should implement a periodic supervisory review of voided and dismissed parking tickets.

### 2.2 Receipt accountability

The municipal division does not account for the numerical sequence of receipt transactions. In addition, receipt dates can be changed in the parking ticket and traffic and ordinance case management systems. Municipal division employees enter payments into the parking ticket case management system or the traffic and ordinance violation ticket case management system. Both of those systems assign sequential numbers to the receipt transactions. While daily reports of receipt transactions are produced from those systems for processing collections, those reports are not used for verifying the sequence of receipt numbers. In addition, the case management systems allow users to change the date received from the system-generated current date to an earlier date, thereby allowing for possible manipulation of receipt data. Accounting for the numerical sequence of receipt transactions is necessary to ensure receipts are accounted for properly and to reduce the risk of errors, theft, or misuse of funds going undetected.

## Recommendations

The City of Columbia Municipal Division:

- 2.1 Segregate the duties for voiding or dismissing parking tickets from the duties of collecting and recording parking tickets. At a minimum, there should be periodic supervisory reviews of voided and dismissed parking tickets.
- 2.2 Account for the numerical sequence of all receipt transactions.





Thirteenth Judicial Circuit  
City of Columbia Municipal Division  
Management Advisory Report - State Auditor's Findings

## Auditee's Response

*The Municipal Judge and Court Administrator provided the following written responses:*

2.1 *The previous parking ticket software was a "stand alone" system where access could not be given to other departments for modifying the status of tickets. The new parking ticket system, Clancy Systems, which was implemented on July 1, 2013, does allow for the City Prosecutor to enter dismissals and voids. The court staff no longer performs this function. The court staff will provide parking tickets that are being appealed to the City Prosecutor and the prosecutor staff then modifies the ticket indicating the prosecutor's decision.*

2.2 *Parking System: The court has created a new code in the new parking ticket system software that allows the Municipal Court to process payments that have been received within the prescribed time (15 days) but held by staff for one reason or another. The new code allows court employees to enter the payment without changing the date and zeroing out the late fee if paid in full within the prescribed time, as done in the past. A report is produced daily showing status of disposition of parking tickets, including the tender method of each ticket. These reports are reviewed daily.*

*Court software: Payments that are received on-line from TrafficPayment.com and entered into the court management software must both have the same disposition date otherwise the weekly report we receive from TrafficPayment.com will not reconcile with the records of the court. The court management software has the capability to search a receipt that will allow us to track any receipt number that does not fall into sequence. The receipt numbers are now checked on each deposit. If a number does not appear sequentially, the clerk searches the receipt number and makes a note on the deposit as to the status of said receipt.*

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# Thirteenth Judicial Circuit

## City of Columbia Municipal Division

### Organization and Statistical Information

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The City of Columbia Municipal Division is in the Thirteenth Judicial Circuit, which consists of Boone and Callaway Counties. The Honorable Jodie Capshaw Asel serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and court costs are collected at times other than during court and transmitted to the city treasury.

#### Personnel

At September 30, 2012, the municipal division employees were as follows:

Title	Name
Municipal Judge	Robert D. Aulgur
Court Administrator	Shara Meyer
Court Clerk	Nancy Kinsey
Deputy Court Clerk	Deetra Williams
Deputy Court Clerk	Andrea Wymer
Deputy Court Clerk	Ashley Hustead
Probation Officer	Kevin Oeth
Court Services Representative	Thomas Bell
Court Services Representative	Yvonne Keene
Court Services Representative	Kristina Wolf
Court Services Representative	Nancy Jeffries
Court Services Representative	Candiac Mathews

#### Financial and Caseload Information

	Year Ended September 30, 2012
Receipts	\$2,540,300
Number of cases filed	11,895
Number of parking tickets issued	83,701



# Thomas A. Schweich

Missouri State Auditor

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## Scotland County



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October 2013

Report No. 2013-108

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

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## Findings in the audit of Scotland County

Financial Liabilities	The county may not have sufficient funds to pay outstanding liabilities of \$227,974. The county owes \$49,408 for unpaid salary amounts relating to a statutory change affecting the base salary amount paid to elected county officials. The county also owes \$178,566 pursuant to a court judgment issued in February 2013; the county is appealing the decision, but no decision had been rendered as of September 25, 2013.
Sheriff's Controls and Procedures	As noted in our prior audit report, monies are often not recorded on receipt records immediately upon receipt, and the method of payment is not always accurately recorded on receipt slips and reconciled to the composition of deposits. Checks are not restrictively endorsed immediately upon receipt, the numerical sequence of receipt slips is not accounted for properly, and receipts are not deposited intact. The Sheriff's office sells phone cards but does not always deposit or disburse the monies collected on a timely basis. The Sheriff's office bills other entities for boarding prisoners and bills civil process fees and mileage, but does not adequately follow-up to ensure all payments are received. Inmate monies on-hand did not always agree with the computerized log totals, and these differences were not always explained. The computerized inventory control log of seized property and evidence does not always document the release or disposition of such property, evidence bags do not always document the correct case number, and periodic physical inventories are not documented.
County Procedures	As noted in our prior audit report, the county does not effectively monitor road and bridge department fuel use. Fuel logs are not always complete or accurate, and significant differences between fuel purchases and fuel usage exist. In 2012, bulk fuel purchases exceeded reported bulk fuel usage by 7,203 gallons, but the county's reconciliation process and follow-up procedures are not sufficient, making it difficult to identify any misuse of fuel. The Salary Commission did not meet in 2007 or 2009, as required by state law.
Computer Controls	The Recorder of Deeds does not require passwords to log on to the computer system, the County Collector, County Clerk and Sheriff do not require passwords to be changed periodically, and Sheriff's office employees share passwords. The County Clerk, County Treasurer, and Sheriff do not have security controls in place to detect or prevent incorrect log-on attempts, and the computers in the County Collector's office and the Recorder of Deeds' office are not locked after a certain period of inactivity. The Sheriff's office does not store backup data at an off-site location, leaving the backup data susceptible to the same damage as the data on the computer.

Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.
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In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our Web site: [auditor.mo.gov](http://auditor.mo.gov)**

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# Scotland County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Scotland County

We have audited certain operations of Scotland County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock & Associates, Certified Public Accountants, was engaged to audit the financial statements of Scotland County for the year ended December 31, 2012. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Scotland County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Robyn Vogt, M.Acct., CPA
In-Charge Auditor:	Tina Disney, M.Acct.
Audit Staff:	Tessa Oates
	Naomi Nganga



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# Scotland County Management Advisory Report State Auditor's Findings

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**1. Financial Liabilities** Significant liabilities, totaling \$227,974, will potentially affect the county's financial condition as monies available in the General Revenue Fund may not be sufficient to pay these liabilities.

In February 2013, a court judgment was issued against the county for \$178,566. The county appealed the court's decision; however, as of September 25, 2013, no new decision has been rendered.

Also as of September 25, 2013, the county had remaining liabilities of \$49,408 for underpaid salary amounts relating to a statutory change affecting the base salary amounts paid to elected county officials (see MAR finding number 3).

The county did take into account the underpaid salary amounts when preparing the 2013 budget for the General Revenue Fund, but did not consider the court judgment which was not known at the time. Even though the General Revenue Fund had an available cash balance of \$197,855 as of December 31, 2012, the county has projected an ending cash balance of only \$5,745 as of December 31, 2013. Should the outcome of the appeal confirm the original court decision, the county will likely not have sufficient funds available to pay the judgment.

The County Commission needs to consider significant changes to ensure the necessary funds are available to cover all liabilities. Possible options to improving the county's financial condition include reducing spending where possible, evaluating controls and management practices to ensure efficient use of county resources, maximizing all sources of revenue, and closely monitoring county budgets.

## Recommendation

The County Commission closely monitor the county's financial condition and take the necessary steps to ensure the General Revenue Fund has sufficient monies available to pay these liabilities.

## Auditee's Response

*The County Commission provided the following response:*

*We are continuously monitoring the county's financial condition by reviewing monthly budgetary reports. We will take the steps necessary to ensure sufficient monies are available to pay all liabilities.*

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## 2. Sheriff's Controls and Procedures

Weaknesses exist in accounting controls and procedures in the Sheriff's office. The Sheriff's office processed monies for civil and criminal fees, concealed carry permits, phone card sales, bonds, and other miscellaneous receipts totaling approximately \$102,000 for the year ended December 31, 2012.



## Scotland County Management Advisory Report - State Auditor's Findings

### 2.1 Receipting, recording, and depositing monies

As noted in our prior audit report, receipting, recording, and depositing procedures are not adequate. The Office Administrator is primarily responsible for these tasks; however, dispatchers perform receipting and recording tasks in her absence. Our review of recorded receipts and deposits for April 2012 determined the following:

- Monies are often not recorded on receipt records immediately when received and are sometimes recorded several days after deposit. For example, monies for fees and miscellaneous receipts deposited on April 16 and April 18, 2012, totaling \$302 and \$36, were not recorded on receipt records until April 27, 2012.
- The method of payment (cash, check, or money order) is not always recorded accurately on receipt slips, and the Office Administrator does not reconcile the composition of receipts to the composition of deposits. Additionally, checks are not restrictively endorsed immediately upon receipt.
- The numerical sequence of receipt slips is not accounted for properly and receipts are not deposited intact. For example, monies collected on April 7, 2012, totaling \$67, were not deposited until April 10, 2012, after monies collected on April 8, 2012, totaling \$30, were deposited on April 9, 2012.

To reduce the risk of loss, theft, or misuse of monies received, procedures should be established to ensure all monies received are properly receipted, promptly recorded, and deposited intact.

### 2.2 Phone card sales

The Sheriff's office does not always timely deposit or disburse monies collected for phone card sales. Phone card sales are recorded on a log, but monies are held until all phone cards in a batch (usually 20 or 40 cards) have been sold. Our review identified phone card sales collected between August 19 and November 21, 2011, totaling \$200 in cash, were not deposited until December 28, 2011, and not disbursed to the County Treasurer until March 16, 2012. Additional phone card sales collected between March 3 and March 30, 2012, totaling \$400 in cash, were not deposited until April 4, 2012, and not disbursed to the County Treasurer until June 4, 2012. To reduce the risk of loss, theft, or misuse of monies received for phone card sales, all monies should be deposited and disbursed timely.

### 2.3 Accrued costs

The Sheriff's office does not adequately pursue collection of or track amounts due to the office for board bills or civil process fees. The Sheriff's office bills other entities for boarding prisoners and also bills civil process fees and mileage (for serving subpoenas or other papers), but does not adequately follow-up to ensure all payments are received. The Office



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## Scotland County Management Advisory Report - State Auditor's Findings

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Administrator indicated the office does not maintain a list of amounts billed, collected, or owed, or otherwise track billed amounts to ensure payment is received.

Adequate procedures to bill and collect board of prisoner costs and civil process fees and mileage are necessary to ensure amounts owed are collected. Proper records and follow-up procedures are also necessary to safeguard against possible theft or misuse of funds going undetected.

### 2.4 Inmate monies

The Sheriff's office does not always follow established procedures to ensure inmate monies are accounted for properly. Inmate monies are held in cash, and according to office personnel, all monies on-hand are to be counted and reconciled to a computerized log of inmate balances at each dispatcher shift change. Any differences are to be investigated and resolved prior to staff shift changes.

Our review of inmate balances from September 3 to September 9, 2012, noted the inmate monies on-hand and the computerized totals were not always reconciled at the end of each shift. In addition, our review of inmate records for 2012 noted several instances when the inmate monies on-hand did not agree to the computerized totals, and these differences were not always explained.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, the Sheriff should ensure established procedures are followed, and differences are promptly investigated.

### 2.5 Seized property

The Sheriff's office does not maintain complete and accurate seized property and evidence records. The computerized inventory control log of seized property and evidence does not always document the release or disposition of such property and evidence bags do not always document the correct case number associated with the property. In addition, periodic inventories of all seized property and evidence are not documented.

Considering the often sensitive nature of seized property and evidence, complete and accurate inventory control records should be maintained and should include information such as description, persons involved, current location, case number, date of seizure, and disposition of such property. In addition, periodic physical inventories should be documented and the results compared to the inventory records to ensure seized property and evidence are accounted for properly.

## Recommendations

The Sheriff:

- 2.1 Ensure all monies are properly recorded when received, the method of payment is accurately indicated for all receipts, the composition



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Scotland County  
Management Advisory Report - State Auditor's Findings

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of receipts is reconciled to the composition of deposits, checks are restrictively endorsed immediately upon receipt, the numerical sequence of receipt slips is accounted for properly, and all receipts are deposited intact.

- 2.2 Ensure all monies collected for phone card sales are deposited and disbursed on a timely basis.
- 2.3 Bill all amounts owed to the Sheriff's office for board of prisoners and civil process fees and mileage, and implement procedures to track and pursue collection of amounts owed.
- 2.4 Ensure established procedures for inmate monies are followed and differences are promptly investigated.
- 2.5 Require all seized property and evidence be properly recorded on evidence bags and the inventory control log. In addition, a periodic inventory should be documented and reconciled to the inventory control log.

## Auditee's Response

*The Sheriff provided the following responses:*

- 2.1 *I will work with the Office Administrator to improve receipting procedures, depositing procedures, and accountability of receipt slips.*
- 2.2 *I will work with the Office Administrator to ensure phone card monies are receipted and deposited at time of collection and also disbursed timely.*
- 2.3 *For boarding of prisoners, we will bill when necessary, and for civil process fees, we will create a new log to track and follow-up on unpaid civil process fees and mileage.*
- 2.4 *We will remind personnel of required procedures and ensure differences are documented and investigated.*
- 2.5 *I will be working with officers to ensure evidence and seized property is recorded correctly and oversee the process more. I will try to conduct more frequent inventories of evidence and seized property.*

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## 3. County Procedures

Procedures related to vehicles and fuel usage need improvement. In addition, the Salary Commission has not always met as required by state law.



## Scotland County Management Advisory Report - State Auditor's Findings

### 3.1 Vehicles and fuel use

As similarly noted in our prior audit report, the county does not effectively monitor road and bridge department fuel use. According to the county's 2013 budget, fuel purchases for the road and bridge department totaled approximately \$202,000 for the year ended December 31, 2012, for the 22 road and bridge vehicles and equipment items.

Logs of fuel dispensed from bulk fuel tanks are not always complete or accurate as some logs did not record the amount of fuel used. The County Clerk's office monthly compares fuel purchases with fuel usage and significant differences are identified but not resolved. For example, the County Clerk's records for 2012 show bulk fuel purchases of 45,759 gallons, but the bulk fuel logs reported usage of only 38,556 gallons, for a difference of 7,203 gallons. The County Clerk's reconciliation is reviewed by the County Commission who indicated faulty fuel gauges may have contributed to the inaccuracy of the logs resulting in the difference. The reconciliation difference may also be partially attributable to timing differences between when the fuel is purchased and used. The county's reconciliation process and follow-up procedures are not sufficient to effectively monitor fuel use or verify fuel billings; therefore, it would be difficult to identify any misuse of fuel.

Procedures for maintaining and reviewing usage logs and bulk fuel inventory records, and reconciling log information and inventory records to fuel purchases, are necessary to ensure vehicles and equipment are properly utilized, prevent paying vendors for improper amounts, and decrease the risk of loss, theft, or misuse of fuel occurring without detection. Logs should be complete and accurate, and provide sufficient details to allow the county to effectively monitor vehicle and equipment fuel costs. Prompt investigation of discrepancies identified through reconciliations is necessary to obtain explanations and prevent future problems.

### 3.2 Salary Commission

The Scotland County Salary Commission did not meet in 2007 or 2009 to consider statutory changes and ensure the salary schedules established and approved in 2005 were still in compliance with state law. During the November 2005 meeting, the Salary Commission established salaries for elected officials and those salary amounts were applied to terms beginning in 2007, 2009, and 2011. However, some statutory provisions related to officials' salaries have been revised since 2005. For example, Section 50.327, RSMo, adopted in 2007, revised requirements regarding base salaries of the various elected officials.

Section 50.333, RSMo, states the Salary Commission shall meet at least once before November thirtieth of each odd numbered year. The Salary Commission did meet in November 2011 and the statutory revisions were then considered. According to a legal opinion obtained by the county, with the changes to Section 50.327, RSMo, Scotland County elected officials should have received salary increases when starting new terms of office in



## Scotland County Management Advisory Report - State Auditor's Findings

2009 and 2011. The legal opinion further states amounts are owed to all elected county officials who were not properly paid.

During 2012, the county paid the amount due to some officials, but only upon request of the respective official. As of June 2013, the county has remaining liabilities of \$49,408 for these salary underpayments (see MAR finding number 1).

### Recommendations

The County Commission:

- 3.1 Establish adequate records and procedures to effectively monitor vehicle, equipment, and fuel use.
- 3.2 Ensure the Salary Commission meets as required by state law.

### Auditee's Response

*The County Commission provided the following responses:*

- 3.1 *We installed a new certifiable meter on the bulk fuel tanks. In addition, to monitor usage, we are taking monthly readings of the bulk fuel pumps. We will also reinforce with road and bridge personnel the importance of keeping complete and accurate fuel logs. Any differences on the monthly reconciliation will be investigated.*
- 3.2 *We will ensure the Salary Commission meets as required by state law.*

## 4. Computer Controls

As similarly noted in our prior audit reports, controls over county computer systems are not sufficient to prevent unauthorized access, or to restore key systems in the event of a disaster or system failure. As a result, county records are unprotected and susceptible to damage or theft.

### 4.1 User passwords

The Recorder of Deeds does not require passwords to log on to the computer system, and the County Collector, County Clerk, and Sheriff do not require passwords to be periodically changed. In addition, Sheriff's office employees share passwords to access data.

Passwords should be kept confidential and periodically changed to provide more assurance that passwords will effectively limit access to data files and programs to only those individuals who need access for completion of job responsibilities, and to reduce the possibility of unauthorized users.

### 4.2 Log-on attempts

The County Clerk, County Treasurer, and Sheriff do not have security controls in place to detect or prevent incorrect log-on attempts. An unauthorized individual could try an infinite number of times to log on to the system and, if successful, have unrestricted access to programs and data



## Scotland County Management Advisory Report - State Auditor's Findings

files. In addition, the computers in the County Collector's and Recorder of Deeds' offices are not locked after a certain period of inactivity.

To help protect computer files, security controls should be implemented to detect incorrect log-on attempts after a certain number of tries and lock computers after a certain period of inactivity. Such controls should produce a log of the incorrect attempts which should be reviewed periodically by an authorized official.

### 4.3 Backup data

The Sheriff's office does not store backup data at an off-site location.

Failure to store computer backup data at a secure off-site location results in the backup data being susceptible to the same damage as the data on the computer. Off-site storage would provide increased assurance county data could be recreated if necessary.

## Recommendations

The County Commission work with county officials to:

- 4.1 Require passwords, which are kept confidential and periodically changed, to prevent unauthorized access to the county's computers and data.
- 4.2 Establish security controls to detect and report incorrect log-on attempts after a certain number of tries and which lock computers after a certain period of inactivity.
- 4.3 Ensure backup data is stored in a secure off-site location.

## Auditee's Response

*The County Commission and County Clerk provided the following response:*

*We will work with the county's IT programmer and county officials to improve password, log-on, and backup procedures. Because we do not have a programmer on staff, it is not always feasible for computer issues to be resolved in a timely manner which could result in lost productivity, lost revenue, or added expense. In addition, access to county offices are restricted during non-business hours. We have also limited capabilities within the county systems to electronically transfer funds, so any unauthorized access would not significantly impact the county.*

*The Sheriff provided the following response:*

*I will consider making some changes to passwords and computer controls with the help of our IT programmer. I will also discuss with the IT programmer storing backups off-site.*



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Scotland County  
Management Advisory Report - State Auditor's Findings

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*The Recorder of Deeds provided the following responses:*

- 4.1 *I have implemented the recommendation. I now use passwords which are periodically changed.*
- 4.2 *Although the computer does not lock after a period of inactivity, it does return to the main screen. In addition, access to the computer is restricted.*

*The County Collector provided the following responses:*

- 4.1 *I will work with the county's IT programmer to change passwords periodically; however, this could be costly if passwords should need to be reset.*
- 4.2 *I will work with the county's IT programmer to improve procedures where possible.*

*The County Treasurer provided the following response:*

- 4.2 *I will work with the County Commission to review log-on procedures.*



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# Scotland County

## Organization and Statistical Information

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Scotland County is a county-organized, third-class county. The county seat is Memphis.

Scotland County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 34 full-time employees and 9 part-time employees on December 31, 2012.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2013	2012
Charles E. Harris Jr., Presiding Commissioner	\$	23,120
Paul Campbell, Associate Commissioner		21,120
Danette Clatt, Associate Commissioner		21,120
Dana Glasscock, Recorder of Deeds		32,000
Batina Dodge, County Clerk		32,000
Kimberly J. Nicoli, Prosecuting Attorney		39,000
Wayne Winn, Sheriff		38,000
Kathy Kiddoo, County Treasurer		32,000
Ginny Monroe, County Coroner		9,000
Ellen Aylward, Public Administrator		15,000
Kathy Becraft, County Collector (1), year ended February 28,	35,341	
James Ward, County Assessor, year ended August 31,		32,000

(1) Includes \$3,341 of commissions earned for collecting city property taxes.

### Financing Arrangements

The county has entered into lease-purchase agreements with the County of Scotland Improvement Corporation to purchase a police vehicle in September 2012, and police radios in December 2012. The terms of the agreements are for the County of Scotland Improvement Corporation to purchase the police vehicle and police radios and lease the vehicle and equipment back to the county for payments totaling the principal and interest due on the lease-purchase. The county makes the lease payments from the General Revenue Fund. The final payments for the lease-purchases



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## Scotland County Organization and Statistical Information

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are scheduled to be in 2018. The remaining principal and interest due on the lease-purchase agreements at December 31, 2012, was \$42,798.

The county has entered into a lease-purchase agreement for a motor grader. Principal and interest payments are made from the Special Road and Bridge Fund. The final payment for the lease-purchase is scheduled to occur in 2017. The remaining principal and interest due on the lease-purchase agreement at December 31, 2012, was \$77,625.

The county has entered into a lease-purchase agreement for a GIS mapping system for the Assessor's office. Principal and interest payments are made from the General Revenue Fund and the Assessment Fund. The final payment for the lease-purchase is scheduled to occur in 2014. The remaining principal and interest due on the lease-purchase agreement at December 31, 2012, was \$16,530.

The county has entered into a lease-purchase agreement for election equipment for the County Clerk's office. Principal and interest payments are made from the General Revenue Fund. The final payment for the lease-purchase is scheduled to occur in 2015. The remaining principal and interest due on the lease-purchase agreement at December 31, 2012, was \$47,024.



Thomas A. Schweich  
Missouri State Auditor

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# FOLLOW-UP REPORT ON AUDIT FINDINGS

## City of Brentwood

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October 2013

Report No. 2013-109



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<http://auditor.mo.gov>

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# City of Brentwood

## Follow-Up Report on Audit Findings

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\*Includes selected findings



# THOMAS A. SCHWEICH

## Missouri State Auditor

To the Honorable Mayor  
and  
Members of the Board of Aldermen  
City of Brentwood, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2013-034, *City of Brentwood*, issued in May 2013, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the city about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the city, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed the city's action plan, which was created in response to our audit report and is available on the city's website. We also reviewed supporting documentation submitted by city officials and held meetings with city officials. Documentation provided by the city included bid documentation, credit card statements, bank reconciliations, ordinances, employee timesheets, and open and closed meeting minutes. This report is a summary of the results of this follow-up work, which was substantially completed during August 2013.

Thomas A. Schweich  
State Auditor

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# City of Brentwood

## Follow-Up Report on Prior Audit Findings

### Status of Findings

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1.1 Bids	<p>The city's bid policy was not followed for several purchases, and bid documentation was not retained for several other purchases, in violation of city code.</p> <p>The city could not locate bid documentation for approximately \$3.5 million of the \$3.7 million firehouse construction project. The city eventually obtained the bid documentation for the remainder of the project from the project management company. The city had not solicited proposals for ambulance billing services since 1998. In addition, dental insurance coverage and life insurance coverage had not been bid in recent years, and documentation from the last time these benefits were bid could not be located.</p>
Recommendation	<p>The Board of Aldermen ensure bids are solicited for all applicable purchases in accordance with city code and state law, and sufficient documentation is maintained.</p>
Status	<p><b>Implemented</b></p> <p>The city provided a listing showing that as of August 2013, the city has solicited proposals for all 18 projects and services which required proposals per city policy. The requests for proposals are posted on the city's website and the bid documentation received from potential vendors is maintained on file at City Hall.</p>
1.2 Professional Services	<p>The city had not obtained proposals and written contracts for various professional services.</p>
Recommendation	<p>The Board of Aldermen periodically solicit proposals and enter into written agreements for professional services.</p>
Status	<p><b>Partially implemented</b></p> <p>The city has solicited proposals and entered into written agreements for accounting and auditing services and is in the process of obtaining professional benefits broker services. City officials opted to not solicit proposals for legal services; instead they will continue to follow Section 79.230, RSMo, and City Codes 2-216 and 2-218, which allow the Mayor to appoint legal counsel with the approval of the Board.</p>
1.3 Late Fees	<p>Fuel bills were not paid timely and late fees and/or finance charges were often incurred. The city had trouble meeting the short timeframe between billing and payment due dates of the fuel vendor.</p>
Recommendation	<p>The Board of Aldermen implement procedures to ensure bills are paid timely.</p>



City of Brentwood  
Follow-up Report on Prior Audit Findings  
Status of Findings

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Status

**Implemented**

The city worked with the fuel vendor to change the payment due date from 10 days to 21 days after billing date. In addition, we reviewed the monthly fuel statements from April 2013 through July 2013 and noted no late fees were assessed to the city.

1.4 Credit Cards

The city did not maintain adequate documentation for some credit card purchases. In addition, the city had not implemented the recommendations related to this issue made in multiple audit reports by its independent CPA firm.

Recommendation

The Board of Aldermen ensure adequate supporting documentation is retained for all credit card expenditures.

Status

**Implemented**

The Finance Director indicated she reviews all credit card statements and ensures each charge listed has supporting documentation. We reviewed credit card statements for February, May, and July 2013 and all charges had supporting documentation.

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2. Fire Department  
Overtime and  
Timesheets

The city required the fire department to submit only summary overtime reports to the city finance department, rather than detailed timesheets, despite a recent legal settlement with the firefighters union regarding excess overtime payments. In addition, the city did not have adequate documentation related to a legal settlement with the firefighters union over excessive overtime payments.

Recommendation

The Board of Aldermen ensure documentation is maintained for all significant city decisions, particularly legal settlements. In addition, the Board should require detailed timesheets be submitted to the finance department.

Status

**Implemented**

City officials indicated they have not had any significant legal decisions to address since the audit report was released, but will ensure all related documentation is retained as appropriate in the future. The city now requires all employees to submit detailed timesheets each pay period. We reviewed the July 2013 timesheets and timecards that were submitted to the payroll section and the time records were appropriately detailed and signed by the proper individuals. In addition, the city is in the process of implementing an electronic time and attendance module that will allow all timekeeping to be automatically submitted to the finance department's payroll section electronically each pay period. Currently, just the administration department



City of Brentwood  
Follow-up Report on Prior Audit Findings  
Status of Findings

is on the new system. The city expects the new system to be fully implemented by the spring of 2014.

3. Payroll and Leave  
Records

The city lacked adequate supporting documentation related to several payroll areas and some problems were noted with overtime and leave records.

3.1 Building official

Records related to an employee serving in two positions for the city from March 2009 through July 2011 were not sufficient to ensure appropriate compensation was paid.

Recommendation

The Board of Aldermen ensure accurate documentation is maintained of time worked by all city employees.

Status

**Implemented**

The city is currently not aware of any situations where an employee is serving in two positions. All city employees are now required to submit a timesheet or timecard. The July 2013 timesheets and timecards were reviewed and the time records were appropriately detailed and signed by the proper individuals.

3.2 Personnel policies

The city was not always in compliance with its overtime policy and Fair Labor Standards Act (FLSA) requirements. In addition, the city was not consistent regarding when overtime was paid out to employees.

Recommendation

The Board of Aldermen ensure compliance with the city's overtime policy and the FLSA.

Status

**In Progress**

Once the electronic time and attendance module (discussed in the status for finding number 2) is fully implemented, it can be programmed to calculate overtime based on the FLSA provisions and city policy. The city is currently in the process of revising its overtime approval policy.

3.3 Timesheets

Timesheets were prepared by employees; however, some timesheets were not signed by the employee and some did not indicate review and approval by the supervisor.

Recommendation

The Board of Aldermen ensure adequate reviews of timesheets are performed, timesheets are signed by the employee and their supervisor, and timesheets are submitted to the finance department.

Status

**Implemented**





City of Brentwood  
Follow-up Report on Prior Audit Findings  
Status of Findings

The July 2013 timesheets and timecards were reviewed for sufficient details and the signatures of the employee and applicable supervisor. The timesheets and timecards were appropriately detailed and signed by the proper individuals.

3.4 Employee leave and  
compensatory time

Documentation of some leave benefits accumulated and used and the remaining balances was not maintained in a centralized location.

Recommendation

The Board of Aldermen ensure employee leave and compensatory time balances are properly tracked and monitored and maintained in a centralized location.

Status

**Implemented**

Effective May 2013, all city departments were required to submit leave and compensatory time balances to the Human Resources Manager. Each month the manager, using information from employee time records, enters each employee's leave and compensatory time usage and accruals into a computer program and sends monthly reports to all departments. A leave balance report dated August 7, 2013, was reviewed and all employees had balances in compliance with city policy.

4. Additional  
Compensation

The city had a perfect attendance program. Employees received \$50 each quarter they had perfect attendance. They also received an additional \$200 for an entire calendar year of perfect attendance.

Recommendation

The Board of Aldermen discontinue granting additional pay to employees for tasks performed as part of their normal job duties.

Status

**Implemented**

In June 2013, the Board of Aldermen passed Ordinance No. 4444, which discontinued the perfect attendance program. The city indicated the employee handbook will be amended to reflect discontinuation of the program.

5. Litigation

The city did not take adequate and timely action to correct an issue with underfunded bond accounts for a redevelopment project. Coding errors of sales tax collections resulted in the underfunding of bond accounts by approximately \$460,000, leaving the bank unable to collect applicable fees and forcing the city to obtain a loan to satisfy the underfunding. The loan was repaid in October 2010, with interest costs of approximately \$13,500.

In addition, after an attempt by the bank to declare the bonds in default, the developer filed a lawsuit against the bank and the city, resulting in legal



City of Brentwood  
Follow-up Report on Prior Audit Findings  
Status of Findings

expenses of approximately \$260,000 for the city. The lawsuit was settled in September 2011.

**Recommendation**

The Board of Aldermen ensure sufficient procedures are in place to monitor sales tax revenues of businesses collecting sales taxes on behalf of the city and make proper payment of bond issue obligations.

**Status**

**Implemented**

A monthly report is compiled for each Transportation Development District, which lists the retailers and sales taxes received each month. The report is based on information received from the Missouri Department of Revenue. A memo is also given to the bond trustee each month directing what amount should be transferred to each bond account.

**6. Meeting Minutes**

Open meeting minutes did not document the specific section of law that allows for a closed meeting for any of the 12 closed meetings held in 2011; and the open meeting minutes for October 3, 2011, did not give any reasons for the closed session. In addition, the city did not maintain minutes of closed Board meetings.

**Recommendation**

The Board of Aldermen ensure minutes are prepared and retained to support all closed meetings and the specific reason, statute, and subsection allowing closure is noted in the open meeting minutes.

**Status**

**Implemented**

The minutes for the July 15, 2013, open and closed meetings and the minutes for the August 5, 2013, closed meeting were reviewed. The closed meeting minutes were organized and provided sufficient information, and the open meeting minutes contained the specific reason, statute, and subsection for allowing the meeting closure.

**7. Accounting Controls**

Accounting controls in the finance department were in need of improvement.

**7.1 Segregation of duties**

Payroll duties and receipting duties related to General Fund financial activity were not adequately segregated or reviewed. In addition, there was no review performed of the General Fund bank reconciliation by the Finance Officer.

**Recommendation**

The Board of Aldermen segregate the accounting duties of the finance department to the extent possible. If proper segregation of duties cannot be achieved, documented supervisory or independent reviews should be performed.



City of Brentwood  
Follow-up Report on Prior Audit Findings  
Status of Findings

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Status

**Implemented**

Bank reconciliations are now required to be signed by the employee performing the reconciliation and the employee reviewing the reconciliation. In addition, the Finance Director reviews monthly payroll reports. The reports include any changes that were made in the payroll program during the month. The July 2013 bank reconciliations were reviewed and contained the signatures of the preparer and applicable supervisor. The July 2013 payroll report was reviewed and was signed by the Finance Director. Also, the city has hired an accounting firm to perform a review of internal controls and conduct risk assessments, and this review is scheduled to begin in October 2013.

7.2 Receipting and  
depositing

Monies were not promptly receipted or recorded in the accounting system, and were not always deposited intact and timely. Upon receipt monies were secured, but receipt slips were not issued and monies were not posted to the computer system until the deposit was prepared. In addition, checks were not restrictively endorsed until the deposit was prepared.

The numerical sequence of receipt slips was not accounted for properly. The finance department and the planning development department shared the financial computer system receipting program. The system assigned the next available receipt slip number to a user, but the two departments were not accounting for the numerical sequence of these receipt slips.

Recommendation

The Board of Aldermen ensure monies are promptly receipted and posted to the computer system, and checks are restrictively endorsed immediately upon receipt. In addition, the numerical sequence of receipt slips should be accounted for properly.

Status

**Implemented**

The August 2013 receipt and deposit records were reviewed and monies are promptly receipted, posted, and deposited. Deposits were made daily, ensuring that checks are restrictively endorsed each day. Each time a deposit is made a numerical sequence of receipt slips report is generated and reconciled to the deposit.

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8.2 Fuel and Vehicle Use

The city had not established effective monitoring procedures regarding fuel and vehicle use.

The city did not maintain logs of fuel pumped from bulk diesel fuel tanks or usage logs for vehicles that used the pumps. The city did not maintain logs of fuel pumped for vehicles fueled using fuel cards or on account with local gas stations.



City of Brentwood  
Follow-up Report on Prior Audit Findings  
Status of Findings

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Although the city's written accounts payable procedures required receipts to be submitted to the finance department for fuel card purchases and fuel purchases made on account, supporting receipts were on file for only the October 2011 local gas station invoice and for none of the fuel card invoices. An adequate review of these fuel invoices compared to receipts was not performed to ensure purchases were accurate and for city business.

A usage evaluation to determine if the number of vehicles was necessary and justified had not been performed.

## Recommendation

The Board of Aldermen establish adequate records and procedures to effectively monitor vehicle and fuel use. Bulk fuel inventory records should be maintained, invoices should be reviewed and approved, and fuel use should be reconciled to fuel purchases. Any discrepancies should be investigated. The Board should also ensure receipts for fuel purchases are submitted to the finance department and reconciled with fuel invoices. In addition, the Board should evaluate vehicle usage to determine if all vehicles are needed.

## Status

### Implemented

Fuel logs are now maintained. Each time a vehicle is fueled, the date, driver, vehicle, mileage, starting and ending meter readings, and total gallons pumped are entered on the log. Several fuel logs were reviewed and all necessary information was included in the logs. The bulk fuel tanks are now locked when not in use. In 2012, the city implemented a driver fuel card policy that cardholders must sign before being given a fuel card. The policy requires each cardholder to have unique personal identification number and details the steps that must be followed when using the fuel card. Fuel receipts are submitted to the finance department and reconciled with the monthly fuel card statements. The April through July 2013 fuel card statements were reviewed. All fuel purchases on the statements had supporting documentation. The statements were also signed by city officials indicating their review. In May 2013, a vehicle committee was created and developed a vehicle replacement policy and schedule. The city indicated the committee's comprehensive review of vehicles will be incorporated into the 2014 budget process.

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## 10. Bank Reconciliations

The city's bank reconciliations were not prepared timely. Also, the December 2011 payroll account bank reconciliation contained several reconciling items that were carried forward from month-to-month instead of adjusting entries being made in the city's accounting system. In addition, the city did not routinely and timely follow up on outstanding checks.

## Recommendation

The Board of Aldermen ensure monthly bank reconciliations are performed timely and outstanding checks are followed up on appropriately. In addition,



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City of Brentwood  
Follow-up Report on Prior Audit Findings  
Status of Findings

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any discrepancies should be investigated and resolved with appropriate adjustments made to the accounting records.

**Status**

**Implemented**

Bank reconciliations are now performed timely. The July 2013 bank reconciliations for the general account and payroll account had been completed as of our August 2013 follow up meeting. The Finance Director documented her review of the general account reconciliation on August 5, 2013, and her review of the payroll account reconciliation on August 12, 2013.

On August 13, 2013, the city sent letters to the payees of old outstanding checks, requesting a status update on those checks.



**Thomas A. Schweich**  
Missouri State Auditor

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# Thirteenth Judicial Circuit

## Callaway County



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October 2013  
Report No. 2013-110

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the Thirteenth Judicial Circuit, Callaway County

### Missing Funds and Other Questionable Transactions

At least \$355 is missing, and another \$11,292 may be missing based upon voided cash receipts, unsupported non-monetary transactions, and improper reduction or non-assessment of fines and court costs in the computerized case management system. The court clerk supervisor primarily responsible for the affected cases has been terminated, the Callaway County Sheriff's office is investigating, and a Special Prosecutor has been appointed.

### Accounting Controls and Procedures

The Circuit Clerk has not adequately segregated the duties of receiving and recording receipts, preparing deposits, and disbursing funds, and has not established supervisory reviews of cash handling and recordkeeping functions. Any court clerk can issue checks from the bank account, checks only require one signature, and checks are not independently reviewed. The former Clerk Supervisor was able to inappropriately issue a \$149 check to a family member; and although the check was never negotiated, the court did not identify the problem for 8 months. Non-monetary transactions, voids, and adjustments are not properly documented or reviewed. The Circuit Clerk has not established proper controls or procedures for manual receipt slips. Manual receipt slips are not timely recorded in the case management system and there is no review of manual receipts to ensure monies receipted are deposited. The Circuit Clerk has not established procedures to promptly log or restrictively endorse mail receipts, and garnishment receipts are not always maintained in a secure location and deposited timely and intact. The court does not periodically review outstanding balances and has not created payment plans for all amounts not paid in full at case disposition, as required by the court policy and Supreme Court Operating Rules. The court does not always collect the \$25 time payment fee; audit staff found 35 time payment fees totaling \$825 were adjusted to zero in 2012. Prior to February 2013, the court did not ensure bonds were timely disbursed. Court personnel do not always properly record the initial entry and final disposition of each case in the Justice Information System.

In the areas audited, the overall performance of this entity was **Poor**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Thirteenth Judicial Circuit

## Callaway County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Presiding Judge and Court en Banc  
and  
Circuit Clerk of the  
Thirteenth Judicial Circuit  
Callaway County, Missouri

The State Auditor was requested by the Honorable Judge Gary Oxenhandler, Presiding Judge at the time of the request, under Chapter 29, RSMo, to audit the Thirteenth Judicial Circuit, Callaway County. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the court's internal controls over significant financial functions.
2. Evaluate the court's compliance with certain legal provisions.
3. Determine the extent of monies missing from the court.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the court, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the court's management, the Office of State Courts Administrator, and Callaway County and was not subjected to the procedures applied in our audit of the court.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) missing monies. The accompanying Management Advisory Report presents our findings arising from our audit of the Thirteenth Judicial Circuit, Callaway County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Deborah Whitis, MBA, CPA, CIA
Audit Staff:	Nicole Meltabarger, M.Acct., CPA

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# Thirteenth Judicial Circuit

## Callaway County

### Management Advisory Report - State Auditor's Findings

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#### **1. Missing Funds and Other Questionable Transactions**

During 2011 and 2012, monies were determined to be missing from circuit court receipts.

In September 2012 the Office of State Courts Administrator (OSCA) performed a routine accounting review of the circuit court and identified 60 questionable transactions between January 1, 2012, and September 13, 2012, totaling \$8,845 for which monies could be missing. Based on these discrepancies, the Presiding Judge contacted the State Auditor's office (SAO) to request an audit of court operations.

In addition to the amounts identified by OSCA, our audit determined from January 2011 through December 2011, receipts totaling at least \$355 were received but not deposited, and additional funds totaling at least \$2,447 are likely missing, based on voided cash receipts, unsupported non-monetary transactions, and improper reduction or non-assessment of fines and court costs in the computerized system. Further, some manual receipt slips were removed from the receipt slip books and could not be located, indicating possible additional missing funds during 2012 and 2011.

The Clerk Supervisor primarily responsible for the cases in which problems were identified was placed on administrative leave on September 14, 2012, and was subsequently terminated on October 6, 2012. The OSCA information was turned over to the Callaway County Sheriff's office and a Special Prosecutor after the OSCA review was completed. The investigation is ongoing.

#### **Undeposited cash receipts**

Recorded cash receipts totaling \$355 were not deposited.

- The former Clerk Supervisor issued a manual receipt slip for a cash receipt totaling \$199 in fines and court costs, but did not deposit the monies and recorded the receipt as a non-monetary receipt in the Justice Information System (JIS), the Missouri courts automated case management system.
- The former Clerk Supervisor issued a manual receipt slip for a cash receipt totaling \$126 in fines and court costs, but did not deposit or record the receipt in the JIS. The court eventually sent this case to a debt collection agency and the outstanding balance plus collection fees was collected by the agency, causing this defendant to effectively pay these fines and court costs twice.
- The docket sheet for one case indicated a \$30 payment was made on the case. However, this payment was not deposited. Instead, the former Clerk Supervisor initially recorded it in the JIS as a non-monetary judicial order transaction, voided it, and then re-entered it as a non-monetary time served transaction.



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Possible additional missing monies

A review of available court records indicates the handling of fines and court costs for some cases was not consistent with judge's orders on the case docket sheets. Payments totaling at least \$2,447 for fines and court costs associated with 17 cases were likely made to the court, but were not recorded in the JIS or deposited. Associated fines and court costs for these cases were adjusted to zero or not assessed in the JIS. In addition, several receipt slips from four manual receipt slip books were missing.

- The former Clerk Supervisor assigned JIS receipt numbers to ten non-monetary judicial order, time served, and community service transactions totaling \$1,338, which were not supported by a judge's order in the case file, inappropriately reducing the amount due from the defendants by the same amounts.
- The former Clerk Supervisor initially recorded two cash receipts totaling \$518 as monetary transactions in the JIS, but later voided and then re-entered them as non-monetary judicial order, time served, or community service transactions, without a supporting judge's order in the case file, and therefore, inappropriately reduced the amounts due from the defendants by the same amounts.
- The former Clerk Supervisor initially recorded a \$217 receipt as a monetary transaction in the JIS, but later voided this transaction. This case was exempted from automatic debt collection in the JIS; therefore, the outstanding balance remained undetected by the court.
- The former Clerk Supervisor did not assess court costs totaling \$374 on four cases in the JIS prior to disposition of the cases. The docket sheets for these cases indicate court costs were ordered by the Judge and should have been assessed prior to the disposition of the cases in the JIS.
- Several manual receipt slips and the top copies of some blank manual receipt slips were missing. In addition, the originals of some voided manual receipt slips were also missing. Therefore, defendants may have been issued manual receipt slips for payments made, which were later removed from the manual receipt slip book or voided and not deposited or recorded in the JIS.

The lack of segregation of duties, inadequate controls, and the absence of proper oversight by the Circuit Clerk, as discussed in the remainder of this report, resulted in the failure to detect these discrepancies.

## Recommendation

The Court en Banc and the Circuit Clerk continue to work with law enforcement officials regarding criminal prosecution related to the missing



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funds and other questionable transactions, including restitution of missing funds.

## Auditee's Response

*The Court en Banc provided the following written response:*

*The Court will continue to do all that it ethically can to cooperate in the resolution of the issues raised in the audit.*

*The Circuit Clerk provided the following written response:*

*The Circuit Clerk filed a report with the Callaway County Sheriff's department two working days after the fraud had been identified. All pertinent information has been given to the investigator of the Callaway County Sheriff's department. The Presiding Judge referred this matter to the Supreme Court. The Supreme Court transferred a Judge outside the 13th Circuit to the 13th Circuit for the purpose of appointing a Special Prosecutor. A Special Prosecutor has been appointed and we remain in contact with him. It is my understanding that both parties, the investigator and the Special Prosecutor, will proceed after they have received this report.*

## 2. Accounting Controls and Procedures

Significant weaknesses were identified with accounting controls and procedures. As a result, some receipts were not accounted for properly.

According to court records, receipts totaled approximately \$1,510,000 in 2012 and \$1,860,000 in 2011. Fines and court costs are collected, recorded in the JIS, and deposited into the Circuit Clerk's general bank account by personnel of the Circuit Clerk's office. Cash bonds are collected and receipted by the Callaway County Sheriff's office, then transmitted by check to the Circuit Clerk's office for deposit. In addition, manual receipt slips are used to record some cash receipts that are not immediately recorded in the JIS. Based on the OSCA review performed in 2012, the court established procedures to address some of the weaknesses noted below; however, not all of these procedures were fully implemented as of March 2013.

### 2.1 Segregation of duties and supervisory review

The Circuit Clerk has not adequately segregated the duties of receiving and recording receipts, preparing deposits, and disbursing funds and has not established supervisory reviews to detect errors. There are several court clerks with responsibilities for collecting monies. The three court clerk supervisors rotate various duties, but at times have the capabilities to record transactions, prepare deposits, compare the composition of receipts to the composition of the deposit for each JIS cashier session, and sign disbursement checks, in addition to collecting monies.

Neither the Circuit Clerk nor clerk personnel independent of the cash custody and record-keeping functions provide adequate supervision or



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review of the work performed by various clerks to ensure transactions are appropriate.

## Receipts

Because of inadequate supervision, questionable transactions were not identified and monies are missing. For example, one discrepancy noted during the OSCA review indicated the former Clerk Supervisor issued JIS receipt number 13CW379327 for \$637 cash on April 18, 2012, and then later the same day voided the cash receipt with non-monetary receipt number 13CW379336. This Supervisor disposed the case without assessing the applicable fees in the JIS and the cash associated with the receipt was never deposited. However, there was no entry on the docket sheet or other documentation in the case file to indicate the Judge authorized the non-assessment of fees for this case. In addition, the Circuit Clerk has not established supervisory reviews of voided receipts, which would have detected these discrepancies. At the OSCA's request, the court contacted the defendant and the defendant was able to provide a copy of the original cash receipt slip number 13CW379327 to the court as proof of payment.

## Disbursements

Checks from the bank account can be issued by any court clerk, require only one signature, and are not reviewed by a person independent of the disbursement function. As a result, the former Clerk Supervisor was able to inappropriately issue a \$149 check on July 31, 2012, to a member of her family for a bond refund instead of disbursing these monies to the defendant in the case. Although this check had not been negotiated as of March 2013, the Circuit Clerk had not established controls to prevent or detect such improper disbursements, such as requiring dual signatures on checks or performing periodic independent reviews of disbursements. This discrepancy was eventually found by the court in March 2013 when new procedures were put in place for reviewing outstanding checks. However, if this check had been cashed, these new procedures would not have detected this discrepancy.

## Conclusions

Thorough supervisory reviews help ensure all transactions are accounted for properly and assets are adequately safeguarded. Such reviews would reduce the possibility of errors, loss, theft, or misuse of funds going undetected. Internal controls would be improved by segregating duties to the extent possible, and the Circuit Clerk performing a thorough supervisory review. Further, dual signatures would help provide assurance checks are written only for appropriate disbursements.

## 2.2 Non-monetary transactions

Non-monetary transactions, voids, and adjustments in the JIS are not properly documented and the Circuit Clerk has not established procedures for review and approval of such transactions by persons independent of the receipting process. Non-monetary transactions, including judicial order, time served, and community service transactions, are transactions in which no monies are received; however, credit is applied to the account balances. Adjustments include the reduction or non-assessment of fines and court



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costs in which the amounts due are changed or not assessed in the JIS. Most non-monetary transactions and adjustments should be supported by a judicial order reducing the defendant's debt owed. However, the Circuit Clerk's office did not maintain documentation for numerous non-monetary transactions, voids, and adjustments that occurred during the audit period. Some of these transactions were possibly used to conceal missing monies (see MAR finding number 1).

Adequate documentation and independent review and approval of non-monetary transactions are necessary to help ensure such transactions are appropriate and reduce the risk of errors, theft, or misuse of funds.

## 2.3 Manual receipt slips

The Circuit Clerk has not established proper controls or procedures for manual receipt slips. Manual receipt slips issued are not recorded timely in the JIS, reviewed by a supervisor, or reconciled to the JIS, and the related monies are not deposited timely. In addition, the method of payment is not always indicated and these receipt slips are not accounted for properly. Prior to September 2012 the manual receipt slip book was accessible to all clerks at any time. In September 2012 the Circuit Clerk implemented new procedures, and manual receipt slips are now only used when the JIS is unavailable. In addition, the manual receipt slip book is now secured by the Circuit Clerk when not in use. The following concerns were noted during a review of manual receipt slips:

- Generic unnumbered manual receipt slips were issued for monies received until May 2012 when the office began using a generic prenumbered receipt slip book. In January 2013, new control procedures were implemented, which include using an official prenumbered manual receipt slip book.
- Manual receipt slips are not always recorded in the JIS on a timely basis and subsequently the related monies are not deposited timely. Of the 204 manual receipt slips issued during 2012, 47 (23 percent) were not recorded in the JIS and deposited for 4 or more business days after receipt. One manual receipt slip issued on April 13, 2012, was not recorded in the JIS until July 12, 2012, a lapse of 90 days.
- The method of payment was not recorded on 13 (6 percent) of the 204 manual receipt slips issued during 2012.
- Receipt slips are not accounted for properly. Our review of the 2012 manual receipt slip books identified nine manual receipt slips for which both the original and copy were torn from the applicable receipt slip book and not retained. In addition, the original of three blank and two voided manual receipt slips was torn from the applicable receipt slip book and not retained.



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- There is no independent review to ensure manual receipt slips issued are properly recorded in the JIS and the related monies are subsequently deposited. Receipts are only included in daily deposits if they are recorded in the JIS as monetary transactions. Our audit of select manual receipt slips issued during 2011 identified two manual receipts totaling \$325 in which the related monies were not deposited (see MAR finding number 1). In addition, \$802 recorded on 6 of the 204 (3 percent) manual receipt slips issued during 2012 was not deposited and the transactions were also identified by OSCA as questionable.

Controls over manual receipt slips are necessary to adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds. Necessary controls include utilizing official prenumbered manual receipt slips, limiting or restricting their use, accounting for the numerical sequence, indicating the method of payment, and ensuring proper and timely recording of manual receipts in the JIS.

## 2.4 Receipting and deposit procedures

The Circuit Clerk has not established procedures to log or restrictively endorse mail receipts immediately upon receipt or issue receipt slips immediately for these monies. In addition, garnishment receipts are not always maintained in a secure location and deposits of garnishment receipts are not made intact or on a timely basis.

A court employee initially opens and sorts the mail; however, that individual does not record the payments on a mail log, issue receipt slips, or restrictively endorse the checks or money orders received. Instead, the various court clerks receive the checks and record and process the monies received.

At the time of our cash count on January 16, 2013, there were 44 garnishment checks on hand totaling \$6,325 ranging in date from November 19, 2012, to January 14, 2013. Four of these checks were not restrictively endorsed and the garnishments receipts were not deposited intact with other monies on hand. Although a deposit was prepared the day after our cash count, none of these checks were included in that deposit. Twenty-four of the checks totaling \$4,744 were receipted and deposited within 3 calendar days of our cash count; however, 18 checks totaling \$1,475 were not receipted into the JIS until January 24, 2013, and were not deposited until January 25, 2013. The remaining two checks totaling \$106 were returned to the senders because the garnishments were already paid in full. The clerk responsible for handling garnishment checks stated she only posts these checks to the JIS when she has time. In addition, garnishment checks are stored in a folder on the clerk's desk instead of a secure location prior to recording in the JIS and subsequent deposit. Because there is no log of monies received in the mail, we were unable to determine the date these checks were actually received by the court. Some of these checks may have been held unsecured for several weeks.





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An initial record of monies received in the mail combined with procedures to reconcile these monies to the JIS and deposit records is necessary to adequately safeguard receipts. In addition, restrictively endorsing checks immediately upon receipt, posting all receipts to the JIS when received, maintaining receipts in a secure location until deposited, and depositing all receipts intact in a timely manner helps reduce the risk of loss, theft, or misuse of funds.

## 2.5 Accrued costs

The Circuit Clerk does not periodically review accrued costs owed to the court (fines and court costs, incarceration costs, and court-ordered restitution). Accrued costs totaled \$1,014,529 as of December 31, 2012. In addition, the court has not created payment plans for all amounts not paid in full at case disposition and does not always enforce collection of the time payment fee.

### Outstanding balances

The court does not follow its formal administrative plan for collection of court debt, including establishing payment plans and reviewing outstanding balances to write off amounts deemed uncollectible. Outstanding balances are not periodically reviewed to determine if any amounts are uncollectible.

### Payment plans

The court has not established payment plans in the JIS for all amounts not paid in full at case disposition as required by state court operating rules. As of March 4, 2013, 2,748 cases with balances due totaling approximately \$400,000 had been outstanding for greater than 5 years and another 1,866 cases with balances due totaling approximately \$260,000 were not associated with payment plans.

### Time payment fees

The court does not always enforce collection of the \$25 time payment fee. Court personnel will sometimes adjust this fee to zero if all other fines and court costs are paid in full within a few weeks after the 30-day deadline. Our review of the fee adjustments report identified 35 time payment fees totaling \$875 were adjusted to zero during 2012.

### Conclusions

The formal administrative plan for collection of court debt requires the Court to review accounts receivable reports developed by OSCA and the debt collection vendor. Accounts deemed to be uncollectible may be written off by court order by the assigned judge. Adherence to the provisions of Court Operating Rule (COR) 21, as adopted by the Missouri Supreme Court, is required for courts automated on the JIS. COR 21.07 requires all courts using the JIS to participate in the tax offset and debt collection programs and requires the court to create payment plans in the JIS for all amounts not paid in full at case disposition. In addition, COR 21.13 requires all divisions of the circuit courts, except municipal divisions, to assess a \$25 time payment fee on all cases not paid in full within 30 days of disposition. Failure to follow these guidelines could result in lost revenue and in loss, theft, or misuse of funds.



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## 2.6 Open Items

Prior to February 2013 the court did not adequately review monthly lists of liabilities to ensure bonds were disbursed in a timely manner. Court personnel indicated a monthly liabilities report was generated from the JIS to perform end of month procedures; however, it was not reviewed from January 2011 through January 2013 to determine if any bonds should be disbursed. In one case reviewed, bond monies were received in January 2012, and the fine and court costs were assessed in September 2012; however, action was not taken to offset the fine and court costs from the bond and refund the balance to the defendant until February 2013 after the bond liabilities report was reviewed as part of the court's newly established procedures.

Procedures to routinely investigate bonds remaining on the liabilities list over a specific period of time is necessary to properly monitor bonds and ensure monies are appropriately disbursed as provided by state law.

## 2.7 Case entry and disposition

Court personnel do not always properly record the initial entry and final disposition of each case in the JIS. We obtained case reports from OSCA for 2012 which identified four cases that were suspended and had been inactive for periods ranging from 8 to 14 months because court personnel canceled a future court date and did not reschedule a new court date. When case activity is suspended, the case no longer appears on the court docket and cannot be properly disposed. We also identified a disposed case in which court costs of \$162 were not assessed at disposition and four traffic cases that were entered incorrectly in the JIS. The court costs of \$162 were assessed and billed after we brought it to the Court's attention. The traffic case errors were caused by clerks entering incorrect case numbers in the JIS. For example, case number 700322543 was erroneously entered as case number 70022543 in the JIS. Although case number 700322543 was later properly entered and disposed, the erroneously entered case number 70022543 was not removed from the JIS and was automatically suspended because it did not have a scheduled court date.

In addition, at our request OSCA generated a special report showing disposed cases with no fees for 2011, which identified four cases in which court costs totaling \$374 for four cases were not assessed prior to disposition (see MAR finding number 1).

Without procedures to ensure the proper case number, disposition, and associated costs of all cases have been entered in the JIS, the Court cannot be assured all cases are properly handled and associated costs are assessed.

## Recommendations

The Circuit Clerk:

- 2.1 Segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures. In addition, the Circuit Clerk should require dual signatures on all checks.



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- 2.2 Require an independent review and approval of non-monetary transactions, voids, and adjustments made in the JIS, and retain adequate documentation to support these transactions.
- 2.3 Continue to ensure manual receipt slips are prenumbered and their use is limited. The Circuit Clerk should also ensure manual receipt slips are recorded timely in the JIS and deposited timely. In addition, the method of payment should be indicated for all manual receipts and the numerical sequence should be accounted for properly. Further, manual receipts should be reviewed and reconciled to the JIS and to the related deposits by someone independent of the receipting process.
- 2.4 Require an initial record of monies received by mail be prepared and reconciled to the JIS, restrictively endorse checks and money orders immediately upon receipt, and require receipt slips be issued for all monies on a timely basis. In addition, the Circuit Clerk should maintain garnishment monies collected in a secure location and deposit these receipts timely and intact.
- 2.5 Follow established policy and ensure collection of accrued costs and fees in accordance with court operating rules.
- 2.6 Continue recent efforts to review the status of liabilities to determine the appropriate disposition of funds.
- 2.7 Implement procedures to ensure the initial entry and disposition of cases and associated costs are properly recorded in the JIS. Various case reports should be reviewed on a monthly basis to detect erroneously entered and suspended cases and to ensure proper treatment of disposed cases.

## Auditee's Response

*The Circuit Clerk provided the following written responses:*

- 2.1 *Accounting duties have been segregated. An "Accounting Supervisor" was appointed in January 2013 and she began reviewing monthly reports starting February 2013. This position has no receipting or initiating disbursement duties. This position reviews the following items monthly: Open Items Report – Outstanding Check List – Deposit Report in Detail – Manual Receipts – Void Receipts – Non-Monetary Transactions – Fee Adjustments. In our effort to segregate duties the Accounting Supervisor also signs checks. As we do not have enough staff to provide for two people to sign each check, we do not require two signatures on our checks. We have instituted "Positive Pay" with*



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*our bank. We believe the segregation of duties and the Positive Pay accomplishes the same purpose as dual signatures.*

- 2.2 *Our Accounting Supervisor reviews all non-monetary transactions, voids and adjustments made in JIS for accuracy and for adequate documentation. The reports used to accomplish these reviews are listed in the response to 2.1. When a transaction is voided a copy of the void and all supporting documentation is given to the Accounting Supervisor for review. Additionally only two clerks have the password and authority to void transactions. Because we are an eFiling court, non-monetary transactions and adjustments are viewed for accuracy and documentation by viewing the information in JIS.*
- 2.3 *Manual receipts that are imprinted with the court name and address and that are pre-numbered are now being used. These receipts are secured by the Circuit Clerk and are only used when JIS is unavailable or at month's end when final accounting is being accomplished. Manual receipts are reviewed monthly by the Accounting Supervisor to ensure they are recorded in JIS and deposited timely, that the method of payment is indicated and that the numerical sequence is accounted for.*
- 2.4 *Checks are restrictively endorsed and file date stamped when they are received. Garnishment checks are removed from the clerk's desk at day's end and stored in the vault. The person that is responsible for processing the garnishment checks is also one of two clerks that perform weekly accounting duties. They alternate weeks. Garnishment checks are deposited weekly on the week that the garnishment clerk is performing accounting duties and twice weekly on the week that she is not. Once again we do not have enough staff to accomplish recording the garnishment checks at time of receipt. We do file date stamp each check stub or envelope containing the check for those that do not have pay stubs. This enables us to determine that the checks are deposited timely. As recommended, in our attempt not to issue manual receipts, we use the receipts provided by JIS when money is receipted.*
- 2.5 *Our court had established a Formal Administrative Plan for the Collection of Court Debt in accordance with Court Operating Rule 21. This plan was reviewed and revised with an effective date of August 28, 2013. This office held a staff meeting on August 27, 2013, to review, discuss and implement the changes this plan requires for the collection of court costs and fines. This current revision of the Formal Administrative Plan for the Collection of Court Debt also makes provision for debt older than five years to be*



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Management Advisory Report - State Auditor's Findings

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*written off by court order. It is the intent of this Circuit Clerk to provide the Presiding Judge a list of accounts older than five years with no activity in the last 12 months requesting an order to write them off as uncollectible. After these old accounts have been removed the Accounting Supervisor will run the following reports for review and action as required. These reports will continue to be reviewed monthly, Costs Not Associated to a Party – Costs Not Associated to a Payment Plan – Costs With no Time Payment Fee – Inactive Payment Plans – Active Payment Plans (review on test basis to ensure they are set up according to court policy).*

- 2.6 *The Accounting Supervisor runs, reviews and makes necessary corrections to the "Open Items Report" monthly. This process started in February of 2013.*
- 2.7 *With the implementation of eFiling our office stays current within two days on the entry of new cases. Cases that are filed ProSe and have a filing fee associated with them take precedence for initiation to ensure that the money is deposited timely. The Accounting Supervisor since February of 2013 monthly runs and reviews a report CZRNSCH that lists Non-Scheduled Active Cases. We have been in contact with OSCA and we are currently waiting for them to develop a report that indicates disposed cases with no fees. When this report is available we will run and review it monthly.*

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# Thirteenth Judicial Circuit

## Callaway County

### Organization and Statistical Information

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The Thirteenth Judicial Circuit consists of Callaway County as well as Boone County.

The Thirteenth Judicial Circuit consists of four circuit judges and six associate circuit judges. The circuit judges hear cases in Callaway and Boone Counties and preside over Circuit Divisions I, II, III, and IV. Of the six associate circuit judges, two are located in Callaway County and preside over Associate Circuit Divisions VI and VII. The other four associate circuit judges are located in Boone County and are not included in the scope of this audit. The Family Court Commissioner is appointed pursuant to Section 487.020, RSMo, and presides over Division VIII.

#### Personnel

At December 31, 2012, the judges, Family Court Commissioner, Circuit Clerk, Court Administrator, and Juvenile Officer of the Thirteenth Judicial Circuit, Callaway County, were as follows:

Title	Name
Circuit Judge, Division I	Christine Carpenter
Circuit Judge, Division II	Gary Oxenhandler
Circuit Judge, Division III	Kevin Crane
Circuit Judge, Division IV	Jodie Capshaw Asel
Associate Circuit Judge, Division VI	Carol England
Associate Circuit Judge, Division VII	Robert Sterner
Family Court Commissioner, Division VIII	Sara Miller
Circuit Clerk	Judy O. Groner
Court Administrator	Kathy Lloyd
Juvenile Officer	Cindy Garrett

#### Financial Information

Receipts of the Thirteenth Judicial Circuit, Callaway County, were as follows:

	Year Ended December 31,	
	2012	2011
Court deposits, fee, bonds, and other	\$1,496,051	\$1,853,445
Drug court	7,105	5,305
DWI court (1)	4,550	-
Interest Income	2,429	1,485
Total	\$1,510,135	\$1,860,235

(1) Program began in 2012



Thirteenth Judicial Circuit  
Callaway County  
Organization and Statistical Information

Caseload Information

From the Office of State Courts Administrator Missouri Judicial Reports, case filings of the Thirteenth Judicial Circuit, Callaway County, were as follows:

	Year Ended June 30,	
	2012	2011
Civil	2,053	2,161
Criminal	4,069	3,714
Juvenile	187	114
Probate	269	114
Total	6,578	6,103

# Thirteenth Judicial Circuit - Callaway County

## Supporting Documentation for Missing Cash Receipts and Possible Additional Missing Funds

The following tables provide supporting documentation for the undeposited cash receipts totaling \$355 as discussed in Management Advisory Report finding number 1.

Unnumbered Manual Cash Receipts Entered as Non-monetary Receipts<sup>1</sup> in JIS

Date Received	JIS Receipt Number <sup>2</sup>	Amount Received
November 30, 2011	13CW372823	\$ 199
Total		\$ 199

Unnumbered Manual Cash Receipts not Entered in JIS

Date Received	Case Number	Amount Received
December 9, 2011	11CW-CR01603	\$ 126
Total		\$ 126

Cash Receipt Entered as Non-Monetary<sup>1</sup> Receipt, Voided, and Re-entered as Another Non-Monetary Receipt

Date Received	JIS Receipt Number <sup>2</sup>	Amount Received
November 10, 2011 & December 12, 2011	13CW371037, 13CW371038, & 13CW372517	\$ 30
Total		\$ 30

The following tables provide supporting documentation for the possible additional missing monies based on court records, which indicate payments totaling at least \$2,447 may have been made to the court, but were not properly recorded and deposited.

JIS Non-Monetary<sup>1</sup> Receipts

Date Received	JIS Receipt Number <sup>2</sup>	Amount Received
January 5, 2011	13CW353190	\$ 150
June 14, 2011	13CW361958	50
June 17, 2011	13CW362409	10
July 18, 2011	13CW364475	144
July 18, 2011	13CW364476	144
August 24, 2011	13CW366474	300
December 14, 2011	13CW372829	142
December 15, 2011	13CW372879	180
December 27, 2011	13CW373318	100
December 29, 2011	13CW373544	118
Total		\$ 1,338





Thirteenth Judicial Circuit - Callaway County  
Supporting Documentation for Missing Cash Receipts and  
Possible Additional Missing Funds

JIS Cash Receipts Entered, Voided,  
and Re-Entered as Non-monetary  
Transactions<sup>1</sup>

Date Received	JIS Receipt Number <sup>2</sup>	Amount Received
December 8, 2011	13CW372430, 13CW372431, 13CW372432, & 13CW372433	\$ 200
December 12, 2011 & December 13, 2011	13CW372554, 13CW372555 13CW372661	318
Total		\$ 518

JIS Cash Receipt Entered and Voided  
(case exempt from debt collection)

Date Received	JIS Receipt Number <sup>2</sup>	Amount Received
December 1, 2011	13CW371987 & 13CW371990	\$ 217
Total		\$ 217

Cases Disposed with No Court Costs  
in JIS

Case Number	Judgment Order Date	Applicable Costs
10CW-CR01441	April 22, 2011	\$ 85
10CW-CR01150	June 29, 2011	85
11CW-CR01473	October 7, 2011	119
11CW-CR00124	October 19, 2011 <sup>3</sup>	85
Total		\$ 374

<sup>1</sup> Non-monetary receipts include judicial order, time served, and community service. There were no entries on the docket sheets or other documentation in the case files to indicate the Judge authorized the reduction of amounts due for these transactions.

<sup>2</sup> All transactions in the JIS are assigned receipt numbers, including monetary receipts, non-monetary receipts, voids, and adjustments.

<sup>3</sup> The case docket sheet indicates the judgment order was on October 19, 2011, while the JIS indicates the order date was October 21, 2011.



Thomas A. Schweich  
Missouri State Auditor

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## PUBLIC SAFETY

# Missouri Gaming Commission



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October 2013

Report No. 2013-111

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the Missouri Gaming Commission

### Background

The Missouri Gaming Commission was established in 1993 to regulate excursion gambling boats. In addition, the Commission has been charged with overseeing the lawful operation of the game of bingo and regulating horse racing. The Commission consists of 5 members appointed by the Governor, with the advice and consent of the Senate. The Commission hires the Executive Director who oversees the operations of the Commission. From 1993 to 2013, approximately \$4.5 billion of gaming proceeds were distributed for education funding.

This audit includes a review of gaming proceeds transferred to various agencies and funds as required by state law, but does not include a review of distributions made by the Department of Elementary and Secondary Education from the Gaming Proceeds for Education Fund or disbursements of gaming funds made by other agencies.

### Findings

The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures. No findings resulted from our audit.

In the areas audited, the overall performance of this entity was **Excellent**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Missouri Gaming Commission

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor,  
and  
Missouri Gaming Commission  
and  
Roger Stottlemire, Executive Director  
Missouri Gaming Commission  
Jefferson City, Missouri

We have audited certain operations of the Missouri Gaming Commission in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2013, and 2012. The objectives of our audit were to:

1. Evaluate the Commission's internal controls over significant management and financial functions.
2. Evaluate the Commission's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the Commission; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Commission's management and was not subjected to the procedures applied in our audit of the Commission.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. No findings resulted from our audit of the Missouri Gaming Commission.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Terri Erwin, MBA, CGAP
Audit Staff:	Terese Summers, MSAS, CPA
	Alex R. Prenger, M.S.Acct., CPA
	Waleed Atout

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# Missouri Gaming Commission

## Organization and Statistical Information

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The Missouri Gaming Commission (commission) was established in 1993 by the Eighty-Seventh General Assembly, as specified by Chapter 313, RSMo. The Commission is assigned to the Department of Public Safety (DPS) for administrative purposes. However, the Director of the DPS has no authority or control over the commission.

Section 313.822, RSMo, provides that a tax be imposed on the adjusted gross receipts (the gross receipts from licensed gambling games and devices less the winnings paid to wagerers) at the rate of 21 percent. This section allows the home dock city or county to receive 10 percent of the adjusted gross receipts tax and the remainder to be deposited in the state treasury to the credit of the Gaming Proceeds for Education Fund. Furthermore, Article III, Section 39(d) of the Missouri Constitution requires all state revenues derived from gaming activities be appropriated solely for public institutions of elementary, secondary, and higher education.

Section 313.820, RSMo, provides that an excursion boat licensee shall pay to the commission an admission fee of two dollars for each person embarking on an excursion with a ticket of admission. One dollar shall be paid to the home dock city and county while the other dollar, per Section 313.835, RSMo, shall be deposited in the state treasury to the credit of the Gaming Commission Fund. This fund is for the purpose of funding the administrative costs of the commission relating to excursion gambling boat operations, subject to appropriation. This fund also includes revenues received by the commission for license fees, administrative fees, and reimbursement by any excursion gambling boat operation for services provided by the commission. Also, up to 1 cent of each dollar from admission fees deposited in the Gaming Commission Fund may be transferred to the Compulsive Gamblers Fund, pursuant to Section 313.842, RSMo. The Compulsive Gamblers Fund is used by the commission to administer the voluntary exclusion program for problem gamblers and programs to educate the public about problem gambling, and by the Department of Mental Health for its treatment programs.

Section 313.835, RSMo, requires \$500,000 of Gaming Commission Fund proceeds to be annually appropriated on a per capita basis to cities and counties that match the state portion and have demonstrated a need for funding community neighborhood organization programs for the homeless and to deter gang-related violence and crimes. Effective for fiscal year 2013, the statute provides for remaining net proceeds of the Gaming Commission Fund to be transferred as follows: (1) the first \$5 million to the Access Missouri Financial Assistance Fund for financial assistance to qualified students in the state's public and private postsecondary institutions; (2) the next \$3 million to the Veterans' Commission Capital Improvement Trust Fund primarily for the construction, maintenance, renovation, and equipment needs of the state's veterans' homes and cemeteries; (3) the next \$4 million to the Missouri National Guard Trust Fund subject to



## Missouri Gaming Commission Organization and Statistical Information

appropriation for the Office of the Adjutant General; and (4) the remaining net proceeds, subject to appropriations, to the Veterans' Commission Capital Improvement Trust Fund. Prior to fiscal year 2013, the statute required the following transfers from the Gaming Commission Fund: (1) up to \$6 million to the Veterans' Commission Capital Improvement Trust Fund; (2) up to \$4 million to the Missouri National Guard Trust Fund; (3) up to \$5 million to the Access Missouri Financial Assistance Fund; and (4) the remaining net proceeds, subject to appropriations, to the Early Childhood Development, Education, and Care Fund for voluntary, early childhood development, education and car programs for children not yet enrolled in kindergarten.

This audit includes a review of gaming proceeds transferred to various agencies and funds as required by state law, but does not include a review of distributions made by the Department of Elementary and Secondary Education from the Gaming Proceeds for Education Fund or disbursements of gaming funds made by other agencies.

The commission performs all duties and has all powers and responsibilities conferred and imposed upon it relating to the licensing and regulation of excursion gambling boats and the lawful operation of the game of bingo under Chapter 313, RSMo. Within the commission there is a Division of Gaming and a Division of Bingo. In addition, the commission is responsible for regulating horse racing under Chapter 313, RSMo. Section 313.720, RSMo, establishes the Missouri Breeders Fund, which provides incentives for breeders and owners of Missouri bred horses

The Executive Director of the Missouri Gaming Commission is hired by the commission. Roger Stottlemire currently serves as Executive Director.

The Missouri Gaming Commission consists of 5 members appointed by the Governor, with the advice and consent of the Senate. Terms of members are for 3 years on a staggered basis. No person shall serve as a member more than 6 years. The chairman is appointed by the Governor.

At June 30, 2013, members of the Missouri Gaming Commission were:

Name	Term Expires
Dr. Barret Hatches, Chairman (1)	April 2013
Suzanne Bocell Bradley	April 2014
Darryl T. Jones (1)	April 2011
Diane C. Howard	April 2015
Vacant	

(1) Two commission members' terms have expired, but they continue serving until reappointed or a replacement is appointed.





## Missouri Gaming Commission Organization and Statistical Information

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At June 30, 2013, the Missouri Gaming Commission had 107 employees and 132 Missouri State Highway Patrol employees who are assigned to the commission and paid from the Gaming Commission Fund.

Appendix A-1

Missouri Gaming Commission  
Combined Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Changes in Cash and Investments  
Year Ended June 30, 2013

	Gaming Commission Fund	Compulsive Gamblers Fund	Missouri Breeders Fund	Total (Memorandum Only)
<b>RECEIPTS</b>				
Admissions	\$ 48,803,064	0	0	48,803,064
Licenses, penalties, and fees	1,602,993	0	0	1,602,993
Reimbursement payments	15,728,656	0	0	15,728,656
Interest	11,610	0	591	12,201
Other	4,018	329	0	4,347
Total Receipts	<u>66,150,341</u>	<u>329</u>	<u>591</u>	<u>66,151,261</u>
<b>DISBURSEMENTS</b>				
Personal service	12,716,216	0	0	12,716,216
Employee fringe benefits	2,546,275	0	0	2,546,275
Expense and equipment	1,514,096	4,175	4,000	1,522,271
Cost allocation	803,558	3,602	2	807,162
Total Disbursements	<u>17,580,145</u>	<u>7,777</u>	<u>4,002</u>	<u>17,591,924</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>48,570,196</u>	<u>(7,448)</u>	<u>(3,411)</u>	<u>48,559,337</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriations exercised by other agencies	(8,928,783)	(156,511)	0	(9,085,294)
Transfers from:				
Gaming Commission Fund	0	150,000	0	150,000
Proceeds of Surplus Property Sales Fund	1,278	0	0	1,278
Transfer to:				
Access Missouri Financial Assistance Trust Fund	(5,000,000)	0	0	(5,000,000)
Early Childhood Development Education and Care Fund	(367,185)	0	0	(367,185)
Missouri National Guard Trust Fund	(4,000,000)	0	0	(4,000,000)
Veterans' Commission Capital Improvement Trust Fund	(29,900,000)	0	0	(29,900,000)
Compulsive Gamblers Fund	(150,000)	0	0	(150,000)
Total Financing Sources (Uses)	<u>(48,344,690)</u>	<u>(6,511)</u>	<u>0</u>	<u>(48,351,201)</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)</b>	<u>225,506</u>	<u>(13,959)</u>	<u>(3,411)</u>	<u>208,136</u>
<b>CASH AND INVESTMENTS, JULY 1, 2012</b>	<u>367,185</u>	<u>135,567</u>	<u>92,579</u>	<u>595,331</u>
<b>CASH AND INVESTMENTS, JUNE 30, 2013</b>	<u>\$ 592,691</u>	<u>121,608</u>	<u>89,168</u>	<u>803,467</u>

Appendix A-2

Missouri Gaming Commission  
Combined Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Changes in Cash and Investments  
Year Ended June 30, 2012

	Gaming Commission Fund	Compulsive Gamblers Fund	Missouri Breeder's Fund	Total (Memorandum Only)
<b>RECEIPTS</b>				
Admissions	\$ 51,348,977	0	0	51,348,977
Licenses, penalties, and fees	1,622,436	0	0	1,622,436
Reimbursement payments	15,005,730	0	0	15,005,730
Interest	11,782	0	564	12,346
Other	4,665	4	0	4,669
Total Receipts	<u>67,993,590</u>	<u>4</u>	<u>564</u>	<u>67,994,158</u>
<b>DISBURSEMENTS</b>				
Personal service	12,153,018	0	0	12,153,018
Employee fringe benefits	2,449,494	0	0	2,449,494
Expense and equipment	1,361,369	1,087	4,000	1,366,456
Cost allocation	768,208	6,970	53	775,231
Total Disbursements	<u>16,732,089</u>	<u>8,057</u>	<u>4,053</u>	<u>16,744,199</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>51,261,501</u>	<u>(8,053)</u>	<u>(3,489)</u>	<u>51,249,959</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriations exercised by other agencies	(8,028,629)	(169,385)	0	(8,198,014)
Transfers from:				
Gaming Commission Fund	0	70,000	0	70,000
Proceeds for Surplus Property Sales Fund	4,313	0	0	4,313
Transfer to:				
Access Missouri Financial Assistance Trust Fund	(5,000,000)	0	0	(5,000,000)
Early Childhood Development Education and Care Fund	(29,227,622)	0	0	(29,227,622)
Missouri National Guard Trust Fund	(4,000,000)	0	0	(4,000,000)
Veterans' Commission Capital Improvement Trust Fund	(6,000,000)	0	0	(6,000,000)
Compulsive Gamblers Fund	(70,000)	0	0	(70,000)
Total Financing Sources (Uses)	<u>(52,321,938)</u>	<u>(99,385)</u>	<u>0</u>	<u>(52,421,323)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	<u>(1,060,437)</u>	<u>(107,438)</u>	<u>(3,489)</u>	<u>(1,171,364)</u>
CASH AND INVESTMENTS, JULY 1, 2011	<u>1,427,622</u>	<u>243,005</u>	<u>96,068</u>	<u>1,766,695</u>
CASH AND INVESTMENTS, JUNE 30, 2012	<u>\$ 367,185</u>	<u>135,567</u>	<u>92,579</u>	<u>595,331</u>

## Appendix B

### Missouri Gaming Commission Comparative Statement of Gaming Receipts and Distributions

	Year Ended June 30,	
	2013	2012
<b>Receipts</b>		
Gaming proceeds	\$ 365,507,027	374,940,223
Admissions	97,593,756	102,697,954
Bingo taxes	2,008,254	2,113,377
Licenses, penalties, and fees	1,602,993	1,622,423
Reimbursement payments	15,728,656	15,005,730
Interest	25,592	20,629
Other	4,434	5,731
Total	<u>\$ 482,470,712</u>	<u>496,406,067</u>
<b>Distributions *</b>		
Gaming Commission Fund	\$ 66,150,341	67,993,590
Gaming Proceeds for Education Fund	328,971,234	337,447,874
Home Dock Cities	85,347,581	88,842,999
Bingo Proceeds for Education Fund	2,000,965	2,121,040
Missouri Breeders Fund	591	564
Total	<u>\$ 482,470,712</u>	<u>496,406,067</u>

\* Distributions represent distributions of receipts for the fiscal year, a portion of which is disbursed after the end of the fiscal year.

Appendix C

Missouri Gaming Commission  
Comparative Statement of Appropriations and Expenditures

			Year Ended June 30,			
			2013		2012	
	Appropriation	Expenditures	Lapsed Balances	Appropriation	Expenditures	Lapsed Balances
COMPULSIVE GAMBLERS FUND						
Personal Service	\$ 0	0	0	0	0	0
Expense And Equipment	59,635	4,175	55,460	60,000	1,087	58,913
Total Compulsive Gamblers Fund	59,635	4,175	55,460	60,000	1,087	58,913
GAMING COMMISSION FUND						
Divisions of Gaming and Bingo:						
Personal Service	14,497,730	12,716,216	1,781,514	13,858,412	12,153,018	1,705,394
Expense and Equipment	1,913,786	1,506,617	407,169	1,914,597	1,261,667	652,930
Fringe benefits and insurance premiums for State Highway Patrol employees assigned to work under the direction of the Gaming Commission:						
Personal Service	5,139,270	5,139,269	1	5,309,328	5,035,211	274,117
Expense and Equipment	267,317	202,121	65,196	267,317	211,087	56,230
Refund any overpayment or erroneous payment of any amount credited to the Gaming Commission Fund	15,000	1,000	14,000	110,000	95,200	14,800
Real property rentals and leases	369,067	366,014	3,053	379,253	370,644	8,609
National Council of Legislators from Gaming States Dues	0	0	0	0	0	0
Total Gaming Commission Fund	22,202,170	19,931,237	2,270,933	21,838,907	19,126,827	2,712,080
MISSOURI BREEDERS FUND						
Breeder incentive payments	5,000	4,000	1,000	5,000	4,000	1,000
Total Missouri Breeders Fund	5,000	4,000	1,000	5,000	4,000	1,000
Total All Funds	\$ 22,266,805	19,939,412	2,327,393	21,903,907	19,131,914	2,771,993

The lapsed balances include the following withholdings made at the Governor's request:

		Year Ended June 30,	
		2013	2012
Gaming Commission Fund			
Personal Service	\$ 434,932	415,752	
Expense and Equipment	57,414	57,438	
Total Gaming Commission Fund	\$ 492,346	473,190	

Appendix D

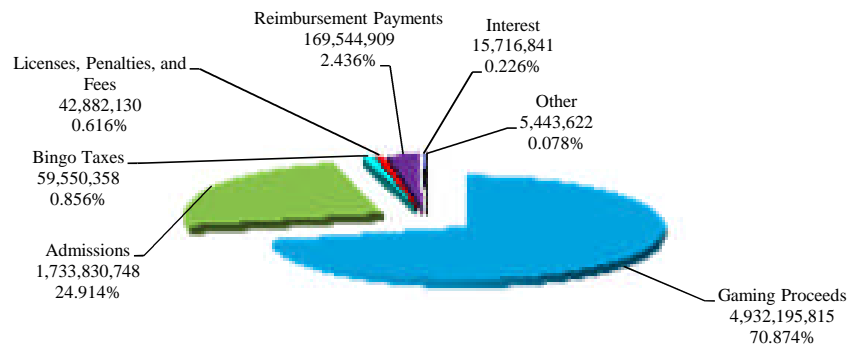
Missouri Gaming Commission  
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2013	2012	2011	2010	2009
Personal services	\$ 12,716,216	12,153,018	12,197,262	12,003,520	11,773,566
Benefits	5,139,269	5,035,211	4,506,233	3,749,970	3,593,196
Travel, in-state	117,879	92,767	118,174	149,882	146,864
Travel, out-of-state	104,617	105,737	88,385	186,945	192,940
Fuel and utilities	35,418	34,038	35,195	30,623	29,083
Supplies	81,659	90,639	83,812	185,196	181,296
Professional development	67,735	55,212	55,771	179,756	88,217
Communication services and supplies	265,791	250,028	255,096	251,375	342,376
Professional services	333,359	269,601	383,136	343,813	348,081
Housekeeping and janitorial services	20,380	20,762	23,029	19,041	18,486
Maintenance and repair services	191,222	143,462	184,972	106,551	156,139
Computer equipment	268,744	206,774	261,671	191,081	319,081
Motorized equipment	0	0	0	186,210	0
Office equipment	12,924	19,445	18,194	12,364	25,122
Other equipment	34,563	6,472	7,320	16,379	21,204
Property and improvement	250	525	6,315	475	7,566
Building lease payments	311,701	317,502	404,559	437,509	438,869
Equipment rental and lease payments	447	455	568	462	636
Insurance and surety bond premiums	202,120	211,087	221,881	239,757	236,544
Miscellaneous expenditures	34,118	23,979	9,817	30,032	23,512
Refunds	1,000	95,200	27,850	0	50,300
Total Expenditures	\$ 19,939,412	19,131,914	18,889,240	18,320,941	17,993,078

## Appendix E

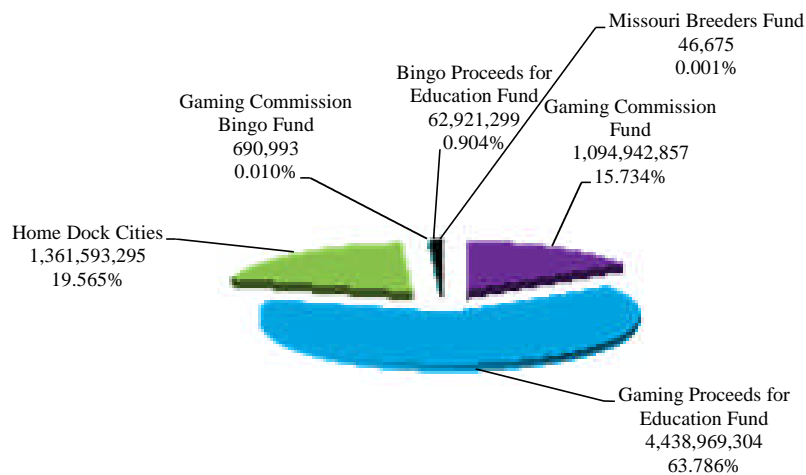
### Missouri Gaming Commission Receipt and Distribution Charts July 1, 1993, through June 30, 2013

#### Receipts



Total Receipts: \$6,959,164,423

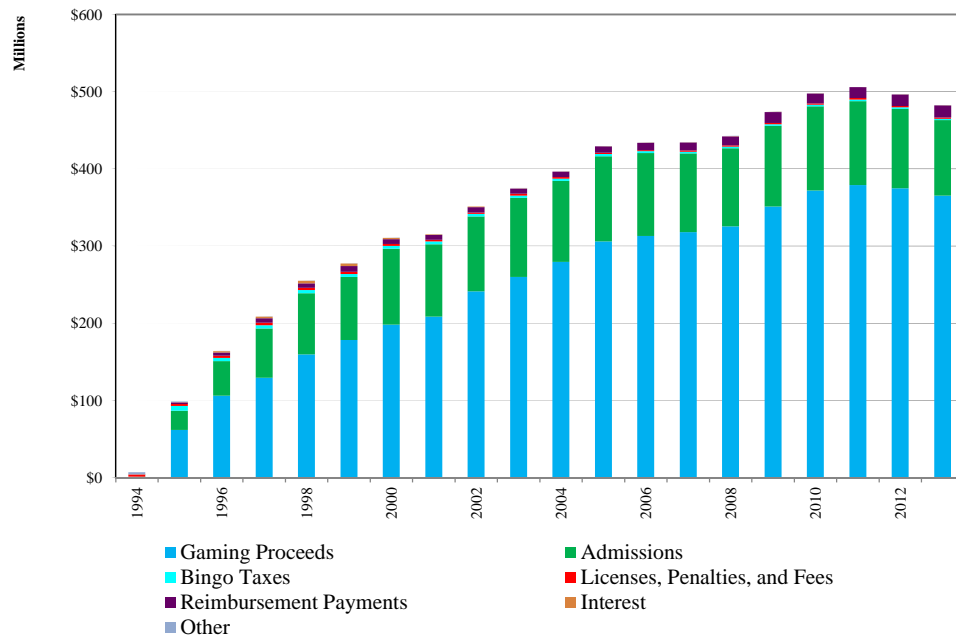
#### Distributions



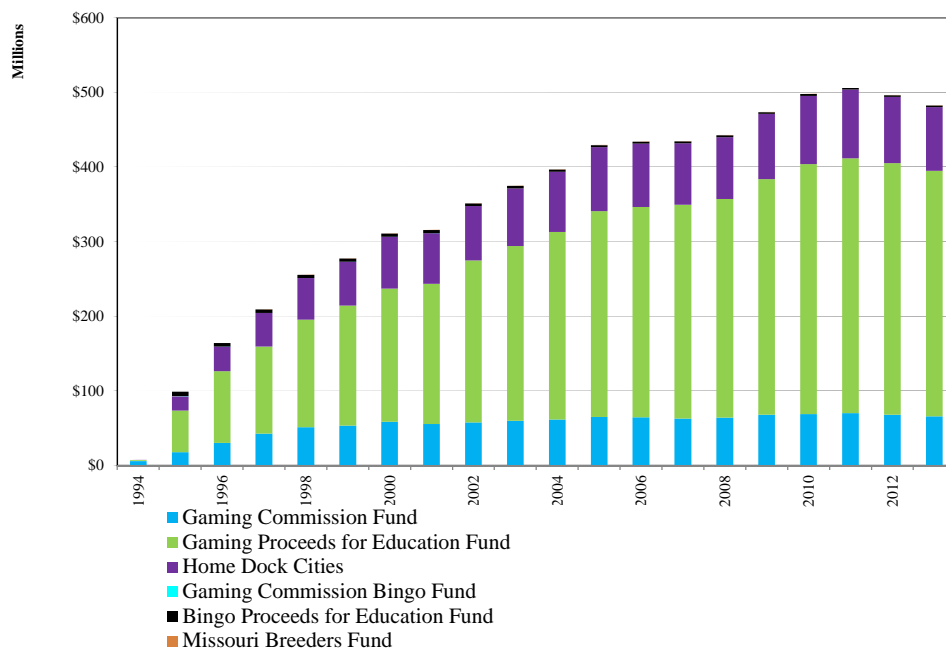
Total Distributions: \$6,959,164,423

Missouri Gaming Commission  
Receipt and Distribution Charts  
July 1, 1993, through June 30, 2013

**Receipts**



**Distributions**







**Thomas A. Schweich**  
Missouri State Auditor

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# Stoddard County Sheriff



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**November 2013**  
**Report No. 2013-112**

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the Stoddard County Sheriff

Missing Monies	As a result of our audit inquiry, audit staff and Sheriff's office personnel noted discrepancies in the accounting records for inmate monies. In coordination with the Missouri State Highway Patrol, we audited the Sheriff's office records and procedures and determined the office manager did not deposit 321 receipts, totaling \$15,139, which includes \$14,867 in missing monies. The office manager has been terminated and criminally charged. The lack of segregation of duties, inadequate controls, and the absence of proper oversight by the Sheriff, prevented the missing monies from being detected in a timely manner.
Accounting Controls and Procedures	As noted in several prior audit reports, accounting controls and procedures need improvement. Receipt and disbursement duties are not adequately segregated, and the Sheriff does not perform a detailed review of records. Receipts are not always deposited intact or timely, the composition of monies received was not always recorded and did not always agree to the composition of deposits, and some monies were not entered into receipt records. Accounting records for the inmate account are not complete and accurate, and the office manager provided fabricated deposit records during our audit. In addition, the inmate account is short by at least approximately \$12,000, and the Sheriff's office does not prepare a complete list of liabilities and reconcile it to the available cash balance.
Commissary Controls and Procedures	Monies collected for commissary purchases and a soda vending machine were not always turned over to the County Collector-Treasurer on a timely basis, or at all. Supporting documentation is not retained for some inmate purchases and procedures are not in place to ensure adequate funds are available before allowing a commissary item purchase. The Sheriff's office does not maintain adequate records of commissary inventory and does not perform a physical inventory count.

In the areas audited, the overall performance of this entity was **Poor**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Stoddard County Sheriff

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Sheriff of Stoddard County, Missouri

We have audited the Sheriff of Stoddard County. During our audit of certain operations of Stoddard County in fulfillment of our duties under Section 29.230, RSMo, we determined there were monies missing in the Sheriff's office. The scope of our audit of the Sheriff included, but was not necessarily limited to, January 1, 2012 through April 30, 2013. The objectives of our audit were to:

1. Evaluate the Sheriff's internal controls over significant management and financial functions.
2. Evaluate the Sheriff's compliance with certain legal provisions.
3. Determine the extent of monies missing from the Sheriff's office.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the Sheriff.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) missing monies totaling at least \$14,867. The accompanying Management Advisory Report presents our findings arising from our audit of the Stoddard County Sheriff.

An audit of certain operations of Stoddard County, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Keriann Wright, MBA, CPA
In-Charge Auditor:	Matthew Schulenberg, CFE
Audit Staff:	Rachelle Thompson

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# Stoddard County Sheriff

## Management Advisory Report

### State Auditor's Findings

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#### 1. Missing Monies

Significant weaknesses in internal controls, as noted throughout this report and in several prior audit reports, allowed at least \$15,139 in undeposited receipts to go undetected, including at least \$14,867 in missing monies.

In April 2013, as a result of our audit inquiry, our staff and Sheriff's office personnel noted discrepancies in the accounting records for inmate monies. After further review of the records and discussions with office personnel, the Sheriff contacted the Missouri State Highway Patrol (MSHP) to investigate possible missing monies. In coordination with the MSHP, we performed an audit of the Sheriff's office records and procedures. Johnny M. (Mike) Robey, Sr., the Sheriff's office manager, was terminated on April 30, 2013, and criminal charges were filed on June 5, 2013.

#### Undeposited receipts

The office manager did not deposit \$15,139 recorded on 321 receipt slips into the inmate bank account, which is used for depositing and tracking inmate monies and commissary purchases.

- Cash receipts totaling \$14,767, recorded on 309 receipt slips issued between August 2012 and December 2012, were not deposited. The majority of these receipts were recorded on the related inmate accounts; however, they were omitted from the financial accounting records.
- One cash receipt, totaling \$100, was not deposited and was recorded as a voided receipt slip on the deposit records; however, the receipt slip was not marked as void.
- Checks and money orders totaling \$272, recorded on 11 receipt slips issued between June 28, 2012, and August 6, 2012, were not deposited. These checks and money orders were subsequently located by Sheriff's office personnel in the office manager's desk. As of August 2013, these checks and money orders have not been deposited and are considered evidence.

The lack of segregation of duties, inadequate controls, and the absence of proper oversight by the Sheriff, as discussed in the remainder of this report, resulted in missing monies being undetected in a timely manner.

#### Recommendation

The Sheriff continue to take necessary action to recover the missing monies and work with law enforcement authorities regarding any criminal prosecution.

#### Auditee's Response

*The Sheriff provided the following response:*

*The Sheriff's office has worked with law enforcement authorities to take the necessary action to recover the missing monies and pursue criminal*



Stoddard County Sheriff  
Management Advisory Report - State Auditor's Findings

*prosecution. The individual paid back \$10,000 to the county in early September 2013.*

## 2. Accounting Controls and Procedures

As noted in several prior audit reports, accounting controls and procedures need improvement. The Sheriff's office maintains two bank accounts, including an inmate account for depositing and tracking inmate monies and commissary purchases, and a general account for depositing and tracking bonds and inspection, permit, and civil fees. Deposits into the inmate account totaled approximately \$52,000 and deposits into the general account totaled approximately \$172,000 during the year ended December 31, 2012.

### 2.1 Segregation of duties and supervisory review

Receipt and disbursement duties are not adequately segregated, and an adequate supervisory review of the accounting records is not performed. The office manager is primarily responsible for accounting duties in the Sheriff's office, including recording transactions, making deposits, disbursing funds, and preparing month-end reports and reconciliations for both the inmate and general bank accounts. Various other office personnel collect monies and issue receipt slips.

The Sheriff does not document his occasional reviews of bank reconciliations and budget reports. In addition, there is no oversight over receipting, depositing, or disbursement procedures to ensure monies are properly and timely recorded, deposited, and disbursed. The Sheriff indicated he does not see the need to perform a detailed review of records because there must be a level of trust in his staff. However, the lack of segregation of duties and an adequate supervisory review allowed missing monies to go undetected (see MAR finding number 1).

To reduce the risk of loss, theft, or misuse of funds, proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Sheriff should implement an adequate independent or supervisory review of bank and accounting records.

### 2.2 Receipting and depositing procedures

Controls and procedures over receipting and depositing are poor. As a result, there is no assurance all monies received are properly deposited, and as noted in MAR finding number 1, some monies received were not deposited into the Sheriff's inmate account.

- Receipts are often not deposited intact or timely. For example, according to receipt and deposit records, 259 inmate account receipts, totaling \$8,968, received since May 5, 2012, had not been deposited as of July 2, 2012. These monies were deposited through 9 separate deposits from July 3 to October 10, 2012. Additionally, 40 general account receipts, totaling \$4,862, dated between February 2 and February 21, 2012, were deposited on March 6, 2012. These receipts



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Stoddard County Sheriff  
Management Advisory Report - State Auditor's Findings

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had been excluded from the previous deposit made on February 21, 2012.

- The composition of monies received (cash, check, or money order) did not always agree to the composition of deposits. In addition, the method of payment was not always recorded on the receipt slip and did not always agree with other receipt records or to the deposit. For five deposits made into the inmate account during 2012, total cash deposited was less than cash recorded in the receipt records while the total amount of checks and money orders deposited was more than checks and money orders recorded. Other recorded receipts (checks/money orders more recently received) had been substituted in these deposits and did not agree with the receipts identified in the deposit records. For example, \$236 less in cash and more in checks/money orders was deposited on October 10, 2012 into the inmate account than indicated in the receipt slip records. In addition, although the deposit records indicated the monies were received between June and July 2012, the checks and money orders included in the deposit were actually received between August and October 2012.
- Some monies received were not entered into the receipt records or deposited timely. For example, seven checks and money orders totaling \$293 for the general account were not recorded into the receipt records or deposited for an extended period of time. Some of these checks and money orders were dated up to 8 months prior to the deposit. According to Sheriff personnel, when these monies were discovered undeposited, other checks had also been found past their expiration date and could not be deposited and were destroyed.
- At least four receipts totaling \$1,711 were received by dispatchers but not recorded in the dispatch receipt slip book. General account receipts received in dispatch should be recorded in the dispatch receipt slip book. When ready for deposit, these receipts are then recorded in the master receipt slip book with the other general account receipts and deposited.
- Monies (sales) collected from a soda vending machine were not recorded on receipt records or deposited routinely, and deposits varied significantly in amount. Soda monies were deposited 13 times between January 2012 and April 2013 and varied in amount from \$3 to \$202. The smallest deposit of \$3 was made approximately a month after the prior deposit. We could not determine if all soda monies collected were deposited.

Properly receipting and recording payments, recording the method of payment, and depositing intact and timely are necessary to ensure receipts





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Stoddard County Sheriff  
Management Advisory Report - State Auditor's Findings

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are adequately safeguarded and to reduce the risk of loss, theft, or misuse of funds going undetected.

## 2.3 Accounting records

Accounting records for the inmate account are not complete and accurate. In addition, some records provided by the office manager during our audit were fabricated.

The Sheriff's office maintains various electronic and manual accounting records. When inmate monies are received, a receipt slip is issued and the amount received is recorded to the inmate's account through the inmate tracking system (ITI), which tracks the balance for each inmate. The office manager also enters receipt information into the computerized accounting system which tracks all monetary activity in the Sheriff's office. In addition, there are various manual records to support receipt and disbursement activities. Our audit of the various accounting records noted the following discrepancies and concerns:

- The office manager provided fabricated manual deposit records to our auditors for the deposit on October 22, 2012. Records provided to us indicated different receipt slip numbers and amounts than the original deposit records or the bank back-up records for this deposit. The receipt slip numbers included in the fabricated deposit records were found to be included among the missing receipts identified in MAR finding number 1.
- Receipts were not always posted to the ITI system or the computerized accounting system and discrepancies were noted between the systems. In addition, none of the missing receipts identified in MAR finding number 1 had been posted to the computerized accounting system.
- The Sheriff's office does not perform a reconciliation of information entered into the ITI system with information entered into the computerized accounting system. According to personnel, the ITI system is not capable of tracking details of inmate purchases; therefore, the detail is entered into the computerized accounting system and is used to determine the amount to be turned over to the County Collector-Treasurer each month. The ITI system only allows for a total transaction amount to be posted to the related inmate accounts. Without reconciling the systems, it is unknown whether all inmate transactions were accounted for properly in the computerized accounting system and turned over to the County Collector-Treasurer.

Complete and accurate accounting records are essential to properly reflect the Sheriff's office financial activity, provide an audit trail, and support reconciliations and disbursement activity.



Stoddard County Sheriff  
Management Advisory Report - State Auditor's Findings

## 2.4 Liabilities

A complete list of liabilities is not prepared and reconciled to the available cash balance for either the inmate or general bank accounts.

For the inmate account, the office manager maintains a list of amounts owed to inmates; however, the list is not reconciled to the available cash balance and is incomplete. We prepared a list of liabilities for the inmate account as of April 30, 2013, and noted identified liabilities of \$21,000 exceeded the available cash balance of \$9,154 by \$11,846. As a result, the inmate account is short of monies and unable to pay all liabilities. Due to the failure to record some transactions and the lack of reconciliations between accounting systems, it is likely additional unidentified liabilities exist.

For the general account, records indicated liabilities agreed with the available cash balance of \$2,154; however, the list of liabilities was a summary listing and was not itemized (each individual item listed) and the amounts indicated could not be tied to supporting documentation.

Monthly lists of liabilities should be prepared and reconciled to available cash balances to ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient cash is available to pay all liabilities.

## Similar conditions previously reported

Similar conditions to sections 2.1, 2.2, and 2.4 were noted in at least our two prior audit reports.

## Recommendations

The Sheriff:

- 2.1 Adequately segregate accounting duties or ensure an adequate independent or supervisory review of bank and accounting records is performed and documented.
- 2.2 Establish procedures to improve receipting and depositing controls to ensure deposits are made on a timely basis, the method of payment is indicated for all receipts, and the composition of the receipts agrees to the composition of deposits. In addition, the Sheriff should ensure all monies are properly and timely recorded in the accounting records.
- 2.3 Ensure receipts are properly reported in the accounting systems. In addition, the Sheriff should reconcile the ITI system to the computerized accounting system for inmate transactions.
- 2.4 Prepare a monthly list of liabilities and reconcile the list to the available cash balance for all bank accounts. Any differences should be promptly investigated and resolved.



Stoddard County Sheriff  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The Sheriff provided the following responses:*

- 2.1 *I have begun reviewing bank reconciliations and various other accounting records on a monthly basis and documenting my review.*
- 2.2 *Deposits are made every Monday, Wednesday, and Friday. The method of payment is being indicated on all receipt slips and the composition of the receipt slips are agreed to the composition of deposits. All monies received are immediately receipted.*
- 2.3 *Receipts are recorded in the accounting system immediately when they are received. On a monthly basis, receipts in the accounting system are reconciled to the ITI system.*
- 2.4 *We are now preparing a monthly list of open items and reconciling to the cash balance. If the amount of the difference changes, the difference will be investigated.*

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## 3. Commissary Controls and Procedures

As noted in prior audit reports, controls and procedures for handling the Sheriff's commissary need improvement. The Sheriff operates a jail that holds an average of 39 inmates on a daily basis. The Sheriff's office operates a commissary for inmates to purchase various snacks and personal items. When monies are received on behalf of an inmate or a purchase from the commissary is made, the amount is posted to the inmate's account in the ITI system. Monies collected from inmate commissary purchases are to be turned over to the County Collector-Treasurer on a monthly basis.

### 3.1 Monthly turnover

Monies collected for commissary purchases were not always turned over to the County Collector-Treasurer on a timely basis, or at all, and turnovers did not always include all monies collected.

- Monies collected from commissary purchases, totaling \$11,972, were not turned over to the County Collector-Treasurer for April 2012, September 2012, and November 2012.
- Monies (sales) from a soda vending machine were not always turned over to the County Collector-Treasurer. Soda monies deposited between January 2012 and April 2013 totaled \$998; however, as of April 2013, \$533 of this amount had not been turned over to the County Collector-Treasurer.
- Monies collected from commissary purchases turned over to the County Collector-Treasurer did not always agree with supporting documentation. Accounting records indicated an additional \$269 was received from inmates that was not turned over to the County Collector-Treasurer between January 2012 and March 2013.



## Stoddard County Sheriff Management Advisory Report - State Auditor's Findings

Timely disbursement of commissary monies collected is necessary to provide adequate controls over account balances and reduces the risk of loss, theft, or misuse of funds going undetected.

### 3.2 Commissary purchases

Supporting documentation is not retained for some inmate purchases recorded in the ITI system. Some commissary purchases, such as over-the-counter aspirin and food grab bags, recorded in the ITI system as an inmate purchase were not supported by documentation. In addition, procedures do not include ensuring an inmate has enough funds available to purchase the commissary item. As a result, for one of ten inmate accounts reviewed, commissary items purchased exceeded the inmate's available balance.

Proper procedures over commissary purchases are necessary to ensure transactions posted to inmate accounts are supported by adequate documentation and inmates have enough monies available to purchase commissary items.

### 3.3 Inventory

The Sheriff's office does not have adequate records or procedures over commissary inventory. Perpetual inventory records of commissary items are not maintained and periodic physical inventory counts are not performed.

To ensure commissary items are properly recorded and handled, a detailed inventory ledger is necessary to adequately account for commissary inventory, and purchases and sales should be compared to actual inventory counts on hand on a periodic basis. Loss, theft, or misuse of commissary inventory may go undetected without adequate inventory records.

Similar conditions  
previously reported

Similar conditions to sections 3.1 and 3.3 were noted in our prior audit report.

## Recommendations

The Sheriff:

- 3.1 Ensure all commissary monies collected are turned over to the County Collector-Treasurer on a monthly basis.
- 3.2 Establish procedures to ensure commissary purchases are adequately supported and inmates have monies available to make commissary purchases.
- 3.3 Maintain perpetual inventory records of commissary items and reconcile to a physical inventory count on a periodic basis.



Stoddard County Sheriff  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The Sheriff provided the following responses:*

- 3.1 *Commissary monies are turned over to the Treasurer on a monthly basis.*
- 3.2 *We are ensuring commissary purchases are adequately supported and the inmates have enough of a balance to purchase these items.*
- 3.3 *We do not have a large inventory balance and most items are not on hand at the end of the week. Thus, I feel we do not have enough inventory on hand that we need to perform a periodic inventory.*

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## Stoddard County Sheriff Organization and Statistical Information

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The Sheriff is the chief law enforcement officer of the county. The Sheriff's duties are defined in Missouri Statutes, and include keeping the county jail, transporting prisoners to state penitentiaries, and serving various legal papers and processes. The Sheriff's office collects monies for various fees, bonds, inmate monies, and commissary purchases.

Carl Hefner was elected Stoddard County Sheriff in 2004, and has served in this capacity since January 2005. During the year ended December 31, 2012, the Sheriff received compensation of \$50,750. The Sheriff oversees the daily operation of the Sheriff's office and employs 26 full-time employees and 6 part-time employees.

# Stoddard County Sheriff

## Supporting Documentation for Undeposited Receipts

**Undeposited Cash Receipts** The following table provides supporting documentation for the 310 cash receipts totaling \$14,867 recorded on receipt slips for inmate monies not deposited as discussed in Management Advisory Report (MAR) finding number 1.

Receipt Slip Number	Receipt Slip Date	Amount Received
006645	August 25, 2012	\$ 30.00
006646	August 25, 2012	10.00
006647	August 25, 2012	200.00
006648	August 26, 2012	63.00
006649	August 27, 2012	30.00
006650	August 27, 2012	40.00
006651	August 27, 2012	35.00
006652	August 28, 2012	20.00
006653	August 28, 2012	90.00
006654	August 28, 2012	10.00
006655	August 28, 2012	50.00
006656	August 28, 2012	20.00
006657	August 29, 2012	40.00
006658	August 29, 2012	20.00
006659	August 30, 2012	207.00
006660	August 30, 2012	60.00
006662	August 30, 2012	14.00
006663	August 30, 2012	30.00
006664	August 30, 2012	20.00
006665	August 30, 2012	30.00
006666	August 30, 2012	100.00
006667	August 30, 2012	20.00
006668	August 31, 2012	30.00
006669	September 1, 2012	50.00
006670	September 1, 2012	40.00
006671	September 1, 2012	30.00
006672	September 1, 2012	10.00
006673	September 1, 2012	6.00
006674	September 2, 2012	100.00
006675	September 2, 2012	89.00
006676	September 2, 2012	20.00
006677	September 3, 2012	30.00
006678	September 4, 2012	100.00
006679	September 4, 2012	100.00



Stoddard County Sheriff  
Supporting Documentation for Undeposited Receipts

Receipt Slip Number	Receipt Slip Date	Amount Received
006680	September 4, 2012	\$ 70.00
006681	September 4, 2012	6.00
006682	September 4, 2012	80.00
006683	September 5, 2012	20.00
006684	September 6, 2012	40.00
006685	September 6, 2012	100.00
006686	September 6, 2012	20.00
006687	September 6, 2012	20.00
006688	September 6, 2012	5.00
006689	September 6, 2012	40.00
006690	September 6, 2012	696.00
006691	September 6, 2012	20.00
006692	September 7, 2012	20.00
006693	September 8, 2012	40.00
006694	September 8, 2012	20.00
006695	September 8, 2012	56.00
006696	September 8, 2012	12.00
006697	September 9, 2012	40.00
006698	September 10, 2012	40.00
006699	September 11, 2012	25.00
006700	September 11, 2012	23.00
006701	September 12, 2012	20.00
006702	September 12, 2012	40.00
006703	September 12, 2012	1.05
006704	September 15, 2012	40.00
006705	September 15, 2012	20.00
006706	September 15, 2012	20.00
006708	September 17, 2012	30.00
006709	September 17, 2012	10.00
006710	September 18, 2012	20.00
006711	September 19, 2012	60.00
006712	September 19, 2012	40.00
006713	September 18, 2012	20.00
006714	September 20, 2012	14.00
006715	September 20, 2012	80.00
006716	September 20, 2012	6.00
006717	September 20, 2012	10.00
006719	September 21, 2012	100.00





Stoddard County Sheriff  
Supporting Documentation for Undeposited Receipts

Receipt Slip Number	Receipt Slip Date	Amount Received
006720	September 22, 2012	\$ 40.00
006721	September 22, 2012	25.00
006722	September 22, 2012	70.00
006723	September 22, 2012	9.00
006724	September 22, 2012	20.00
006725	September 22, 2012	40.00
006726	September 24, 2012	50.00
006727	September 24, 2012	35.00
006728	September 24, 2012	30.00
006729	September 25, 2012	18.00
006730	September 25, 2012	7.00
006731	September 26, 2012	30.00
006732	September 27, 2012	30.00
006733	September 27, 2012	40.00
006735	September 28, 2012	40.00
006736	September 28, 2012	24.00
006737	September 28, 2012	5.00
006738	September 29, 2012	94.00
006739	September 29, 2012	40.00
006740	September 29, 2012	5.00
006741	September 29, 2012	40.00
006742	September 29, 2012	8.00
006743	September 30, 2012	20.00
006744	September 30, 2012	20.00
006748	October 3, 2012	100.00
006749	October 3, 2012	20.00
006750	October 3, 2012	135.00
006752	October 3, 2012	20.00
006753	October 3, 2012	53.00
006754	October 4, 2012	50.00
006755	October 4, 2012	10.00
006756	October 4, 2012	17.00
006757	October 4, 2012	40.00
006758	October 4, 2012	80.00
006759	October 5, 2012	25.00
006761	October 5, 2012	20.00
006762	October 6, 2012	30.00
006763	October 6, 2012	50.00



Stoddard County Sheriff  
Supporting Documentation for Undeposited Receipts

Receipt Slip Number	Receipt Slip Date	Amount Received
006764	October 6, 2012	\$ 30.00
006765	October 9, 2012	100.00
006766	October 9, 2012	20.00
006767	October 10, 2012	50.00
006768	October 11, 2012	25.00
006769	October 11, 2012	25.00
006770	October 12, 2012	20.00
006772	October 12, 2012	13.00
006773	October 13, 2012	20.00
006774	October 13, 2012	20.00
006775	October 13, 2012	20.00
006776	October 13, 2012	30.00
006777	October 13, 2012	32.00
006778	October 13, 2012	20.00
006779	October 14, 2012	10.00
006780	October 15, 2012	40.00
006781	October 15, 2012	20.00
006782	October 15, 2012	50.00
006783	October 16, 2012	20.00
006784	October 16, 2012	75.00
006785	October 16, 2012	50.00
006787	October 17, 2012	20.00
006788	October 18, 2012	20.00
006789	October 18, 2012	10.00
006790	October 18, 2012	40.00
006791	October 18, 2012	20.00
006792	October 18, 2012	25.00
006793	October 18, 2012	21.00
006794	October 18, 2012	20.00
006795	October 19, 2012	67.00
006796	October 19, 2012	50.00
006798	October 19, 2012	17.00
006799	October 19, 2012	200.00
006800	October 20, 2012	40.00
006801	October 20, 2012	20.00
006802	October 20, 2012	20.00
006803	October 20, 2012	75.00
006804	October 20, 2012	50.00



Stoddard County Sheriff  
Supporting Documentation for Undeposited Receipts

Receipt Slip Number	Receipt Slip Date	Amount Received
006805	October 20, 2012	\$ 28.00
006806	October 21, 2012	845.00
006807	October 21, 2012	30.00
006808	October 21, 2012	6.00
006809	October 22, 2012	296.00
006810	October 23, 2012	30.00
006811	October 24, 2012	5.00
006812	October 24, 2012	40.00
006813	October 24, 2012	30.00
006814	October 24, 2012	40.00
006815	October 24, 2012	10.00
006817	October 25, 2012	30.00
006819	October 26, 2012	20.00
006820	October 27, 2012	20.00
006821	October 27, 2012	20.00
006822	October 30, 2012	146.00
006823	October 30, 2012	5.00
006824	October 30, 2012	28.00
006825	October 31, 2012	40.00
006826	October 31, 2012	30.00
006827	November 1, 2012	25.00
006828	November 1, 2012	32.00
006829	November 1, 2012	20.00
006830	November 1, 2012	100.00
006831	November 1, 2012	20.00
006832	November 1, 2012	204.00
006834	November 2, 2012	10.00
006835	November 3, 2012	50.00
006837	November 3, 2012	20.00
006838	November 3, 2012	20.00
006839	November 4, 2012	32.20
006840	November 4, 2012	12.00
006841	November 5, 2012	20.00
006842	November 6, 2012	1.00
006844	November 6, 2012	10.00
006845	November 6, 2012	40.00
006846	November 6, 2012	10.00
006847	November 7, 2012	100.00



Stoddard County Sheriff  
Supporting Documentation for Undeposited Receipts

Receipt Slip Number	Receipt Slip Date	Amount Received
006848	November 7, 2012	\$ 500.00
006849	November 8, 2012	40.00
006852	November 8, 2012	350.00
006853	November 8, 2012	20.00
006854	November 8, 2012	30.00
006855	November 8, 2012	10.00
006856	November 8, 2012	12.99
006857	November 8, 2012	10.00
006858	November 8, 2012	10.00
006859	November 8, 2012	10.00
006860	November 8, 2012	150.00
006861	November 8, 2012	50.00
006862	November 9, 2012	20.00
006863	November 9, 2012	260.00
006864	November 10, 2012	20.00
006865	November 10, 2012	30.00
006866	November 10, 2012	40.00
006867	November 10, 2012	40.00
006868	November 10, 2012	10.00
006869	November 11, 2012	60.00
006870	November 10, 2012	50.00
006871	November 12, 2012	50.00
006872	November 13, 2012	30.00
006879*	November 15, 2012	100.00
006888	November 16, 2012	154.00
006889	November 16, 2012	9.00
006890	November 16, 2012	2.00
006891	November 16, 2012	88.00
006892	November 17, 2012	50.00
006893	November 17, 2012	25.00
006894	November 17, 2012	20.00
006895	November 17, 2012	10.00
006896	November 17, 2012	20.00
006897	November 17, 2012	20.00
006898	November 19, 2012	10.00
006899	November 19, 2012	40.00
006900	November 19, 2012	4.00
006901	November 19, 2012	20.00



Stoddard County Sheriff  
Supporting Documentation for Undeposited Receipts

Receipt Slip Number	Receipt Slip Date	Amount Received
006902	November 21, 2012	\$ 30.00
006903	November 21, 2012	50.00
006904	November 21, 2012	36.00
006905	November 21, 2012	40.00
006906	November 21, 2012	20.00
006907	November 21, 2012	30.00
006908	November 21, 2012	31.00
006909	November 22, 2012	400.00
006910	November 22, 2012	25.00
006911	November 22, 2012	20.00
006912	November 22, 2012	20.00
006913	November 22, 2012	20.00
006914	November 22, 2012	50.00
006915	November 24, 2012	25.00
006916	November 24, 2012	20.00
006917	November 24, 2012	25.00
006918	November 24, 2012	20.00
006919	November 24, 2012	30.00
006920	November 24, 2012	10.00
006921	November 24, 2012	20.00
006922	November 24, 2012	10.00
006923	November 24, 2012	20.00
006924	November 24, 2012	21.00
006925	November 26, 2012	30.00
006926	November 26, 2012	25.00
006927	November 26, 2012	106.00
006928	November 26, 2012	44.00
006929	November 26, 2012	20.00
006931	November 28, 2012	20.00
006932	November 28, 2012	10.00
006933	November 28, 2012	40.00
006935	November 29, 2012	10.00
006936	November 29, 2012	5.00
006937	November 29, 2012	40.00
006938	November 29, 2012	60.00
006939	November 28, 2012	10.00
006940	November 29, 2012	50.00
006941	November 29, 2012	20.00



Stoddard County Sheriff  
Supporting Documentation for Undeposited Receipts

Receipt Slip Number	Receipt Slip Date	Amount Received
006942	November 30, 2012	\$ 10.00
006943	November 30, 2012	40.00
006944	November 30, 2012	61.00
006945	November 30, 2012	25.00
006946	December 1, 2012	88.00
006947	December 1, 2012	10.00
006948	December 1, 2012	25.00
006949	December 1, 2012	34.00
006950	December 1, 2012	40.00
006951	December 1, 2012	6.00
006952	December 1, 2012	40.00
006953	December 1, 2012	15.00
006954	December 1, 2012	40.00
006955	December 2, 2012	17.00
006956	December 2, 2012	20.00
006958	December 3, 2012	600.00
006959	December 3, 2012	37.00
006961	December 4, 2012	25.00
006962	December 5, 2012	40.00
006963	December 5, 2012	20.00
006964	December 5, 2012	20.00
006966	December 5, 2012	25.00
006967	December 6, 2012	30.00
006968	December 6, 2012	50.00
006969	December 6, 2012	50.00
006970	December 6, 2012	200.00
006971	December 6, 2012	19.00
006972	December 6, 2012	20.00
006973	December 6, 2012	20.00
006974	December 7, 2012	10.00
006975	December 8, 2012	80.00
006976	December 8, 2012	50.00
006977	December 8, 2012	20.00
006978	December 8, 2012	40.00
006979	December 8, 2012	40.00
006980	December 9, 2012	20.00
006981	December 10, 2012	50.00
006982	December 10, 2012	20.00



Stoddard County Sheriff  
Supporting Documentation for Undeposited Receipts

Receipt Slip Number	Receipt Slip Date	Amount Received
006983	December 10, 2012	\$ 8.00
006984	December 10, 2012	25.00
006985	December 10, 2012	5.00
006986	December 11, 2012	40.00
006987	December 11, 2012	15.00
006988	December 11, 2012	1.00
006989	December 12, 2012	20.00
006990	December 12, 2012	20.00
006991	December 13, 2012	20.00
006992	December 13, 2012	30.00
		\$ 14,867.24

\*Recorded as a voided receipt slip on deposit records; however, the receipt slip was not voided.

Undeposited Checks and  
Money Orders

The following table provides supporting documentation for the checks and money orders totaling \$272 recorded on 11 receipt slips for inmate monies not deposited and located in the office manager's desk drawer as discussed in MAR finding number 1.

Receipt Slip Number	Receipt Slip Date	Amount Received
006449	June 28, 2012	\$ 89.38
006465	June 29, 2012	10.00
006484	July 5, 2012	20.00
006486	July 5, 2012	30.00
006493	July 7, 2012	25.00
006508	July 13, 2012	7.50
006517	July 18, 2012	10.00
006539	July 25, 2012	30.00
006548	July 27, 2012	20.00
006558	July 31, 2012	15.00
006575	August 6, 2012	15.00
		\$ 271.88







**Thomas A. Schweich**  
Missouri State Auditor

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# New Madrid County Sheriff



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November 2013  
Report No. 2013-113

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the New Madrid County Sheriff

### Missing Monies

The audit found \$79,766 missing, and at least another \$2,900 of concealed carry weapon (CCW) fees appears to be missing. Problems with CCW records indicate additional fees could be missing. Weaknesses in internal controls and record-keeping procedures allowed these monies to go missing and remain undetected for a significant period of time. Audit staff identified discrepancies between accounting and deposit records and determined monies were missing. We notified the Sheriff of our concerns, and he contacted the Missouri State Highway Patrol to investigate. A commissioned Sheriff's Deputy, who acted as the office manager, was placed on administrative leave, terminated her employment, and was charged with felony theft. The county recently received \$45,000 in restitution for a portion of the missing monies.

### Accounting Controls and Procedures

The Sheriff does not adequately segregate accounting duties or provide adequate supervision of financial functions and records, and controls and procedures over receipting and depositing monies are not sufficient. The Deputy was primarily responsible for all accounting duties, including receiving monies, recording transactions, maintaining accounting records, making deposits, transmitting and disbursing monies, and preparing bank reconciliations. The Deputy was an approved signer on the Sheriff bank accounts, which required only one signature, and the Sheriff or other office staff did not compare the composition of monies received to the composition of monies transmitted or deposited. The Deputy did not issue receipt slips for some monies received, the method of payment was not recorded on receipt slips, and the Deputy recorded receipt slip entries that represented a combination of multiple payments received. The Deputy did not deposit receipts intact or timely or include an itemized listing of cash, checks, and money orders on the deposit slips. Jail personnel did not always issue bond receipt slips in numerical sequence and did not retain original copies of some voided and skipped receipt slips. The Deputy did not maintain records to account for all CCW renewal monies received, did not account for the numerical sequence of CCW applications, and did not reconcile applications to CCW receipt slips and deposits. The Sheriff's office had not disbursed CCW fees collected from March 2004 to February 2013 to the County Treasurer, and these funds were not budgeted or reported to the County Commission. The Sheriff's office does not track civil and criminal process papers served or reconcile papers served to monies received. The Deputy only remitted approximately 10 percent of the total recorded process fees and mileage collected to the County Treasurer for Deputy Sheriff Salary Supplementation Fund fees instead of the \$10 collected for each civil paper served. The Sheriff lacks physical controls over monies received, blank checks, and signature stamps. Bond monies were kept in an unlocked safe, other monies and blank checks were kept in an unlocked desk drawer, and the Deputy and the secretary each had a signature stamp of the Sheriff, which was not secured.

## Sheriff's Office Procedures

The Sheriff maintains the Federal Forfeiture Fund outside the county treasury, which is not authorized by state law, did not prepare a budget for the fund, and did not submit required reports. The county charges cities \$15 a day to house prisoners, but it has not performed a calculation of daily prisoner costs to ensure the billing rate is sufficient to recover all costs. The Sheriff and County Commission have not entered into written agreements with surrounding counties and cities for the board of prisoners, and the Sheriff does not maintain a list of amounts billed, collected, or owed, or otherwise track billed amounts to ensure payment is received. The Sheriff's office did not submit inmate transportation reimbursements requests to the Department of Corrections for the 2 years ended December 31, 2012, until audit staff made inquiries. The county subsequently received \$50,049 for these claims.

In the areas audited, the overall performance of this entity was **Poor**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our Web site: [auditor.mo.gov](http://auditor.mo.gov)**

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# New Madrid County Sheriff

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Sheriff of New Madrid County

We have audited the Sheriff of New Madrid County. During our audit of certain operations of New Madrid County in fulfillment of our duties under Section 29.230, RSMo, we determined monies were missing in the Sheriff's office. The scope of our audit of the Sheriff included, but was not necessarily limited to January 1, 2012, through April 3, 2013. The objectives of our audit were to:

1. Evaluate the Sheriff's internal controls over significant management and financial functions.
2. Evaluate the Sheriff's compliance with certain legal provisions.
3. Determine the extent of monies missing from the Sheriff's office.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the Sheriff.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) missing monies totaling at least \$79,766. The accompanying Management Advisory Report presents our findings arising from our audit of New Madrid County Sheriff.

An audit of certain operations of New Madrid County, fulfilling our obligations under Section 29.230, RSMo, is still in progress, and any additional findings and recommendations will be included in the subsequent report.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Pamela Allison Tillery, CPA
In-Charge Auditor:	Heather R. Stiles, MBA, CPA
Audit Staff:	Michelle Crawford, M. Acct., CIA
	Jennifer Anderson

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# New Madrid County Sheriff

## Management Advisory Report

### State Auditor's Findings

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#### **1. Missing Monies**

This audit identified \$79,766 of recorded cash receipts that were not deposited between November 1, 2003, and April 3, 2013. In addition, at least \$2,900 of concealed carry weapon (CCW) fees is likely to be missing for the period December 1, 2011, to April 3, 2013. Problems with CCW records indicate additional fees could be missing for the period March 2004 to April 2013.

Weaknesses in internal controls and record-keeping procedures of the Sheriff's office, as noted throughout this report, allowed these missing monies to occur and go undetected for a significant period of time.

In March 2013, audit procedures identified discrepancies between accounting and deposit records, and we determined monies were missing. We notified the Sheriff of our concerns on April 3, 2013, and he contacted the Missouri State Highway Patrol to investigate possible missing monies. Deborah L. Cowan, a commissioned Sheriff's Deputy, was placed on administrative leave on April 3, 2013, terminated her employment on April 23, 2013, and was charged with felony theft/stealing charges on July 30, 2013. Ms. Cowan was primarily responsible for all record-keeping duties, acted as the office manager, and is referred to as Deputy throughout this report. On October 22, 2013, the county received \$45,000 in restitution for a portion of the missing monies.

As stated in the State Auditor's Report, the scope of our audit included, but was not necessarily limited to the period January 1, 2012, through April 3, 2013. After identification of possible missing monies and the method used to perpetrate and conceal the theft, we also applied limited procedures to receipts for the period November 2003 through December 2011 solely for the purpose of quantifying missing monies.

#### Unrecorded and undeposited receipts

Cash receipts totaling \$79,766 recorded on one-write receipt slips issued by the Deputy were not deposited between November 1, 2003, and April 3, 2013. Bond receipts are typically paid in cash, civil and criminal process fees are typically paid by check, and CCW fees are paid by cash, check, or money order.

The Deputy did not deposit some cash received that was recorded on receipt slips. We reviewed all deposits into the Sheriff's fee account from November 1, 2003, to April 3, 2013. For 119 of those deposits, total cash deposited was less than cash recorded in the receipt records while the total amount of checks deposited was more than checks recorded in the receipt records. Unrecorded checks received were substituted into these deposits for the recorded cash receipts not deposited.



New Madrid County Sheriff  
Management Advisory Report - State Auditor's Findings

The Supporting Documentation for Undeposited Receipts section at the end of this report provides details regarding the missing monies between November 1, 2003, and April 3, 2013.

## Recommendation

The Sheriff take necessary action to recover the missing monies and continue to work with law enforcement authorities regarding any criminal prosecution.

## Auditee's Response

*The Sheriff provided the following written response:*

*The investigation was turned over to the Missouri State Highway Patrol. The deputy has been criminally charged and is currently being prosecuted.*

## 2. Accounting Controls and Procedures

Significant weaknesses exist in accounting controls and record-keeping procedures in the Sheriff's office. According to accounting records, the Sheriff's office collected approximately \$128,000 during the year ended December 31, 2012.

### 2.1 Segregation of duties and supervisory review

The Sheriff does not adequately segregate accounting duties or provide adequate oversight of financial functions and records. The Deputy was primarily responsible for all accounting duties, including receiving monies, recording transactions, maintaining accounting records, making deposits, transmitting and disbursing monies, and preparing month-end bank reconciliations for the two bank accounts (fee account and federal forfeiture account) held by the Sheriff's office. Additionally, the Deputy was an approved signer on Sheriff bank accounts and only one signature was required. The Sheriff or other office staff did not perform a comparison of the composition of monies received to the composition of monies transmitted or deposited. As discussed in section 2.2, the receipt and deposit records did not provide sufficient details to facilitate this comparison.

Proper segregation of duties helps ensure transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Sheriff should implement an adequate documented independent or supervisory review of the accounting records.

### 2.2 Receipting and depositing

Controls and procedures over receipting and depositing monies are not sufficient. As a result, there is no assurance all monies received are deposited, and as noted in MAR finding number 1, some monies received were not deposited into the Sheriff's fee account.

- The Deputy did not issue one-write receipt slips for some monies received, and the method of payment (cash, check, or money order) was not recorded on either the bond or one-write receipt slips and reconciled to deposits. Additionally, the Deputy did not issue one-write receipt





## New Madrid County Sheriff Management Advisory Report - State Auditor's Findings

slips immediately upon receipt of monies and some one-write receipt entries represented a combination of multiple payments received, not individual payments received. The Deputy issued one-write receipts slips at the end of the month for groups of civil and criminal process checks received.

The majority of bond monies received were typically paid in cash from individuals arrested and processed at the county jail. Other bond monies received were from individuals and were paid by cashier's check, money orders, or personal check. Civil and criminal process fees were typically paid by check by attorneys (primarily), courts, other counties, banks, and individuals. CCW permit fees were paid by individuals using cash, check, or money order.

- The Deputy did not deposit receipts intact or timely. Receipts collected each month during the year ended December 31, 2012, were not deposited until the following month, and some cash receipts were not deposited and are missing.
- The Deputy did not include an itemized listing of cash, checks, and money orders on the deposit slips.

The weaknesses described above allowed the Deputy to conceal cash shortages in deposits.

Properly receipting and recording payments, recording the method of payment, preparing itemized deposit slips, and depositing intact and timely are necessary to ensure receipts are adequately safeguarded and to reduce the risk of loss, theft, or misuse of funds going undetected.

### 2.3 Bond monies

Controls and procedures for receipting and recording bond monies are not sufficient. Bond monies were typically collected by deputies or jailers, who issue bond receipt slips. These monies were transmitted to the Deputy for processing. Prior to March 2013, New Madrid County bond receipts were transmitted by the Deputy to the Circuit Court and were not recorded in monthly accounting records. Bond monies collected for other political subdivisions were re-receipted by the Deputy in the one-write receipt book and deposited into the Sheriff's fee account for disbursement.

Jail personnel did not always issue bond receipt slips in numerical sequence, and original copies of some voided and skipped receipt slips were not retained. Nineteen bond receipt slips were issued out of sequence during the period January 1, 2012, through February 28, 2013. Additionally, bond forms used by the Sheriff's office are not prenumbered and copies of bond forms issued are not always retained. Further, documentation was not maintained to support the transmittal of bond monies from deputies and



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New Madrid County Sheriff  
Management Advisory Report - State Auditor's Findings

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jailers to the Deputy, who was responsible for record-keeping duties, or to the New Madrid County Circuit Court.

To reduce the risk of loss, theft, or misuse of bond monies, and to provide assurance all bond monies are accounted for properly, procedures to account for bonds should be improved.

## 2.4 Concealed carry weapon fees

The Deputy did not maintain records to account for all CCW renewal monies received. In addition, the Deputy did not account for the numerical sequence of CCW initial applications or reconcile the applications to CCW receipt slips and deposits. Further, the Deputy only recorded \$50 as received on one-write receipt slips for some initial CCW applications when it was the Sheriff's policy to charge \$100. Section 571.101, RSMo, allows the Sheriff to charge a non-refundable fee of up to \$100 for processing an initial CCW application and a fee up to \$50 for processing a renewal CCW application every 3 years, with that fee to be paid to the treasury of the county to the credit of the Sheriff's Revolving Fund.

As a result of the poor CCW accounting records maintained, additional monies could be missing but cannot be readily determined. The Sheriff's office utilizes a computerized law enforcement system to document daily law enforcement activities including CCW issuance and renewal information. CCW information documented in this system was determined incomplete; however, based on our review of CCW information documented in the system, it appears at least 4 initial CCW applications (\$400) and 50 renewal applications (\$2,500) may have been issued, but were not receipted or deposited during the period December 1, 2011, through April 3, 2013.

Additionally, the Sheriff's office had not disbursed to the County Treasurer CCW fees collected from March 2004 to February 2013. These funds were not budgeted or reported to the County Commission. The Sheriff subsequently disbursed CCW fees of \$27,273 to the County Treasurer on February 28, 2013, for deposit into the Sheriff's Revolving Fund. However, due to the omission of some CCW receipts in the financial records, and based on the volume of CCW application and renewal activity in the Sheriff's office, it is unlikely the amount disbursed to the County Treasurer represents all CCW fees collected from March 1, 2004, to February 28, 2013.

To adequately account for collections and reduce the risk of loss, theft, or misuse of funds, the log of CCW applications should be complete and accurate and reconciled to deposits, and CCW application fees should be disbursed to the County Treasurer monthly.



New Madrid County Sheriff  
Management Advisory Report - State Auditor's Findings

## 2.5 Civil and criminal process fees

Controls and procedures over civil and criminal process fees are not sufficient.

### Tracking procedures

The Sheriff's office does not track civil and criminal process papers served or reconcile papers served to monies received to ensure all paper service fees have been accounted for. As a result, numerous unrecorded checks for civil and criminal process fees were substituted in deposits for recorded cash receipts, and these unrecorded civil and criminal process fees were not remitted to the County Treasurer.

To adequately account for civil and criminal process fees and reduce the risk of loss, theft, or misuse of funds, civil and criminal process papers served should be tracked and reconciled to the related monies received and deposited.

### Deputy Sheriff Salary Supplementation Fund (DSSSF) fees

The Sheriff did not remit DSSSF fees charged on civil process papers to the County Treasurer as required by state law. Effective August 28, 2008, Section 57.280.4, RSMo, provides the sheriff shall receive \$10 for service of any civil summons, writ, subpoena, or other order of the court. These monies shall be paid into the county treasury and the county treasurer shall make such monies payable to the state treasurer's Deputy Sheriff Salary Supplementation Fund created under Section 57.278, RSMo. The Sheriff's office increased the fee for civil process paper service in compliance with this law; however, the Deputy only allocated and remitted approximately 10 percent of the total recorded process fees and mileage collected to the County Treasurer for DSSSF fees, instead of \$10 collected for each civil process paper served.

In addition, during our review of civil and criminal process fees deposited between September 1, 2008, and February 28, 2013, we identified approximately 4,190 civil and criminal process payments had been received and deposited, of which \$10 of each civil payment should have been disbursed to the County Treasurer as DSSSF fees. However, because the Deputy did not record all paper service payments received (as noted above), did not identify which paper services were civil versus criminal, and allocated approximately 10 percent of total recorded process fees and mileage to the DSSSF instead of \$10 for each civil process paper served, the Deputy only remitted \$20,271 in DSSSF fees to the County Treasurer during this time period. As a result, additional DSSSF fees may have been received and deposited, but were not recorded in the accounting records, remitted to the County Treasurer, or disbursed to the State Treasurer in compliance with state law.

## 2.6 Physical controls

The Sheriff does not have physical controls over monies received, blank checks, and signature stamps. Bond monies received by deputies and jailers were maintained in an unlocked safe in the dispatch area, and monies



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New Madrid County Sheriff  
Management Advisory Report - State Auditor's Findings

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received by the Deputy and blank checks were maintained in an unlocked desk drawer in the Deputy's office.

The Sheriff does not properly control his signature stamp. The Deputy and the Sheriff's secretary each maintained a signature stamp of the Sheriff. The Deputy maintained her stamp on top of her desk and the secretary maintained her stamp in an unlocked desk drawer. In addition, the Sheriff did not review use of the stamp.

To safeguard against possible loss or misuse of funds and to ensure receipts are properly handled, monies received, blank checks, and signature stamps should be maintained in a secure location. In addition, if the Sheriff is unavailable to sign checks and other documents, he should subsequently document his review of documents on which his signature is applied.

## Recommendations

The Sheriff:

- 2.1 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.
- 2.2 Issue receipt slips for all monies received, with the method of payment documented, and reconcile the composition of receipt slips to the composition of deposits. The Sheriff should also maintain documentation of which receipts are included in deposits, and deposit receipts intact and in a timely manner.
- 2.3 Ensure bond receipt slips are issued in numerical sequence, all copies of voided and skipped receipt slips are retained, and the numerical sequence of receipt slips is accounted for properly. The Sheriff should also ensure the transmittal of bond monies between persons is documented, and issue prenumbered bond forms and account for the numerical sequence.
- 2.4 Ensure the CCW permit log is complete and accurate and reconciled to deposits, and CCW fees are disbursed to the County Treasurer monthly for deposit into the Sheriff's Revolving Fund.
- 2.5 Track civil and criminal process papers served and perform a comparison of papers served to the related fees collected and deposited. The Sheriff should disburse DSSSF fees in compliance with state law.
- 2.6 Maintain monies collected, blank checks, and signature stamps in a secure location, and review use of his facsimile stamps.



New Madrid County Sheriff  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The Sheriff provided the following written responses:*

- 2.1 *Accounting duties have been divided between both office personnel, with the office manager over deposits and payments. Sheriff reviews all transactions.*
- 2.2 *These recommendations are already in place.*
- 2.3 *I am in the process of developing a chain of custody document for bonds transferred from one employee to another. The rest of recommendations are in place.*
- 2.4 *These recommendations are already in place.*
- 2.5 *These recommendations are already in place.*
- 2.6 *All items are kept in secure location. Facsimile stamps are no longer used.*

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## 3. Sheriff's Office Procedures

The Sheriff's procedures for the Federal Forfeiture Fund, board of prisoners, and inmate transportation reimbursements need improvement.

### 3.1 Federal Forfeiture Fund

The Sheriff improperly maintains the Federal Forfeiture Fund outside the county treasury, did not prepare a budget for the fund, and did not submit required reports. The Sheriff's office received equitable sharing proceeds from the U.S. Department of Justice Asset Forfeiture Program totaling \$25,238 in December 2008 and \$2,551 in February 2011. Accounting records indicate the Sheriff's office placed this funding in the Federal Forfeiture Fund and used \$14,234 of it for operating expenses during the year ended December 31, 2012.

- There is no statutory authority allowing the Sheriff to maintain this account outside the county treasury. Attorney General's Opinion No. 45, 1992 to Henderson, states sheriffs are not authorized to maintain a bank account for law enforcement purposes separate from the county treasury.
- The Sheriff has not prepared a budget for the Federal Forfeiture Fund, and disbursements of this fund are not made through the County Commission's normal disbursement process and are only authorized by the Sheriff. The budget process provides a means to allocate and monitor financial resources. Processing disbursements through the County Commission's normal disbursement process provides a system of checks and balances.



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New Madrid County Sheriff  
Management Advisory Report - State Auditor's Findings

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- The Sheriff's office did not submit an updated equitable sharing agreement and annual certification report detailing the equitable sharing funds spent during calendar years 2008, 2009, and 2012 and submitted inaccurate report information for calendar years 2010 and 2011.

### 3.2 Board of prisoners

The Sheriff does not periodically evaluate the cost of housing prisoners and does not have written contracts with other entities for which prisoners are boarded. The county jail houses prisoners for various cities within the county and the Sheriff bills the cities for these services. The Sheriff indicated he has a reciprocal oral agreement with the neighboring counties to house each county's respective prisoners at no charge.

- The county charges cities \$15 a day to house a prisoner; however, a calculation of daily prisoner costs has not been performed to ensure the billing rate is sufficient to recover all costs.
- The Sheriff and County Commission have not entered into written agreements with surrounding counties and cities for the boarding of prisoners. Such agreements should detail the housing rate to be paid, the services to be provided, or any required notification for emergency or non-routine situations.
- The Sheriff does not maintain a list of amounts billed, collected, or owed, or otherwise track billed amounts to ensure payment is received.

By establishing a billing rate that may not be sufficient to recover all costs and not charging other counties for housing prisoners, the county is subsidizing the cost to house prisoners for other political subdivisions. Section 432.070, RSMo, requires agreements of political subdivisions to be in writing. Written agreements, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Adequate procedures to bill and collect all board of prisoner costs reduces the risk of lost revenues.

### 3.3 Inmate transportation reimbursements

The Sheriff's office did not submit inmate transportation reimbursement claims to the Department of Corrections for the 2 years ended December 31, 2012, until May 2013 following our inquiries about transportation reimbursement procedures. The county subsequently received reimbursements totaling \$50,049 for these claims. Section 33.120, RSMo, requires all such claims be submitted to the state within 2 years after reimbursable expenses have been accrued. Failure to prepare or submit timely reimbursement claims to the state could result in a loss of revenue to the county.



New Madrid County Sheriff  
Management Advisory Report - State Auditor's Findings

## Recommendations

The Sheriff:

- 3.1 Turn all Federal Forfeiture monies over to the County Treasurer, work with the County Commission to adopt a budget for the Federal Forfeiture Fund, and ensure an updated equitable sharing agreement and annual certification report are prepared and submitted as required.
- 3.2 And the County Commission periodically review the cost of boarding prisoners and establish a billing rate for other political subdivisions that is sufficient to recover the costs of housing prisoners. In addition, the County Commission and Sheriff should obtain written agreements with the cities and counties for the boarding of prisoners, and implement procedures to track and pursue collection of amounts owed.
- 3.3 Ensure inmate transportation reimbursement claims are submitted to the DOC in a timely manner.

## Auditee's Response

*The Sheriff provided the following written responses:*

- 3.1 *This has not been done yet at request of County Clerk, and annual certification reports for 2008 through 2012 were submitted to the Department of Justice in 2013.*
- 3.2 *This has not been done yet, but I anticipate completion before the next budget year.*
- 3.3 *This recommendation is in place. All transportation reimbursements are up to date.*

*The County Commission provided the following written responses:*

- 3.1 *The Sheriff will turn over all Federal Forfeiture monies to the County Treasurer upon establishment of the Federal Forfeiture Fund. The fund has not been established yet because the county is in the process of changing over to a new financial software system. Once the fund is established, budgets will be prepared annually by the Sheriff.*
- 3.2 *The County Commission will request a cost analysis from the Sheriff to determine the County's cost for boarding a prisoner. Once the per-prisoner cost has been determined, the Commission will require written agreements with the cities and counties for the boarding of prisoners and instruct the Sheriff to implement a*



New Madrid County Sheriff  
Management Advisory Report - State Auditor's Findings

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*procedure to track collections of the amounts owed. The Commission will require the Sheriff to perform periodic cost analysis to determine if the billing rate needs adjustment.*



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## New Madrid County Sheriff Organization and Statistical Information

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New Madrid County changed classification from a third to second class county effective January 1, 1999, and a county auditor was appointed August 28, 1999. New Madrid County was reclassified to a third class county again on January 1, 2011, in accordance with Section 48.030, RSMo, which sets forth when counties can change classification based on the changes in assessed valuation. The State Auditor did not have an audit responsibility for New Madrid County or its elected officials from 1999 through 2010.

The Sheriff is the chief law enforcement officer of the county. The Sheriff's duties are defined in Missouri Statutes, and include keeping the county jail, transporting prisoners to state penitentiaries, and serving various legal papers and processes. The Sheriff's office collects monies for various fees, bonds, and other miscellaneous receipts.

Terry M. Stevens was elected New Madrid County Sheriff in 2000, and has served in this capacity since January 2001. During the year ended December 31, 2012, the Sheriff received compensation of \$59,365. The Sheriff oversees the daily operation of the Sheriff's office and employs 27 full-time employees.

New Madrid County Sheriff  
Supporting Documentation for Undeposited Receipts

Undeposited Cash Receipts

Deposit Date	Recorded Cash Receipts*	Recorded Check Receipts*	Unrecorded Check Receipts	Total Receipts	Cash Deposited	Checks Deposited	Total Deposited	Cash Long/(Short)	Checks Long/(Short)	Repayment by Personal Check or Money Order**	Total Difference
1/7/2013	\$ 2,648	3,260	1,189	7,097	1,459	4,449	5,908	(1,189)	0	0	(1,189)
2/4/2013	4,604	5,974	1,450	12,028	3,154	7,424	10,578	(1,450)	0	0	(1,450)
2/14/2013	300	1,098	200	1,598	100	1,298	1,398	(200)	0	0	(200)
Total 2013	7,552	10,332	2,839	20,723	4,713	13,171	17,884	(2,839)	0	0	(2,839)
1/3/2012	850	2,695	850	4,395	0	3,545	3,545	(850)	0	0	(850)
2/2/2012	2,781	3,309	1,802	7,892	979	5,111	6,090	(1,802)	0	0	(1,802)
3/2/2012	2,664	3,932	1,214	7,810	1,450	5,146	6,596	(1,214)	0	0	(1,214)
4/3/2012	2,189	4,239	1,389	7,817	800	5,628	6,428	(1,389)	0	0	(1,389)
5/2/2012	2,400	2,394	1,400	6,194	1,000	3,794	4,794	(1,400)	0	0	(1,400)
6/4/2012	2,160	2,605	860	5,625	1,300	3,465	4,765	(860)	0	0	(860)
7/3/2012	864	3,099	864	4,827	0	3,963	3,963	(864)	0	0	(864)
8/7/2012	2,862	3,462	1,345	7,669	1,517	4,807	6,324	(1,345)	0	0	(1,345)
9/4/2012	6,140	3,765	930	10,835	5,210	4,695	9,905	(930)	0	0	(930)
10/2/2012	1,812	3,008	1,062	5,882	750	4,070	4,820	(1,062)	0	0	(1,062)
11/2/2012	2,521	3,190	1,350	7,061	1,171	4,540	5,711	(1,350)	0	0	(1,350)
12/4/2012	3,411	2,813	531	6,755	2,880	3,344	6,224	(531)	0	0	(531)
Total 2012	30,654	38,511	13,597	82,762	17,057	52,108	69,165	(13,597)	0	0	(13,597)
1/10/2011	2,280	2,439	800	5,519	1,480	3,239	4,719	(800)	0	0	(800)
2/2/2011	1,960	2,368	1,460	5,788	500	3,828	4,328	(1,460)	0	0	(1,460)
3/3/2011	1,962	2,915	1,668	6,545	294	4,583	4,877	(1,668)	0	0	(1,668)
4/4/2011	3,649	4,401	2,100	10,150	1,549	6,501	8,050	(2,100)	0	0	(2,100)
4/28/2011	2,647	4,120	970	7,737	1,677	5,090	6,767	(970)	0	0	(970)
6/6/2011	676	3,031	636	4,343	40	3,667	3,707	(636)	0	0	(636)
7/6/2011	1,750	2,890	1,750	6,390	0	4,640	4,640	(1,750)	0	0	(1,750)
8/2/2011	648	2,668	648	3,964	0	3,316	3,316	(648)	0	0	(648)
9/8/2011	1,775	3,141	1,179	6,095	596	4,320	4,916	(1,179)	0	0	(1,179)
10/5/2011	2,550	3,195	1,290	7,035	1,260	4,485	5,745	(1,290)	0	0	(1,290)
11/2/2011	2,950	2,770	1,710	7,430	1,240	4,480	5,720	(1,710)	0	0	(1,710)
12/2/2011	710	6,872	710	8,292	0	7,582	7,582	(710)	0	0	(710)
Total 2011	23,557	40,810	14,921	79,288	8,636	55,731	64,367	(14,921)	0	0	(14,921)
1/29/2010	3,336	5,674	600	9,610	2,736	6,274	9,010	(600)	0	0	(600)
3/1/2010	5,700	3,123	720	9,543	4,980	3,843	8,823	(720)	0	0	(720)
3/31/2010	840	4,052	647	5,539	193	4,699	4,892	(647)	0	6	(641)
4/30/2010	2,015	3,520	715	6,250	1,300	4,235	5,535	(715)	0	0	(715)
6/1/2010	4,650	4,330	850	9,830	3,800	5,180	8,980	(850)	0	0	(850)
7/1/2010	1,895	3,366	700	5,961	1,195	4,066	5,261	(700)	0	0	(700)
8/2/2010	513	3,391	412	4,316	100	3,803	3,903	(413)	0	0	(413)
9/1/2010	1,807	3,407	1,080	6,294	727	4,487	5,214	(1,080)	0	0	(1,080)
10/1/2010	4,750	2,722	800	8,272	3,950	3,522	7,472	(800)	0	0	(800)
11/1/2010	3,537	3,335	795	7,667	2,742	4,130	6,872	(795)	0	0	(795)
12/1/2010	2,505	2,712	955	6,172	1,550	3,667	5,217	(955)	0	0	(955)

New Madrid County Sheriff  
Supporting Documentation for Undeposited Receipts

Undeposited Cash Receipts

Deposit Date	Recorded Cash Receipts*	Recorded Check Receipts*	Unrecorded Check Receipts	Total Receipts	Cash Deposited	Checks Deposited	Total Deposited	Cash Long/(Short)	Checks Long/(Short)	Repayment by Personal Check or Money Order**	Total Difference
Total 2010	31,548	39,632	8,274	79,454	23,273	47,906	71,179	(8,275)	0	6	(8,269)
1/30/2009	3,508	3,172	895	7,575	2,613	4,067	6,680	(895)	0	0	(895)
3/2/2009	1,649	3,216	861	5,726	788	4,077	4,865	(861)	0	0	(861)
3/30/2009	4,135	4,057	549	8,741	3,585	4,606	8,191	(550)	0	0	(550)
4/30/2009	2,628	3,825	495	6,948	2,133	4,320	6,453	(495)	0	0	(495)
5/19/2009	1,450	1,751	450	3,651	1,000	2,201	3,201	(450)	0	0	(450)
6/16/2009	670	1,623	300	2,593	370	1,923	2,293	(300)	0	0	(300)
6/30/2009	301	2,212	190	2,703	111	2,402	2,513	(190)	0	0	(190)
7/31/2009	3,586	3,813	700	8,099	2,886	4,513	7,399	(700)	0	0	(700)
8/31/2009	2,844	3,279	396	6,519	2,448	3,675	6,123	(396)	0	0	(396)
9/30/2009	2,525	3,524	350	6,399	2,175	3,874	6,049	(350)	0	0	(350)
10/30/2009	783	3,218	500	4,501	283	3,718	4,001	(500)	0	0	(500)
11/30/2009	2,061	3,730	480	6,271	1,581	4,210	5,791	(480)	0	0	(480)
12/17/2009	2,825	27,876	600	31,301	2,225	28,476	30,701	(600)	0	0	(600)
12/31/2009	1,500	2,388	200	4,088	1,300	2,588	3,888	(200)	0	0	(200)
Total 2009	30,465	67,684	6,966	105,115	23,498	74,650	98,148	(6,967)	0	0	(6,967)
1/22/2008	900	1,722	420	3,042	480	2,142	2,622	(420)	0	0	(420)
1/29/2008	3,212	526	645	4,383	2,567	1,171	3,738	(645)	0	0	(645)
2/25/2008	800	2,964	550	4,314	250	3,514	3,764	(550)	0	0	(550)
3/21/2008	1,711	2,559	160	4,430	1,551	2,719	4,270	(160)	0	0	(160)
4/11/2008	400	1,214	200	1,814	200	1,414	1,614	(200)	0	8	(192)
4/25/2008	400	1,403	400	2,203	0	1,803	1,803	(400)	0	0	(400)
5/30/2008	358	2,401	358	3,117	0	2,759	2,759	(358)	0	0	(358)
6/30/2008	589	3,166	539	4,294	50	3,705	3,755	(539)	0	0	(539)
7/31/2008	2,519	3,177	497	6,193	2,022	3,674	5,696	(497)	0	0	(497)
8/29/2008	1,855	2,112	620	4,587	1,235	2,732	3,967	(620)	0	0	(620)
10/1/2008	2,050	2,434	677	5,161	1,373	3,111	4,484	(677)	0	0	(677)
10/31/2008	700	3,394	250	4,344	450	3,644	4,094	(250)	0	0	(250)
12/1/2008	1,820	3,676	1,120	6,616	700	4,796	5,496	(1,120)	0	4	(1,116)
12/31/2008	1,401	3,018	860	5,279	541	3,878	4,419	(860)	0	4	(856)
Total 2008	18,715	33,766	7,296	59,777	11,419	41,062	52,481	(7,296)	0	16	(7,280)
1/31/2007	1,081	3,308	858	5,247	223	4,166	4,389	(858)	0	0	(858)
2/22/2007	1,894	487	518	2,899	1,376	1,005	2,381	(518)	0	0	(518)
2/26/2007	190	2,095	190	2,475	0	2,285	2,285	(190)	0	0	(190)
3/30/2007	232	3,118	132	3,482	100	3,250	3,350	(132)	0	0	(132)
4/6/2007	350	735	345	1,430	5	1,080	1,085	(345)	0	0	(345)
4/30/2007	350	1,762	350	2,462	0	2,112	2,112	(350)	0	0	(350)
5/21/2007	3,143	2,069	743	5,955	2,400	2,812	5,212	(743)	0	0	(743)
6/8/2007	485	937	290	1,712	195	1,227	1,422	(290)	0	0	(290)
6/21/2007	388	1,634	236	2,258	152	1,870	2,022	(236)	0	0	(236)
7/23/2007	705	1,569	300	2,574	405	1,869	2,274	(300)	0	0	(300)

New Madrid County Sheriff  
Supporting Documentation for Undeposited Receipts

Undeposited Cash Receipts

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7/31/2007	173	50	173	396	0	223	223	(173)	0	0	(173)
8/8/2007	50	765	50	865	0	815	815	(50)	0	0	(50)
8/31/2007	250	2,611	250	3,111	0	2,861	2,861	(250)	0	0	(250)
9/24/2007	426	1,325	426	2,177	0	1,751	1,751	(426)	0	10	(416)
10/31/2007	2,495	2,366	795	5,656	1,700	3,161	4,861	(795)	0	10	(785)
11/19/2007	1,900	1,630	400	3,930	1,500	2,030	3,530	(400)	0	50	(350)
11/30/2007	100	1,811	100	2,011	0	1,911	1,911	(100)	0	0	(100)
12/17/2007	550	1,063	550	2,163	0	1,613	1,613	(550)	0	0	(550)
Total 2007	14,762	29,335	6,706	50,803	8,056	36,041	44,097	(6,706)	0	70	(6,636)
1/30/2006	2,164	6,114	1,055	9,333	1,109	7,169	8,278	(1,055)	0	0	(1,055)
3/1/2006	1,660	1,391	584	3,635	1,076	1,975	3,051	(584)	0	0	(584)
3/31/2006	300	4,356	300	4,956	0	4,656	4,656	(300)	0	0	(300)
4/28/2006	385	2,596	385	3,366	0	2,981	2,981	(385)	0	0	(385)
5/31/2006	635	1,944	635	3,214	0	2,579	2,579	(635)	0	0	(635)
6/20/2006	369	1,446	240	2,055	129	1,686	1,815	(240)	0	0	(240)
6/30/2006	38	935	0	973	48	925	973	10	(10)	0	0
7/14/2006	1,370	942	377	2,689	993	1,319	2,312	(377)	0	0	(377)
8/30/2006	1,102	3,221	260	4,583	842	3,481	4,323	(260)	0	0	(260)
9/27/2006	1,122	1,774	520	3,416	602	2,294	2,896	(520)	0	0	(520)
10/31/2006	602	2,369	595	3,566	7	2,964	2,971	(595)	0	0	(595)
12/1/2006	250	2,331	250	2,831	0	2,581	2,581	(250)	0	0	(250)
12/18/2006	170	1,649	170	1,989	0	1,819	1,819	(170)	0	0	(170)
Total 2006	10,167	31,068	5,371	46,606	4,806	36,429	41,235	(5,361)	(10)	0	(5,371)
2/28/2005	1,483	6,689	300	8,472	1,183	6,989	8,172	(300)	0	0	(300)
3/17/2005	3,295	2,394	700	6,389	2,595	3,094	5,689	(700)	0	0	(700)
3/31/2005	80	319	80	479	0	399	399	(80)	0	0	(80)
4/29/2005	1,155	3,449	652	5,256	503	4,101	4,604	(652)	0	0	(652)
6/30/2005	552	3,247	552	4,351	0	3,799	3,799	(552)	0	13	(539)
7/22/2005	1,100	5,148	1,100	7,348	0	6,248	6,248	(1,100)	0	0	(1,100)
8/31/2005	602	3,006	601	4,209	1	3,607	3,608	(601)	0	0	(601)
9/20/2005	582	2,807	577	3,966	5	3,384	3,389	(577)	0	0	(577)
10/31/2005	511	4,828	350	5,689	161	5,178	5,339	(350)	0	0	(350)
12/16/2005	4,142	894	1,248	6,284	2,894	2,142	5,036	(1,248)	0	0	(1,248)
Total 2005	13,502	32,781	6,160	52,443	7,342	38,941	46,283	(6,160)	0	13	(6,147)
1/23/2004	859	12,220	857	13,936	2	13,077	13,079	(857)	0	0	(857)
1/28/2004	587	2,427	584	3,598	3	3,011	3,014	(584)	0	0	(584)
2/23/2004	1,857	6,720	1,052	9,629	804	7,772	8,576	(1,053)	0	0	(1,053)
2/25/2004	93	207	93	393	0	300	300	(93)	0	4	(89)
3/22/2004	1,102	10,093	440	11,635	662	10,533	11,195	(440)	0	0	(440)
4/30/2004	771	6,298	436	7,505	335	6,734	7,069	(436)	0	0	(436)
7/15/2004	1,843	7,652	656	10,151	1,187	8,308	9,495	(656)	0	0	(656)

New Madrid County Sheriff  
Supporting Documentation for Undeposited Receipts

Undeposited Cash Receipts

Deposit Date	Recorded Cash Receipts*	Recorded Check Receipts*	Unrecorded Check Receipts	Total Receipts	Cash Deposited	Checks Deposited	Total Deposited	Cash Long/(Short)	Checks Long/(Short)	Repayment by Personal Check or Money Order**	Total Difference
8/31/2004	569	4,881	549	5,999	20	5,430	5,450	(549)	0	0	(549)
11/30/2004	1,013	8,483	1,013	10,509	0	9,496	9,496	(1,013)	0	0	(1,013)
12/16/2004	450	2,746	450	3,646	0	3,196	3,196	(450)	0	0	(450)
12/31/2004	250	2,384	249	2,883	1	2,633	2,634	(249)	0	0	(249)
Total 2004	9,394	64,111	6,379	79,884	3,014	70,490	73,504	(6,380)	0	4	(6,376)
11/28/2003	1,383	9,027	1,375	11,785	8	10,402	10,410	(1,375)	0	12	(1,363)
Total 2003	1,383	9,027	1,375	11,785	8	10,402	10,410	(1,375)	0	12	(1,363)
Total	\$ 191,699	397,057	79,884	668,640	111,822	476,931	588,753	(79,877)	(10)	121	(79,766)

\* Method of payment was not noted on receipt slips; however, bond receipts are typically received in cash, civil service receipts are typically received by check, and other recorded receipts were paid by cash, check, cashier's check, or money order. The method of payment was determined by contents of the deposit.

\*\* Personal check or money order of former Deputy included in deposit.

Note - The term "check" in the table includes checks, cashier's checks, and money orders.



Thomas A. Schweich  
Missouri State Auditor

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# FOLLOW-UP REPORT ON AUDIT FINDINGS

## Early Childhood Development, Education, and Care Fund



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November 2013  
Report No. 2013-114

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<http://auditor.mo.gov>



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# Early Childhood Development, Education, and Care Fund Follow-Up Report on Audit Findings Table of Contents

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## Status of Findings\*

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1.1 Start Up and Expansion program (Contract Compliance) .....	3
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\*Includes selected findings







# THOMAS A. SCHWEICH

## Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Brian Kinkade, Acting Director  
Department of Social Services  
Jefferson City, Missouri

We have conducted follow-up work on an audit report finding contained in Report No. 2013-046, *Early Childhood Development, Education, and Care Fund*, issued in June 2013, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the Department of Social Services (DSS) about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the DSS prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we focused on the status of the recoupment of Start Up and Expansion (SUE) payments addressed in finding 1.1 because the General Assembly did not appropriate funding for the program and the DSS awarded no new SUE contracts during state fiscal years 2014 and 2013. We received and reviewed the department's written response and related supporting documentation. This report is a summary of the results of this follow-up work, which was substantially completed during October 2013.

A handwritten signature in black ink, reading "Thomas A. Schweich".

Thomas A. Schweich  
State Auditor



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# Early Childhood Development, Education, and Care Fund

## Follow-Up Report on Prior Audit Findings

### Status of Findings

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**1.1 Start Up and Expansion program** The Department of Social Services (DSS) needed to limit the amount of Start Up and Expansion (SUE) funding advanced to child care facilities and develop formal procedures to recoup grant monies from child care facilities participating in the program that did not comply with contract requirements. The purpose of the SUE program was to increase capacity at facilities offering infant and toddler child care for ages birth to 2 or 3 years old, depending on the contract type. The program provided funding for equipment, supplies, initial staff salaries, minor remodeling to meet licensing guidelines, and education and training of staff.

Three of the 18 child care facilities (17 percent) that received new funding awards in state fiscal years 2010 and 2011 stopped participating in the program before the 4 year agreements expired. The DSS did not require these three child care facilities to repay any of the approximately \$171,500 paid before the facility owners voluntarily or the DSS terminated the contracts. The DSS paid one facility \$22,500 to operate a child care facility that no children ever attended; paid another facility \$60,000 to create 16 licensed child care slots at a new center that was not built; and paid a third facility \$89,000 to add 24 slots, but the owner only added 14 slots and then sold the facility 3 months later to a buyer who chose not to participate in the program. At the time of our audit, DSS officials indicated they had not consulted with the Division of Legal Services (DLS), the legal support unit of the DSS, regarding repayment of the contracts. After we questioned the lack of repayment, officials contacted the DLS.

### Recommendation

The DSS evaluate the need to advance SUE funding to child care facilities and develop policies and procedures specifying terms and conditions applicable when a contract is voluntarily or involuntarily terminated, including full or partial repayment of grant funds. The DSS should continue to work with the DLS to enforce contract provisions and recoup monies owed to the state.

### Status

#### **In Progress**

The General Assembly did not appropriate funding for the program and the DSS awarded no new SUE contracts during state fiscal years 2014 and 2013. The DSS referred the three provider contracts to the DLS for evaluation and review. The DSS indicated the DLS concluded one provider substantially complied with all material terms of the contract and filing a breach of contract action is unwarranted. The DLS referred two providers to the Attorney General's office on July 23, 2013 for review and, if appropriate, filing a breach of contract action. The Attorney General's office has not completed its review of the cases. The DSS indicated the DLS will continue to coordinate with the Attorney General's office if it is decided further legal action is merited.



**Thomas A. Schweich**  
Missouri State Auditor

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# Sixteenth Judicial Circuit

## City of Independence Municipal Division

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November 2013  
Report No. 2013-115



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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the Sixteenth Judicial Circuit, City of Independence Municipal Division

Municipal Division Procedures	The municipal judges do not review and document their approval of court dockets for traffic tickets paid at the violation bureau, and the municipal judges do not review or document their approval of other court dockets after case dispositions are recorded in the case tracking system. Municipal judges neither sign warrants nor authorize the Court Administrator to sign warrants on their behalf, so there is no documentation that warrants are authorized. The municipal division does not prepare a monthly list of all cases and file it with the city, as required by state law.
Ticket Accountability	The Police Department and the municipal division do not work together to ensure all traffic citations and general ordinance summonses are accounted for properly. Police Department personnel could not locate 4 summonses and, although they said the summonses should now be voided, void forms had not been completed as required by Police Department policy.
Security Controls	The municipal division does not have security controls in place to lock computers after a certain period of inactivity, so unauthorized individuals could access an unattended computer and have unrestricted access to programs and data files.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Sixteenth Judicial Circuit

## City of Independence Municipal Division

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Presiding Judge  
Sixteenth Judicial Circuit  
and  
Presiding Municipal Judge  
and  
Honorable Mayor  
and  
Members of the Board of Aldermen  
Independence, Missouri

We have audited certain operations of the City of Independence Municipal Division of the Sixteenth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2013. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's compliance with certain legal provisions.
3. Evaluate the city's compliance with Section 302.341.2, RSMo, which restricts the amount of fines and court costs that may be retained from traffic violations.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.



For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) no noncompliance with Section 302.341.2, RSMo. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Independence Municipal Division of the Sixteenth Judicial Circuit.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Lori Melton, M. Acct., CPA
In-Charge Auditor:	Julie A. Moulden, MBA, CPA
Audit Staff:	Joshua Shope, M. Acct.

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# Sixteenth Judicial Circuit

## City of Independence Municipal Division

### Management Advisory Report - State Auditor's Findings

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#### **1. Municipal Division Procedures**

Municipal division procedures related to case dispositions, warrants, and reporting need improvement.

##### 1.1 Case dispositions

The municipal judges do not review and document their approval of court dockets for traffic tickets paid at the violation bureau, and the municipal judges do not review or document their approval of other court dockets after case dispositions are recorded in the case tracking system.

To ensure the proper disposition of all cases has been entered in the municipal division records, the municipal judges should sign the dockets to indicate their approval of the recorded disposition.

##### 1.2 Warrants

Municipal judges do not sign warrants issued and have not issued written authorization for the Court Administrator to sign warrants on their behalf. Without the signature or written authorization, there is not documentation the warrants were authorized. The municipal division issues warrants to defendants who miss court appearances or do not pay their fine.

Supreme Court Rule 37.45 states a warrant shall be signed by the judge or by the clerk of the court when directed by the judge for a specific warrant. To ensure warrants are properly issued in accordance with Supreme Court rules, the municipal judge should sign warrants or provide specific written authorization for the Court Administrator to sign warrants.

##### 1.3 Report of cases heard

The municipal division does not prepare a monthly list of all cases heard to be filed with the city. Without such a report, the city cannot effectively monitor municipal division activity and ensure monies are properly remitted.

Section 479.080.3, RSMo, and Supreme Court Operating Rule 4.29 require the municipal division to prepare a monthly list of all cases heard in the municipal division court, including the names of the defendants and fines and court costs imposed, and the list is to be verified by the court administrator or presiding municipal judge and filed with the city.

#### **Recommendations**

The City of Independence Municipal Division:

- 1.1 Ensure all dockets are signed by a municipal judge.
- 1.2 Ensure warrants are signed by a municipal judge or the Court Administrator, when directed by a municipal judge for a specific warrant.
- 1.3 Ensure a monthly list of cases heard in the municipal division is prepared and filed with the city in accordance with state law.



Sixteenth Judicial Circuit  
City of Independence Municipal Division  
Management Advisory Report - State Auditor's Findings

## Auditee's Response

*The Presiding Municipal Judge and Court Administrator provided the following response:*

*We agree with and have implemented the auditor's recommendations.*

## 2. Ticket Accountability

The Police Department and the municipal division do not work together to ensure the numerical sequence and ultimate disposition of all traffic citations and general ordinance summonses (tickets) are accounted for properly. During the year ended June 30, 2013, 37,575 traffic citations and 9,600 general ordinance summonses were issued by the Police Department, of which 36,725 were subsequently filed with the court.

The Police Department does not periodically review the computerized records management system (system) used to track tickets to identify gaps in numerical sequence or to identify missing tickets. According to personnel with the Police Department's Records Unit, the last such review was conducted in 2008.

One summons was missing out of the 12 summonses reviewed for the year ended June 30, 2013. Upon inquiry, Police Department personnel could not locate any copies of this summons and an additional 3 summonses from the same ticket book. Personnel could not explain what happened to these 4 summonses and stated they should now be voided in the system, but void forms had not been completed as required by Police Department policy.

Police Department General Order No. PD95-073 indicates each officer is accountable for issued tickets and is subject to disciplinary action for failure to account for any issued item. In addition, the order indicates officers requesting the voiding of a ticket will provide a written request (void form) explaining the reason along with all parts of the ticket. All requests must be approved by a supervisor prior to entry into the system.

Without properly accounting for the numerical sequence and ultimate disposition of tickets issued, the Police Department and the municipal division cannot ensure all tickets issued are properly submitted for processing. A record should be maintained to account for the ultimate disposition of each ticket to decrease the risk of loss, theft, or misuse of funds.

## Recommendation

The City of Independence Municipal Division work with the Police Department to ensure the numerical sequence and ultimate disposition of all traffic citations and general ordinance summonses are accounted for properly, and voided tickets are handled in accordance with policy.



Sixteenth Judicial Circuit  
City of Independence Municipal Division  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The Presiding Municipal Judge and Court Administrator provided the following response:*

*We agree with the recommendation and will work with the Police Department and technical services to implement a procedure to account for all tickets within 6 months.*

*The Police Department's Records Administrator provided the following written response:*

*Since upgrading to a Microsoft Records Management system, we have an in house ticket module where we enter tickets. Our technology department provided this system for us to enter tickets, and an interface was developed for that information to update the court system. I have a call into our technology person about coming up with a report that we could run to assure accuracy in our ticket and general ordinance summons. As of right now, there is no such report that can be run. We will work with court and the IT Department to hopefully get something that will work.*

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## 3. Security Controls

The municipal division does not have security controls in place to lock computers after a certain period of inactivity. As a result, unauthorized individuals could access an unattended computer and have unrestricted access to programs and data files. To help protect computer records, security controls should be implemented to lock computers after a certain period of inactivity.

## Recommendation

The City of Independence Municipal Division establish security controls to lock computers after a certain period of inactivity.

## Auditee's Response

*The Presiding Municipal Judge and Court Administrator provided the following response:*

*We agree with and have implemented the auditor's recommendation.*

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# Sixteenth Judicial Circuit

## City of Independence Municipal Division

### Organization and Statistical Information

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The City of Independence Municipal Division is in the Sixteenth Judicial Circuit, which consists of Jackson County. The Honorable Marco Roldan serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and court costs are collected at times other than during court and transmitted to the city treasury.

#### Personnel

At June 30, 2013, the municipal division had 13 employees. Key employees were as follows:

Title	Name
Presiding Municipal Judge	Garry Helm
Municipal Judge	Susan Watkins
Court Administrator	Julie Boydston
Senior Court Clerk	Sheryl Azbill
Senior Court Clerk	Dawna Cordon
Senior Court Clerk	Sarah Home

#### Financial and Caseload Information

	Year Ended June 30, 2013
Receipts	\$4,283,893
Number of cases filed	36,725



**Thomas A. Schweich**  
Missouri State Auditor

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# STATEWIDE

## General Obligation Bond Sales Practices



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November 2013  
Report No. 2013-116

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the General Obligation Bond Sales Practices

### Background

When authorized by state law, Missouri's local governments, such as school districts and municipalities, may borrow money to finance capital and other projects by issuing general obligation (GO) bonds, which are guaranteed by the "full faith and credit" of the issuer since the entity can levy a general tax to make GO bond repayments.

In a competitive bond sale, the local government typically uses a financial advisor to help structure the bond issue, then requests fixed bids from underwriting firms to purchase its bonds, and the bonds are sold to the underwriter offering the lowest true interest cost bid.

In a negotiated sale, the local government selects an underwriter before the sale date and before the terms of the sale are fully determined. The underwriter also usually acts as the financial advisor, helping structure the bond issue. The entity and the underwriter may negotiate the underwriter's compensation and interest rate on the bonds, and the underwriter purchases the bonds and resells them to investors.

### General Obligation Bond Sales

School districts and other local governments incur unnecessary borrowing costs when issuing GO bonds through negotiated sales rather than competitive bond sales. As noted in our three previous audits on this topic, local governments in Missouri continue to significantly favor negotiated sales. Between 2008 and 2011, an annual average of 88 percent of Missouri issues have been sold through negotiated sale, compared to a national average of 53 percent. Six of the eight surrounding states require all or most local entities to use competitive sales, but the majority of Missouri local governments have no restrictions on the method of sale for GO bonds.

While not all of the 538 GO bonds in our analysis population would meet the criteria for a competitive sale, a significant portion would. Theoretically, local governments could have potentially saved as much as \$43 million over the life of bonds issued during the 4-year analysis period if competitive sales had been used. The increased borrowing costs are the result of a lack of competition as well as an inherent conflict of interest between underwriters who provide financial advice and the local government. An underwriter's incentive is to have the bonds carry a higher interest rate to make the bonds more attractive to investors, while an issuer's incentive is to keep interest rates low to minimize borrowing costs.

In September 2013, the Financial Industry Regulatory Authority fined a Missouri municipal underwriting firm \$200,000 for providing improper gifts to local government clients who utilize the firm's services, including over \$183,500 worth of professional sports tickets. This firm was involved in 258 bond issues in our analysis population, with 254 (99 percent) of those issues being negotiated sales.

Many local government officials lack an understanding of the bond issuance process and the expertise to evaluate and negotiate bond pricing proposal, and no state agency is charged with providing assistance or authoritative guidance to local entities regarding debt issuance. Training and guidance is instead being provided by underwriters. We continue to recommend that local governments and the General Assembly require the use of independent financial advisors, ensure local governments receive guidance on debt issuance, and require the use of competitive sales in appropriate circumstances.

Because of the compound nature of this audit report, no overall rating is provided.



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# General Obligation Bond Sales Practices

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Members of the General Assembly  
Jefferson City, Missouri

We audited general obligation bond practices within the state because of the importance of local governments incurring the lowest possible costs associated with the issuance of bonds. Missouri local governments issued approximately \$4.4 billion in general obligation bonds during the 4 years ending December 31, 2011. This audit focused on general obligation bonds sold by school districts, cities, counties and other local governments pursuant to Section 108.170, RSMo. The objectives of our audit were to:

1. Determining the extent to which the negotiated method of sale has been used compared to the competitive method.
2. Determining the financial impact of the use of negotiated sales.
3. Determining the reasons why competitive sales have not been used more often by Missouri local governments.
4. Follow up on recommendations made in previous statewide audits of General Obligation Bond Sales Practices.

As noted in previous audits, we found Missouri's local governments have continued to significantly favor the negotiated sales method of issuing general obligation bonds. An analysis of \$3.1 billion of bonds issued during the 4 years ending December 31, 2011, disclosed average interest cost savings of \$88,000 per issue could be achieved if bond issues had been sold competitively. Public school administrators and other local government officials have continued to use negotiated bond sales and incurred unnecessary borrowing costs because (1) state law has not required public school districts and municipalities to conduct competitive sales of general obligation bonds and to obtain independent financial advisory services, and (2) the bond issuance process is complex, and local users often do not have sufficient knowledge of the process. In addition, recommendations from our previous reports have not been implemented.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Robert Showers, CPA, CGAP
In-Charge Auditor:	Gayle Garrison
Audit Staff:	Wayne Kauffman, MBA

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# General Obligation Bond Sales Practices

## Introduction

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### Background

Our audit focuses on sales practices for general obligation (GO) bonds by local governments, including, but not limited to, school districts and municipalities.

When authorized by state law, Missouri's local governments may borrow money to finance capital and other projects by issuing GO bonds. The repayment of these bonds obligates taxpayers for many years and requires the levy of taxes to fund repayments. Local governments including cities, counties, school districts, and special districts can issue various types of bonds including, but not limited to, GO, revenue, special assessment, and tax increment financing. Each of these bond types is repaid using different revenue streams and provides local governments useful financing options under different circumstances. However, only GO bonds are guaranteed by the "full faith and credit" of the issuer since the entity has the authority to levy a general tax to make GO bond repayments. Because of the strength of this guaranty, GO bonds are also typically highly rated by bond rating services such as Moody's Investors Service, Fitch Ratings, and Standard and Poor's Rating Service. In addition, Missouri school districts may enroll their bonds in the Missouri Health and Education Facility (MOHEFA) direct deposit state payment intercept program, which allows school districts to take advantage of the state's higher credit rating. As a result, GO bonds are considered desirable investments among conservative investors and are generally highly marketable.

In a competitive bond sale, a local government typically uses a financial advisor to help structure the bond issue, then requests fixed bids from underwriting firms to purchase its bonds. The bonds are sold by the entity to the underwriter offering the lowest true interest cost (TIC)<sup>1</sup> bid, with bids being evaluated by the financial advisor. In a negotiated sale, an underwriter is selected in advance of the sale date and before the terms of the sale are fully determined. For the vast majority of negotiated sales in Missouri the underwriter acts as the financial advisor for the local government; helping structure the bond issue, before then becoming the underwriter for the issue. The entity and underwriter then may negotiate the underwriter's compensation and the interest rates on the bonds. Shortly after negotiations are completed (if any), the underwriter purchases the bonds from the entity and resells the bonds to investors.

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<sup>1</sup> TIC is the "best practice" measure recommended for determining the interest cost of municipal bond issuance. It is the interest rate that sets the present value of interest and principal payments equal to the proceeds from the issue. Bill Simonsen and Mark Robbins, "Measuring Municipal Borrowing Costs: How Missing Cost Information Biases Interest Rate Calculations," *Public Budget & Finance*, Vol. 22., No. 1., Spring 2002, pp 31-45.

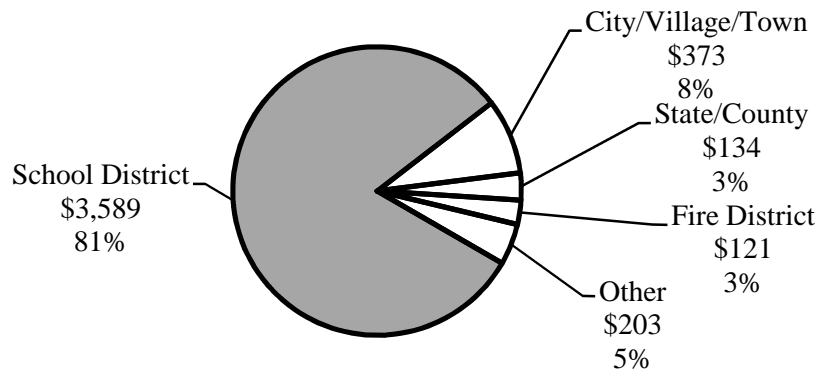


## General Obligation Bond Sales Practices Introduction

### Issuer type

Local governments issued \$4.4 billion in GO bonds statewide from January 2008 through December 2011. As shown in Figure 2, school districts issued 3.6 billion, or approximately 81 percent, of that amount.

Figure 2: Percentage of Missouri GO Bond Dollars by Type of Issuer (in millions) - 2008 through 2011



Source: Bloomberg Finance L.P. and State Auditor's office (SAO) bond registration data.

## Scope and Methodology

In preparing for this review, we reviewed published literature on the topic of local government bond sales, and specifically on competitive versus negotiated sales. Much of the research reviewed is cited in the body of this report.

To analyze and quantify the differences between competitive and negotiated bond sales, we obtained the help of technical advisors. Dr. Bill Simonsen and Dr. Mark Robbins of the University of Connecticut, Department of Public Policy. The technical advisors have published research articles on the topic of public bond sales and public finance. For additional information on the technical advisors, see Appendix B.

Most public entities in Missouri issuing general obligation debt are required to register each issue with the SAO. To determine an overall population of GO bonds to analyze, we obtained the SAO bond registration database for all bonds issued between January 2008 and December 2011. Our database of bonds for that time frame included 795 bonds totaling \$4.1 billion. To ensure our overall population included all bonds relevant to this review, we obtained a list of Missouri local government bond sales from Bloomberg Finance L.P. and compared it to the bonds in the SAO database. We identified 12 additional GO bonds not required to be registered with the SAO<sup>2</sup> totaling \$339 million. We added those bonds to our database to come

<sup>2</sup> In accordance with Section 108.300, RSMo, registration is not required when bonds are issued by any county of the first classification or city or school district having a population of over sixty-five thousand inhabitants, as established by the last United States census. In addition, provisions of Section 108.240, RSMo, do not specifically include library or nursing home districts.



## General Obligation Bond Sales Practices Introduction

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up with an overall population of 807 bonds, totaling approximately \$4.4 billion.

We also verified the accuracy of the overall population data by comparing data recorded in the SAO bond registration system to copies of the official bond statements available on the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board or by reviewing copies of bond transcripts maintained by the SAO. While performing this data verification, we documented additional information in each bond record to allow for further data analysis. The overall population data was provided to the technical advisors who used the data to perform a statistical analysis. The population of bonds was reduced to a total of 538 bonds, worth approximately \$3.1 billion, for analysis. See Appendix A for the list of bonds used in the analysis, as well as an explanation of what bonds were excluded.

To ensure all relevant costs of issuance had been considered in our analysis, we obtained and included financial advisor cost information on all competitively sold issues in our test population. The technical advisors adjusted the TIC rates of those issues accordingly.

The technical advisors tested additional methodological concerns and addressed those concerns in accordance with prevailing standards of empirical public policy analysis. They determined analysis results to be statistically significant. For a more technical discussion of the methodology used by technical advisors, see Appendix C.

To further validate the methodology used by technical advisors, we contacted the University of Missouri's Truman School of Public Affairs to request a staff professor evaluate the analyses performed by the technical advisors. The professor concluded the technical advisors used widely accepted methods and tests. The professor further stated the studies' estimates that competitive sales result in 23.5 to 24.2 lower basis points than for negotiated sales and the present value savings can be viewed with confidence. See Appendix C for additional information on the methodology review.

To obtain an understanding of the services provided by underwriters during competitive and negotiated bond sales, we conducted interviews with representatives of four leading bond underwriters in the state. We ensured the underwriters interviewed provided services in competitive and negotiated sales and to a wide variety of local governments. We also discussed the role of independent financial advisors in the competitive process with three financial advisors that provided services to Missouri local governments.



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## General Obligation Bond Sales Practices

### Introduction

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To identify potential issues faced by issuers of public debt and to understand what factors contribute to the choices they make, we met with representatives of 14 school districts and 1 city. We selected locations from our analysis population of bonds to ensure the entities had been recently involved in several bond issues and included both competitive and negotiated sale methods. See Appendix D for a listing of locations visited along with the bonds issued by the entities. We contacted representatives of the Department of Elementary and Secondary Education, the Missouri Association of School Administrators, the Missouri Association of School Business Officials, the MOHEFA, and the Missouri Municipal League to identify any guidance provided or made available to local governments.

To document best practices in the issuance of public debt, we obtained publications issued by the Government Finance Officers Association (GFOA). See Appendix E for a summary of the publications reviewed.

We reviewed state laws of Missouri's eight surrounding states to determine how the GO bond sale laws in those states compared to Missouri. We specifically reviewed whether other states' laws restricted the method of sale of GO bonds. We also compared Missouri laws relevant to public debt issuance with the laws in the states of Kentucky, Tennessee and New York that provide local governments additional guidance or restrictions regarding the issuance of debt.

# General Obligation Bond Sales Practices

## Management Advisory Report

### State Auditor's Findings

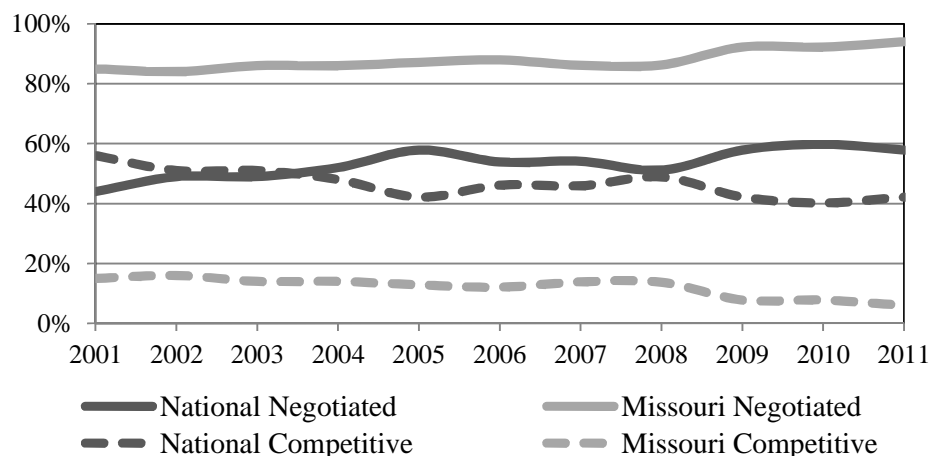
#### General Obligation Bond Sales

School districts and other local governments incur unnecessary borrowing costs when issuing general obligation (GO) bonds by heavily favoring negotiated sales rather than selling bonds through a competitive sale. This condition has occurred because state law does not require the use of a competitive process when issuing GO debt at the local level, and because local officials have not been provided sufficient guidance regarding bond sale methods and are not required to obtain independent financial advisory services. Having an underwriter serve in the dual capacity of financial advisor and underwriter, which normally occurs when bonds are sold through negotiated sale, creates a conflict of interest which is not in the best interests of the local government and results in increased borrowing costs.

#### Sales methods

As noted in our previous three audits on this topic,<sup>3</sup> local governments in Missouri continue to significantly favor the use of negotiated sales. Our analysis of 538 GO bond issues by Missouri local governments during the 4 years ending December 31, 2011 showed only 50 issues (9.3 percent) were sold through competitive sale. Figure 1 below shows the percentage of bonds issued by method of sale nationally and for Missouri issues from 2001 through 2011. During this time period, an average of 88 percent of Missouri issues have been sold through negotiated sale, compared to a national average of 53 percent.

Figure 1: Percentage of GO Bond Issues by Method of Sale - Missouri and Nationwide



Source: Bloomberg Finance L.P. and State Auditor's office (SAO) bond registration data.

#### Interest costs

Local governments often incur unnecessary interest costs as a result of the bonds not being sold through competitive sale. Our analysis of 538 GO bonds issued by Missouri local governments totaling approximately \$3.1

<sup>3</sup> *Special Review of Bonds Issued by Political Subdivisions*, May 1995, report number 95-44; *Audit of General Obligation Bond Sales Practices*, January 2001, report number 2001-04; and *General Obligation Bond Sales Practices Follow-Up*, December 2005, report number 2005-101.





## General Obligation Bond Sales Practices Management Advisory Report - State Auditor's Finding

billion issued during the 4 years ending December 31, 2011, disclosed the average bond issue in the population was approximately \$5.8 million, had a 12-year repayment schedule, and will incur an estimated \$88,148 in unnecessary interest costs over the life of the bond. The regression analysis performed by the technical advisors disclosed local governments incurred interest rates<sup>4</sup> that were approximately 23.5 basis points<sup>5</sup> higher on negotiated sales than were paid on competitive sales. The figure below describes estimated savings that would likely have occurred if local governments had chosen the competitive sale method. Calculations were performed for bond principal amounts totaling \$2, \$5.8, and \$10 million.

Estimated Savings for Issues Sold Through Competitive Bidding			
Amount of Sale	\$ 2,000,000	5,800,000	10,000,000
Savings potential <sup>6</sup>	\$ 30,743	88,148	150,067
Annual savings	\$ 2,561	7,345	12,506

Collectively, the potential interest savings statewide is significant. While not all of the GO bonds in our population would meet the criteria for a competitive sale (see Appendix F), a significant portion would. Theoretically, potential interest cost savings could approach \$43 million<sup>7</sup> over the life of bonds issued during the 4 year analysis period.

Missouri law does not require GO bond sales by school districts, municipalities, and other political subdivisions to be issued through competitive sale. As a result, local governments utilized the negotiated sales method in over 90 percent of the GO bond issues in our analysis population.

Missouri law requires competitive sales of GO bonds for the Missouri Board of Fund Commissioners, joint fire departments, consolidated library districts, urban library districts, water conservancy districts, and watershed districts. All other entity types are allowed to sell GO bonds using either competitive or negotiated sales in accordance with Section 108.170, RSMo.

### Other state laws

Our review of Missouri's eight surrounding states indicates Iowa, Kentucky, Oklahoma and Tennessee laws require all, or most, local entities to use competitive sales. Arkansas and Kansas statutes require most entities to use competitive sales, while other entities may choose the method of sale.

<sup>4</sup> Interest rates were measured using the TIC rate of each issue.

<sup>5</sup> One basis point is 1/100 of one percent; the average interest rate of negotiated sales in our analysis was 3.157 percent, while the average interest rate for competitive sales was 2.922, a difference of .235 percentage points.

<sup>6</sup> Calculated assuming a 12-year repayment schedule with equal principal payments and semi-annual interest payments. These characteristics are considered typical for the population analyzed.

<sup>7</sup> Calculated by multiplying average issue savings of \$88,148 by 488 negotiated bond sales in our population (see Appendix A).



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Illinois and Nebraska laws do not require bonds to be sold by competitive sale. According to Bloomberg municipal bond data, 76 percent of the bonds issued in the 6 states that restrict the method of sale have been sold competitively from 2005 through 2011. Comparatively, only 15 percent of the GO bonds issued in Missouri, Illinois and Nebraska, which do not restrict the method of sale, have been issued by competitive sale.

### Competition

Our analysis concludes increased competition leads to lower interest costs. According to our analysis, each bid received on a competitive bond sale resulted in a 3.9 basis point reduction in the interest rate paid on the bond issue. The number of bids received on competitive sales in our analysis population averaged 7.6 bids per issue, with 40 percent of the competitive sales in our analysis population receiving 9 bids or more.

According to Government Finance Officers Association (GFOA)<sup>8</sup> guidance, the primary advantages of issuing GO bonds competitively include (1) open competition provides some assurance that bonds have been sold at the lowest interest rates, and (2) competition promotes the appearance of an open and fair process. Guidance further states competitive sales of issuances with standard debt structures, such as GO bonds, and local governments with good credit ratings (greater than an A rating) can produce very favorable interest rates. Changing state law to require local governments to utilize the competitive sale method for highly rated GO bond issues would result in reduced borrowing costs at the local level. GFOA guidance on factors to consider when making a bond sales method decision is documented at Appendix F.

### Conflicts of interest

The increased borrowing costs incurred by local governments utilizing the negotiated sale method are a result of the inherent conflict of interest that exists between underwriters who provide financial advice and the local government. The role of an underwriter is to purchase bonds from the issuer and sell them to investors. An underwriter's incentive is to have the bonds carry a higher interest rate to make the bonds more attractive to investors, while an issuer's incentive is to keep interest rates low to minimize borrowing costs. As a result, the underwriter cannot objectively represent the interests of both parties during negotiated sales. For this reason, it is important that local governments do not rely on the underwriter of the bond issue to also provide financial advisory services.

### Independent advice

The majority of issuers do not obtain independent financial advice. Officials from eight of the thirteen local governments interviewed that used negotiated sales stated they did not consider the use of a competitive sale, which indicates the underwriters who provided their financial advice were

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<sup>8</sup> *A Practitioner's Guide To Effective Debt Management: Competitive v. Negotiated: How to Choose the Method of Sale for Tax-Exempt Bonds*, GFOA, 1994, p. 3.



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not presenting all options available. In the event a negotiated sale is used, an independent financial advisor can still provide value to the issuer by helping evaluate the underwriter's pricing of the bonds and fees. However, our review of Missouri bond data shows independent financial advisors are rarely used during negotiated bond sales. Of the 355 different local governments issuing GO bonds via a negotiated sale during the 4 years ending December 31, 2011, only 16 hired independent financial advisors to help negotiate bond terms with underwriters.

Based on information presented in our prior GO bond sales report, officials in the City of Grandview stated they now recognize that a conflict of interest exists when independent financial advice is not obtained. As a result, the City of Grandview now requires the use of competitive sales on all bond issues. However, based on interviews with other local government officials, not all of them recognize that a conflict exists, or if they do it is not considered significant. Local government officials cite trust and familiarity with the underwriter as the primary reasons for not hiring an independent financial advisor. Local governments also cited the potential cost of an independent financial advisor as a barrier. Underwriters who provide financial advice often market their financial advice as being "free," however, their compensation is rolled into the bond financing and is typically less transparent. In contrast, the cost of an independent financial advisor would need to be separately approved by the entity's governing body.

### Underwriter sanctions

The Financial Industry Regulatory Authority (FINRA) fined a Missouri municipal underwriting firm \$200,000 in September 2013 for providing improper gifts to local government clients who utilized the firm's services. According to the FINRA report, in 598 instances the firm provided 2,143 professional sports tickets, with a value of \$183,546, to its local government clients. A firm member also offered the tickets to potential clients at a Missouri School Board Association conference, where the firm was an exhibitor, according to the FINRA report. This firm was involved in 258 of the 538 bond issues (48 percent) in our analysis population, with 254 (99 percent) of those issues being sold through negotiated sale.

According to GFOA literature,<sup>9</sup> to minimize conflicts of interest and promote objectivity, local governments should avoid selecting a firm to serve both as financial advisor and underwriter of a bond issue. In addition, GFOA guidance states the independent financial advisor's ability to provide an objective and informed review is essential to the process.

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<sup>9</sup> J.B. Kurish and Patricia Tigue, *An Elected Official's Guide to Debt Issuance*, 2d ed, GFOA, Chicago, IL, 2005, p. 23.



## General Obligation Bond Sales Practices Management Advisory Report - State Auditor's Finding

### Local government guidance and training

Although the bond issuance process is complex and requires knowledge of bond markets, financial calculations and legal requirements, no state agency is charged with providing assistance or authoritative guidance to local entities regarding debt issuance. Interviews with local governments, underwriters and other stakeholders determined local officials are not familiar with best practices published by leading authorities, instead these officials rely on underwriters to guide them through the process. In addition, training on the bond issuance process is provided at various administrators' association meetings, and is often taught by representatives of the underwriting firms.

### Issuer understanding of process

Based on interviews with local government finance officials, there is a clear lack of understanding of the bond issuance process. Eight of the thirteen local governments that used the negotiated sale method were not aware a conflict of interest existed, had not implemented procedures to mitigate the conflict of interest, or believed that the conflict of interest did not apply to their entity's negotiated bond sales. In addition, one school official indicated the district did not realize it could hire a financial advisor and also did not know the initial fees and costs offered by an underwriter in a negotiated sale could be negotiated. A school official from another district believed the district had used a financial advisor to competitively issue all bond issues; however, half of the district's bond issuances were sold by negotiated sale directly to the district's underwriter. Finally, a school official from a third district believed the district's bonds had been competitively sold when, in fact, they were sold to the district's underwriter using a negotiated sale.

### Issuer expertise

Many local government officials lack the expertise to evaluate and negotiate bond pricing proposals from underwriters. Officials from eleven of the thirteen local governments interviewed stated they relied on comparative sale data provided by the underwriter to evaluate the negotiated bond pricing proposal. However, based on our review of comparable bond data provided to the interviewed local governments, the majority of the data did not provide TIC information to evaluate the comparable bonds. One local government official interviewed was provided data from two comparable bonds, but the official did not recognize that the TIC for the sales presented were approximately 100 basis points (or 1 percentage point) lower than the price proposed. In addition, we noted bonds presented as comparable that were issued more than one week apart, had different tax exempt statuses, were debt issues other than general obligation debt, and had very different call features. One underwriter provided comparable sale information after the bonds had been sold, long after the information could be used to evaluate the proposal.

### Other state laws

Our review of the bond related laws of the eight states surrounding Missouri provide varying levels of requirements, advisory guidance, and oversight for bonds issued by local entities.



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In addition to laws that require competitive sales, we noted states with additional requirements designed to ensure debt is issued responsibly. For example, Tennessee created a state-level bond authority to provide assistance, guidance, and oversight to local governments and to collect bond data. The Tennessee State Funding Board is part of the State Comptroller's office, and is authorized to establish policies and procedures for the administration of state laws concerning bond and note issues by counties, municipalities, and utility districts. The board is also authorized to collect bond data from local governments and develop model bond policies for use by local governments. In some cases, the issuing entity is not authorized to borrow money unless it first obtains approval from the State Funding Board. Similarly, New York's Office of State Comptroller reviews public debt issuances to ensure the sales method is appropriate.

In addition, Kentucky's Department of Local Government provides oversight of local public debt and has a state debt officer who provides advice and conducts training to help local governments obtain the lowest interest costs on public debt.

GFOA guidance<sup>10</sup> states that even large local governments cannot be expected to have adequate in-house expertise to successfully structure and market bonds. The level of expertise and experience required to adequately negotiate a bond sale is also listed as one of the key negative aspects of issuing bonds through a negotiated sale. Providing local governments access to state-level, independent guidance would help ensure officials are more informed about the bond issuance process and will help ensure the best interests of the public is served.

### Status of prior recommendations

While our current audit is the most comprehensive because it analyzes 4 years of general obligation issues, each of our three previous audits of statewide GO bond sales practices concluded the use of the negotiated sales method resulted in increased borrowing costs for the issuer. Our 2005 audit, concluded that, on average, competitively sold bonds achieved borrowing cost savings of approximately \$78,000 per bond issue over bonds sold through negotiated sale, an amount that is comparable with our current estimate.

Prior recommendations to the General Assembly included revising Section 108.170, RSMo, to require (1) the use of a competitively selected financial advisor, who is independent of the bond sale, when issuing public debt, (2) local governments to use the competitive method of sale for GO bond issues with a credit rating of "A" or higher, (3) the use of a competitively selected underwriter, when appropriate, for necessary negotiated sales. We also

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<sup>10</sup> James C. Joseph, *Debt Issuance and Management: A Guide for Smaller Governments*, GFOA, Chicago, IL, 1994, p. 37.



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recommended the Department of Elementary and Secondary Education (DESE) provide guidance to public school entities regarding the preferred use of competitive bond sales and the use of independent financial advisors.

As of April 2013, none of the above recommendations had been implemented. According to a DESE official, the department does not have a position on the matter of school districts issuing GO bonds through the competitive or negotiated sale methods and the decision is made at the local district's discretion.

## Recommendations

School district and other local governments:

- 1.1 Obtain the services of a financial advisor who is independent from the underwriting function, regardless of the method of sale used.
- 1.2 Utilize the competitive method of sale when issuing GO bonds, particularly when the issuing entity maintains a credit rating of 'A' or higher.

The Missouri General Assembly revise Section 108.170, RSMo, and other laws as applicable to:

- 1.3 Require local governments to use financial advisors that are independent of the bond sale.
- 1.4 Require local governments to use the competitive method of sale when issuing GO bonds when the issuing entity maintains a credit rating of 'A' or higher.
- 1.5 Designate a state agency to develop authoritative guidance regarding debt issuance at the local level, and provide guidance to local officials to ensure public debt decisions are in the best interests of the issuing entity.

## Bond Analysis Data

The table below lists the bonds used by the technical advisors (see Appendix B) in their analysis of general obligation bond sales in the state. The data includes 538 of the 807 bonds issued between January 2008 and December 2011. The data was obtained from the SAO bond registration data and Bloomberg Finance L.P. As recommended by the technical advisors, the analysis excluded 228 bonds with unusual financing structures (for example bonds subsidized with federal stimulus funding, issued with capital appreciation components, and issued by neighborhood improvement districts), 35 short-term bonds with maturities less than 3 years, 5 taxable bonds, and 1 bond with inconsistent borrowing costs as compared to the remainder of the population.

Issuer Name	Competitive Sales		Negotiated Sales	
	Issue Count	Issue Amount	Issue Count	Issue Amount
Adair County R-II School District			1	\$ 560,000
Advance R-IV School District			1	1,500,000
Arcadia Valley R-II School District			1	4,462,825
Archie R-V School District			1	1,000,000
Ash Grove R-IV School District			3	3,599,735
Aurora R-VIII School District			1	3,980,000
Avenue City R-IX School District			2	2,175,000
Bayless Consolidated School District			1	6,840,000
Belton School District No. 124			3	16,285,000
Bismarck R-V School District			2	2,220,000
Black Jack Fire Protection District	1	\$ 2,500,000	1	2,949,998
Blair Oaks R-II School District			2	10,325,000
Bloomfield R-XIV School District			1	839,168
Blue Eye R-V School District			1	2,200,000
Bolivar R-I School District			1	2,975,000
Boone County			2	521,000
Boonville R-I School District			3	13,045,000
Branson R-IV School District			1	9,150,000
Brentwood School District			1	6,780,000
Brookfield R-III School District			3	4,945,000
Brunswick R-II School District			1	615,000
Butler R-V School District			1	6,145,000
Camdenton R-III School District			1	3,950,000
Cameron R-I School District			1	2,130,000
Campbell R-II School District			1	1,950,000
Canton R-V School District			1	1,085,081



## Appendix A Bond Analysis Data

Issuer Name	Competitive Sales		Negotiated Sales	
	Issue Count	Issue Amount	Issue Count	Issue Amount
Cape Girardeau County R-II School District			1	4,785,000
Cape Girardeau School District No. 63			3	26,380,000
Carl Junction R-I School District			3	17,535,000
Carthage R-IX School District			1	4,060,000
Cass County			1	10,000,000
Cass County R-II School District			2	36,675,000
Central Cass County Fire Protection District			1	510,000
Central Jackson County Fire Protection District			1	5,000,000
Central R-III School District			4	14,219,049
Central St Charles County Fire and Rescue District	1	6,125,000		
Chadwick R-I School District			1	825,000
Chaffee R-II School District			1	1,065,000
Christian County R-III School District			2	3,306,000
City of Avondale			1	165,000
City of Ballwin			1	3,695,000
City of Bellefontaine Neighbors			1	5,500,000
City of Belton			2	18,730,000
City of Blue Springs			2	6,030,000
City of Burlington Junction			1	250,000
City of Carl Junction			1	4,500,000
City of Chesterfield	1	5,255,000		
City of Clayton	1	3,950,000		
City of Des Peres			1	6,170,000
City of Fair Grove			1	500,000
City of Ferguson	1	8,000,000		
City of Gasconade			1	245,000
City of Grain Valley	1	6,940,000		
City of Grandview	2	7,550,000		
City of Greenwood			1	1,285,000
City of Kansas City	1	40,000,000	2	87,190,000
City of Kirkwood			1	4,185,000
City of Lake St. Louis			1	7,230,000
City of Lake Winnebago			2	460,000
City of Lee's Summit	1	12,000,000		
City of Lilbourn			1	175,000
City of Lone Jack			1	999,000





# Appendix A Bond Analysis Data

Issuer Name	Competitive Sales		Negotiated Sales	
	Issue Count	Issue Amount	Issue Count	Issue Amount
City of Maryville			1	4,220,000
City of Northwoods			1	2,500,000
City of Oak Grove			2	9,025,000
City of Owensville			1	1,185,000
City of Raymore	1	2,515,000		
City of Richmond			1	2,355,000
City of Rock Hill			2	5,250,000
City of Springfield	1	3,335,000		
City of St. James			2	7,400,000
City of St. Peters	3	23,670,000	1	3,790,000
City of Weatherby Lake			1	1,280,000
City of Webb City			1	5,895,000
City of Webster Groves	1	13,000,000		
City of Woodson Terrace			1	1,040,000
Clark County R-I School District			1	2,250,000
Clarksburg C-2 School District			1	600,000
Clay County R-I School District			2	6,165,000
Clayton School District			2	24,750,000
Clearwater R-I School District			1	1,005,000
Clever R-V School District			1	2,000,000
Clinton County R-III School District			2	7,695,000
Cole Camp R-I School District			1	1,420,000
Cole County R-I School District			2	5,520,788
Cole County R-V School District			2	4,084,793
Columbia School District	4	61,625,000	1	48,275,000
Community Fire Protection District of St. Louis County	1	2,680,000		
Community R-VI School District			2	3,025,000
Concordia R-II School District			1	750,000
Cooper County Fire Protection District			1	1,280,000
Cooper County R-IV School District			1	315,000
Cottleville Community Fire Protection District	1	3,120,000		
Crawford County R-I School District			1	500,000
Crawford County R-II School District			1	5,000,000
Crocker R-II School District			1	1,065,000
Crystal City School District No. 47			3	4,655,000
Davis R-XII School District			1	200,000



## Appendix A Bond Analysis Data

Issuer Name	Competitive Sales		Negotiated Sales	
	Issue Count	Issue Amount	Issue Count	Issue Amount
Delta R-V School District			1	2,600,000
DeSoto School District No. 73			2	6,786,056
Dexter R-XI School District			2	8,775,000
Drexel R-IV School District			1	1,280,000
Dunklin R-V School District			2	13,960,000
El Dorado Springs R-II School District			1	1,850,000
Eldon R-I School District			2	11,800,000
Eminence R-I School District			1	200,000
Eureka Fire Protection District			1	3,600,000
Excelsior Springs School District No. 40			2	6,810,000
Fair Play R-II School District			1	1,270,000
Farmington R-VII School District			1	8,545,000
Fayette R-III School District			1	1,750,000
Festus R-VI School District			1	11,925,000
Florissant Valley Fire Protection District	1	2,685,000		
Fordland R-III School District			1	1,465,000
Fort Osage Fire Protection District			1	2,500,000
Fort Osage R-I School District			2	20,985,000
Fort Zumwalt School District			2	4,799,950
Francis Howell R-III School District			4	78,530,000
Fulton Public School District No. 58	3	15,377,575		
Galena R-II School District			1	1,750,000
Gasconade County R-II School District			1	7,100,000
Grain Valley R-V School District			4	12,565,000
Grandview C-4 School District			4	20,405,000
Grandview R-II School District			3	8,668,822
Green City R-I School District			1	813,811
Greene County R-II School District			2	7,955,000
Greene County R-III School District			2	8,452,000
Greenfield R-IV School District			1	750,000
Greenville R-II School District			1	4,000,000
Halfway R-III School District			1	1,500,000
Hallsville R-IV School District			1	2,120,000
Hancock Place School District			4	19,235,000
Hannibal School District No. 60			2	10,065,000
Harrisburg R-VIII School District			2	3,505,000



## Appendix A Bond Analysis Data

Issuer Name	Competitive Sales		Negotiated Sales	
	Issue Count	Issue Amount	Issue Count	Issue Amount
Hartville R-II School District			1	1,440,000
Henry County R-I School District			2	2,071,246
Hermitage R-IV School District			1	900,000
Hickman Mills C-1 School District			2	24,650,000
Hickory County R-I School District			1	1,150,000
Higbee R-VIII School District			1	1,200,000
Hillsboro R-III School District			3	14,765,449
Holcomb R-III School District			1	400,000
Holden R-III School District			1	2,715,000
Hollister R-V School District			1	2,518,938
Humansville R-IV School District			1	1,300,000
Independence School District			4	89,095,000
Jackson County C-2 School District			2	29,385,000
Jackson County R-IV School District			2	113,945,000
Jackson County R-VII School District			2	57,235,000
Jefferson Co R-VII School District			2	11,000,000
Jefferson County C-6 School District			2	17,060,000
Jennings School District			1	5,600,000
Johnson County R-VII School District			1	620,000
Junior College District of East Central Missouri			1	9,800,853
Kearney Fire and Rescue Protection District			1	3,500,000
Kennett School District No. 39			1	7,000,000
King City R-I School District			1	871,940
Kingston K-14 School District			2	1,590,000
Kingsville R-I School District			1	1,475,000
Kirbyville R-VI School District			1	1,315,000
Kirksville R-III School District			2	21,355,000
Kirkwood R-VII School District			1	4,980,000
La Monte R-IV School District			1	835,000
La Plata R-II School District			1	2,050,000
Ladue School District			1	2,245,000
Lafayette County C-1 School District			1	2,875,000
Lakeland R-III School District			2	3,330,000
Lawrence County R-IX School District			1	4,350,000
Lawson R-XIV School District			1	1,800,000
Lebanon R-III School District			1	6,490,000



## Appendix A Bond Analysis Data

Issuer Name	Competitive Sales		Negotiated Sales	
	Issue Count	Issue Amount	Issue Count	Issue Amount
Liberty Public School District No. 53			2	74,290,000
Lincoln County R-II School District			3	6,725,000
Lincoln County R-III School District			9	49,670,000
Lindbergh R-VIII School District	3	24,465,000		
Livingston County Library District			1	3,400,000
Lockwood R-I School District			1	1,775,000
Logan-Rogersville R-VIII School District			1	2,435,000
Lone Jack C-6 School District			1	700,000
Lonedell R-XIV School District			1	712,061
Lotawana Fire Protection District			1	750,000
Louisiana R-II School District			1	2,600,000
Macks Creek R-V School District			1	720,000
Malden R-I School District			1	1,690,000
Malta Bend R-V School District			1	490,000
Mansfield R-IV School District			1	2,225,000
Maplewood Richmond Heights School District			3	11,219,981
Marceline R-V School District			1	1,360,000
Maries County R-I School District			1	2,200,000
Marshfield R-I School District			1	712,000
Maryville R-II School District			2	11,685,000
McDonald County R-I School District			2	11,385,000
Meadow Heights R-II School District			2	1,325,000
Meadville R-IV School District			1	955,000
Meramec Valley R-III School District			2	13,340,000
Metro West Fire Protection District of St. Louis County			1	5,045,000
Metro-North Fire Protection District of St. Louis County	1	2,000,000		
Mexico School District No. 59			6	15,377,596
Mid Camden County Fire Protection District			1	3,635,000
Mid St. Louis County Fire Protection District	2	3,405,000		
Mid-Buchanan County R-V School District			1	3,630,000
Miller County R-III School District			1	490,000
Miller County Nursing Home District			1	1,430,000
Mineral Area Community College District			2	13,950,000
Missouri Board of Fund Commissioners	3	105,660,000		
Moberly School District No. 81			1	16,200,000
Monett R-I School District			3	10,416,075



## Appendix A Bond Analysis Data

Issuer Name	Competitive Sales		Negotiated Sales	
	Issue Count	Issue Amount	Issue Count	Issue Amount
Moniteau County R-I School District			2	8,155,000
Moniteau County R-VI School District of Tipton			1	5,465,000
Monroe City R-I School District			1	1,200,000
Mt. Vernon R-V School District			2	4,495,000
New Bloomfield R-III School District			4	6,490,000
New Franklin R-I School District			2	1,775,000
New Haven School District			1	2,800,000
New Madrid County R-I School District			1	4,175,000
Newburg R-II School District			1	990,000
Nixa R-II School District			3	10,887,934
Norborne R-VIII School District			2	920,000
Normandy School District			4	31,500,000
North Callaway County R-I School District			1	1,870,000
North Kansas City School District No. 74			3	38,415,000
North Nodaway County R-VI School District			1	650,000
North Platte County R-I School District			1	3,750,882
North Shelby School District			1	486,330
North St. Francois County R-I School District			6	26,522,529
Northeast Nodaway County R-V School District			1	965,000
Northeast Randolph County R-IV School District			1	970,000
Northwest R-I School District of Jefferson County			3	22,260,000
Oak Grove R-VI School District			2	20,000,000
Oak Ridge R-VI School District			1	1,270,000
Odessa R-VII School District			2	16,000,000
Oran R-III School District			1	1,690,000
Orchard Farm R-V School District	1	9,000,000		
Orrick R-XI School District			1	2,400,000
Osage County R-II School District			2	4,380,000
Osborn R-0 School District			1	510,000
Otterville R-VI School District			1	410,000
Ozark R-VI School District			4	24,320,000
Palmyra R-I School District			1	7,000,000
Paris R-II School District			1	720,000
Park Hill School District			2	14,595,000
Parkway C-2 School District			3	93,780,000
Pattonsburg R-II School District			1	905,000



## Appendix A Bond Analysis Data

Issuer Name	Competitive Sales		Negotiated Sales	
	Issue Count	Issue Amount	Issue Count	Issue Amount
Pattonville Fire Protection District	4	18,000,000		
Pettis County R-V School District			1	790,000
Pierce City R-VI School District			2	4,375,000
Pike County R-III School District			1	5,000,000
Pilot Grove C-4 School District			1	1,030,000
Platte County R-III School District			4	27,415,000
Pleasant Hill R-III School District			3	11,900,000
Pleasant Hope R-VI School District			1	900,000
Polo R-VII School District			1	1,290,000
Princeton R-V School District			2	2,495,000
Purdy R-II School District			1	1,600,000
Putnam Co R-I School District			2	2,810,023
Puxico R-VIII School District			1	2,160,000
Ralls County R-II School District			1	2,650,000
Rich Hill R-IV School District			2	2,695,000
Ritenour School District			3	34,955,000
Riverview Fire Protection District			1	3,000,000
Riverview Gardens School District			2	10,089,921
Robertson Fire Protection District	3	6,275,000		
Rock Port R-II School District			1	2,029,046
Rockwood R-VI School District	2	83,800,000	3	67,315,000
Roscoe C-1 School District			1	235,000
Santa Fe R-X School District			1	1,900,000
Schuyler Co R-I School District			1	2,405,000
Scott City R-I School District			1	2,410,000
Scott County Central School District			2	2,275,000
Shawnee R-III School District			1	425,000
Sherwood Cass R-VIII School District			1	2,890,000
Sikeston R-VI School District			1	3,190,000
Silex R-I School District			2	1,980,000
Slater School District			2	1,581,119
Smithville Area Fire Protection District			1	2,500,000
Smithville R-II School District			1	6,500,000
Sni-Valley Fire Protection District of Jackson County			2	3,900,000
South Metropolitan Fire Protection District of Cass County			1	5,690,000
Southern Boone County R-I School District			4	12,645,000



## Appendix A Bond Analysis Data

Issuer Name	Competitive Sales		Negotiated Sales	
	Issue Count	Issue Amount	Issue Count	Issue Amount
Southern Reynolds County R-II School District			1	910,000
Southwest R-V School District			2	3,825,000
Spokane R-VII School District			1	2,095,000
Springfield R-XII School District			2	15,970,000
St. Louis Transitional School District			2	77,650,000
St. Charles Community College			1	21,770,000
St. Charles County Ambulance District	1	3,265,000		
St. Charles School District			2	11,265,000
St. Clair R-XIII School District			1	2,550,000
St. James R-I School District			2	6,090,000
Ste. Genevieve County R-II School District			1	1,610,000
Stewartsville C-2 School District			1	437,317
Stockton R-I School District			1	8,015,000
Stone County R-IV School District			3	12,292,356
Strafford R-VI School District			1	3,700,000
Strain-Japan R-XVI School District			1	200,000
Strasburg C-3 School District			1	935,000
Sturgeon R-V School District			2	4,550,000
Sullivan School District			2	8,885,000
Sunrise Beach Fire Protection District			1	1,150,000
Sunrise R-IX School District			2	2,053,788
Sweet Springs R-VII School District			1	1,395,104
Taneyville R-II School District			1	1,000,000
Thayer R-II School District			1	2,600,000
Trenton R-IX School District			1	2,370,000
Union R-XI School District			3	27,325,000
University City School District			3	34,374,866
Valley Park School District			2	3,915,000
Van-Far R-I School District			1	1,265,000
Verona R-VII School District			2	2,950,000
Warren County R-III School District			2	11,200,000
Warrensburg R-VI School District			2	5,030,000
Washington County R-III School District			1	5,475,000
Washington School District			1	2,650,000
Webb City R-VII School District			1	5,000,000
Webster Groves School District			1	6,955,000



Appendix A  
Bond Analysis Data

Issuer Name	Competitive Sales		Negotiated Sales	
	Issue Count	Issue Amount	Issue Count	Issue Amount
Wellington-Napoleon R-IX School District			2	2,382,041
Wellsville Middletown R-I School District			1	1,460,000
Wentzville R-IV School District	1	8,540,000	3	81,108,677
West County EMS & Fire Protection District of St. Louis County	3	16,980,000		
West Nodaway County R-I School District			1	1,200,000
West Peculiar Fire Protection District			2	2,815,000
West St. Francois County R-IV School District			2	4,320,000
Wheatland R-II School District			1	700,000
Windsor C-1 School District			4	33,105,000
Winfield R-IV School District			2	7,665,000
Worth County R-III School District			1	520,000
Wright City R-II School District			7	17,125,023
Grand Total	50	\$ 501,717,575	488	\$ 2,621,766,171



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## Technical Advisor Biographies

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The technical advisors are involved in public finance research and education and have published numerous research articles on the topic. Much of their work has specifically addressed the cost differences that exist between competitive and negotiated sales.

**Bill Simonsen** is a Professor in the Department of Public Policy at the University of Connecticut and Director of its Master of Public Administration (MPA) program. Simonsen's research and writing focuses on public sector financial management and policy and has two main themes (1) ways to aid public management decisions about municipal bond sales, and (2) processes that improve the ways that citizen preferences can be used in public decisions. His research on municipal bonds covers such topics as interest rate calculations, use of competitive or negotiated sale types, bond structuring and sizing, understanding decision making in the bond sale process, debt policies, and emerging bond markets. His research on citizen preferences focuses on innovative, deliberative, and realistic ways that citizen input can be elicited and used in public decisions. He frequently collaborates with his colleague Mark Robbins, also at the University of Connecticut.

Simonsen's work has been published widely in public finance, public administration and related journals. His work has appeared in journals such as *Public Administration Review*; *American Review of Public Administration*; *Public Budgeting and Finance*; *Municipal Finance Journal*; *Journal of Public Budgeting, Accounting and Financial Management*; *Urban Affairs Review*; *State and Local Government Review*; *Publius: The Journal of Federalism*, *Journal of Urban Affairs* and the *Social Science Journal*. His book chapters include a study of the State of Oregon budgeting practices in *Budgeting in the States*. His book with Mark Robbins, *Citizen Participation in Resource Allocation* examines current and historical methods of involving citizens in public budgeting processes. Simonsen has been on the editorial boards for both the *Municipal Finance Journal* and *Public Budgeting and Finance*.

**Mark Robbins** is the Department Head and a Professor of Public Policy at the University of Connecticut. He conducts research and teaches in the area of public budgeting and finance. His research focuses on public preferences for taxing and spending, and on public debt. Mark works closely with Bill Simonsen and their work together has appeared in numerous scholarly journals. He also serves as technical adviser to the Government Finance Officer's Association's Debt Committee, sits on the Commission for Peer Review and Accreditation for the National Association of Schools of Public Affairs and Administration, and is on the Government Accounting Standard Board's Government Accounting Standards Advisory Council representing the Association for Budgeting and Financial Management. Robbins received his Master's degree from the University of Oregon, and his Ph.D. from Syracuse University's Maxwell School.

## Bond Analysis Methodology

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The purpose of this appendix is to provide additional detail of the methodology used by the technical advisors. The advisors prepared the detailed methodology and, therefore it is somewhat technical in nature.

Using ordinary least squares regression, the advisors concluded that, on average, with all other factors being equal, competitive bidding carried borrowing costs that were approximately 23.5 basis points lower than those sold without such bidding. For the average sale amount of \$5.8 million the savings provides debt service savings of \$88,148 over the life of the bond. The following narrative provides information that explains the advisors' review methods and how they addressed selection bias and other variables.

### Analysis population

The analysis eliminated short-term bonds and other bonds with unusual characteristics. The eliminated bonds included bonds maturing in less than 3 years, bonds that were not "plain vanilla" GO issues (such as Qualified Zone Academy Bonds, Build America Bonds, Neighborhood Improvement Bonds, and others), taxable bonds, and one bond with "outlier" characteristics regarding borrowing costs. The original overall population of 807 bonds was reduced to an analysis population of 538 bonds.

### Consideration of selection bias

To account for the possibility of selection bias, as issuers might select the sale type non-randomly, a Hausman test was performed. The test, which factored for whether or not the bond was partially or fully refunded as an instrument, did not reveal the need for selection correction. Whether or not the bond is a refunding bond has been used in past studies as an instrument.<sup>11</sup>

### Analysis method

Previous research and economic theory were reviewed. Factors other than the method of sale that could affect borrowing costs were identified. To statistically control for the other factors ordinary least squares regression was used to observe the effect that the decision to pursue competitive sales makes on borrowing costs. The table below presents the variables used in the analysis and their definitions.

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<sup>11</sup> Peter Brucato and Jun Peng, "Another Look at the Effect of Method of Sale on the Interest Cost in the Municipal Bond Market: A Certification Model," *Public Budgeting and Finance*, Vol. 23., No. 1., March 2003, pp 73-95. Tatyana Guzman and Temirlan Moldogaziev, "Which Bonds Are More Expensive? The Cost Differentials by Debt Issue Purpose and the Method of Sale: An Empirical Analysis," *Public Budgeting and Finance*, Vol. 32., No. 3., Fall 2012, pp 79-101.



## Appendix C

### Bond Analysis Methodology

Variables Considered During Analysis	
Variable	Variable Definition
Method of sale	1 if sale is competitive, 0 if negotiated
Experience	Number of sales by the issuer since June 2005 <sup>12</sup>
Callable	1 if the bond is callable, 0 if not
Bank qualified	1 if the bond is bank qualified, 0 if not
Bond Buyer GO Index	The Bond Buyer GO index for the week of the sale
Ratings	A series of indicator variables representing the bond ratings. The Moody's rating is used. If there is no Moody's rating, the Standard and Poor's rating is used. The base case is no rating or unreported rating
Volatility	The standard deviation of the Bond Buyer GO Index for the prior month
Yield ratio	The ratio of the Bond Buyer One-Year Note Index and the Bond Buyer GO Index
Insured	1 if the bond is insured, 0 if not
Natural log-years to maturity	The natural logarithm of the years to bond maturity
Natural log-bond amount	The natural logarithm of the amount of the bond
School	1 if the issuer is a school, 0 if not
Time counter	A time counter by quarter of the year
Quarters	A series of indicator variables representing the year and quarter that the bond was issued

Multiple analysis models were applied

Two analysis models were used to analyze the test population. The first model included competitive sale as the variable of interest to determine the impact of sales method on interest costs. The second model included the number of bids as the variable of interest to determine the incremental impact of each additional bid on interest costs. The results of both models show similar patterns in the results. Both models were subjected to an additional data result set that factors in controls for time, which are

<sup>12</sup> The prior audit data went through May 2005.



## Appendix C Bond Analysis Methodology

considered important due to the effects of the financial collapse during the time period under analysis.

### Estimated savings using analysis results

The present value of the cost difference between bond issues sold by competitive versus negotiated means was calculated to describe the magnitude of the effects revealed in the analysis. The calculation is based on assumptions that the debt matures in 12 years (about the average for bond sales in the sample), debt service has equal principal payments, and interest payments occur every 6 months. Cost savings were calculated for sales of \$2 million, \$5.8 million (approximately the average for the bond sales in the sample) and \$10 million. The expected interest savings were calculated using the 23.45 basis point saving estimate calculated as part of the bond analysis. This saving estimate is provided by the preferred analysis results, which used method of sale as the independent variable and was adjusted for time controls. The results are shown in the table below.

Estimated Savings for Issues Sold Through Competitive Bidding			
Amount of Sale	\$ 2,000,000	5,800,000	10,000,000
Savings (undiscounted)	\$ 30,743	88,148	150,067
Savings (discounted)	\$ 24,477	70,346	119,730

### Methodology approved by an independent professor

The SAO provided documentation of the analysis performed by the advisors to the University of Missouri for an evaluation of the methodology. Judith Stallmann, Professor of Agricultural Economics, Rural Sociology and Truman School of Public Affairs performed the evaluation. The professor has published research in national publications and is familiar with the statistical techniques used by the advisors.

The professor reviewed various aspects of the methodology, including the number of competitive and negotiated sales, potential sample selection bias, and the control variables. The professor concluded the numbers of bonds for each method of sale were sufficient to obtain reliable estimates, preliminary testing correctly addressed the possibility of selection sample bias, ordinary least squares was an appropriate methodology to be used to estimate the impact of type of issue on the basis points, and the control variables and test results under several analysis applications provide confidence in the estimates.

## Local Governments Interviewed

The table below documents the local governments contacted as part of our fieldwork and any of their bond issues included in our analysis. We visited the local governments to identify potential issues faced and to understand factors contributing to choices made. We selected the entities from our analysis population of entities that completed bond issues during the 4 years ending December 31, 2011. To ensure a diverse mix of bond issuers, we based selections on geographic location, sales method, entity type, and bond characteristics.

Political Subdivision	Bond Registration Number	Type of Sale	Amount of Issue	Date of Issue	TIC Rate (Percent)
Boonville R-I School District	25164	Negotiated	\$ 2,855,000	1/29/2008	3.775
	25293	Negotiated	4,320,000	2/18/2009	2.815
	25923	Negotiated	5,870,000	12/13/2011	2.928
Carthage R-IX School District	25298	Negotiated	4,060,000	2/15/2009	2.070
City of Grandview	25371	Competitive	3,300,000	7/29/2009	1.325
	25748	Competitive	4,250,000	11/23/2010	1.591
Cole County R-V School District	25487	Negotiated	3,240,000	1/27/2010	2.738
	25644	Negotiated	844,790	7/29/2010	3.595
Columbia School District	25186	Competitive	30,015,000	4/1/2008	4.364
	25347	Competitive	4,875,000	5/5/2009	3.185
	25510	Competitive	8,305,000	2/23/2010	1.671
	25726	Competitive	18,430,000	10/12/2010	1.502
	25852	Negotiated	48,275,000	6/1/2011	4.004
Fulton Public School District No. 58	25163	Competitive	3,550,000	1/24/2008	2.976
	25467	Competitive	7,500,000	12/16/2009	2.888
	25574	Competitive	4,327,570	6/24/2010	3.875
Grandview C-4 School District	25238	Negotiated	8,410,000	6/25/2008	3.235
	25248	Negotiated	1,500,000	7/31/2008	4.608
	25300	Negotiated	4,000,000	2/18/2009	3.260
	25623	Negotiated	6,495,000	7/14/2010	2.534
Greene County R-III School District	25202	Negotiated	4,990,000	5/1/2008	3.429
	25602	Negotiated	3,462,000	6/15/2010	4.015
Marshfield R-I School District	25609	Negotiated	712,000	6/15/2010	3.808
North Callaway County R-I School District	25292	Negotiated	1,870,000	2/12/2009	2.727
Rockwood R-VI School District	25234	Competitive	70,000,000	6/24/2008	3.905
	25307	Negotiated	32,945,000	2/24/2009	1.895
	25488	Negotiated	24,465,000	1/28/2010	2.831
	25714	Competitive	13,800,000	9/29/2010	1.586
	25879	Negotiated	9,905,000	7/27/2011	1.280



Appendix D  
Local governments Interviewed

Bond Issued By	Bond Registration Number	Type of Sale	Amount of Issue	Date of Issue	TIC Rate (Percent)
Warrensburg R-VI School District	25409	Negotiated	1,510,000	9/15/2009	3.155
	25671	Negotiated	3,520,000	8/9/2010	2.341
Webb City R-VII School District	25214	Negotiated	5,000,000	5/15/2008	4.192
Wentzville R-IV School District	25278	Competitive	8,540,000	12/30/2008	4.840
	25381	Negotiated	30,623,677	8/4/2009	5.581
	25828	Negotiated	7,950,000	3/30/2011	3.249
	25907	Negotiated	42,535,000	10/6/2011	2.870
Wright City R-II School District	25213	Negotiated	2,735,000	5/28/2008	3.167
	25352	Negotiated	2,700,000	5/13/2009	4.199
	25422	Negotiated	310,020	10/1/2009	2.705
	25554	Negotiated	1,400,000	6/3/2010	3.419
	25802	Negotiated	3,730,000	2/3/2011	2.076
	25824	Negotiated	5,250,000	3/8/2011	2.951
	25951	Negotiated	1,000,000	12/29/2011	2.243

## GFOA Resources

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Our research identified valuable best practices resources and other guidance published by the GFOA. A full listing of GFOA best practices guidance, other advisories, and publications are available at [www.gfoa.org](http://www.gfoa.org). Other organizations and authors publish similar resources and technical papers, which are generally available for download or purchase by local governments. Several of the GFOA debt management resources are listed below, most of which are available at no cost:

### BOOKS

- A Practitioner's Guide To Effective Debt Management: Competitive v. Negotiated: How to Choose the Method of Sale for Tax-Exempt Bonds (1994)
- An Elected Official's Guide to Debt Issuance (2005)
- Debt Issuance and Management - A Guide for Smaller Governments (1994)

### BEST PRACTICES

- Analyzing and Issuing Refunding Bonds (1995 and 2010)
- Costs of Issuance Incurred in a Publicly Offered Debt Transaction (2013)
- Debt Management Policy (1995, 2003 and 2012)
- Expenses Charged by Underwriters in Negotiated Sales (1996, 2010 and 2012)
- Issuer's Role in Selection of Underwriter's Counsel (1998, 2009)
- Issuing Taxable Debt by U.S. State and Local Governments (1998 and 2012)
- Managing Build America and other Direct Subsidy Bonds (2010 and 2012)
- Pricing Bonds in a Negotiated Sale (1996, 2000, and 2010)
- Selecting and Managing the Method of Sale of State and Local Government Bonds (1994 and 2007)
- Selecting Bond Counsel (1998 and 2008)
- Selecting Financial Advisors (2008)
- Selecting Underwriters for Negotiated Bond Sales (2008)

### ADVISORIES

- Evaluating the Use of Pension Obligation Bonds (1997, 2005)
- Need for Considerable Caution in Regard to OPEB Bonds (2007)
- Understanding the Issuer's Role in Secondary Market Securitization of Tax-Exempt Obligations (1993, 1996, 2005)
- Underwriter Disclaimers in Official Statements (2000)
- Using Variable Rate Debt Instruments (1997 and 2010) revised
- Use of Debt-Related Derivatives Products and the Development of a Derivatives Policy (1995, 2003, 2005 and 2010) revised

## GFOA Method of Sale Matrix

The table below is a reproduction of a GFOA document intended to provide guidance to issuers of public debt. It presents the conditions which favor competitive and negotiated sale methods.

	Competitive	Negotiated
<b>Debt Structure</b>		
Pledged Revenues	General Obligation or Strong System Revenue	Project Supported Revenues
Security Structure (for Revenue Bonds)	Conventional Resolution and Cash Flow: Rate Covenant and Coverage	Unusual or Weak Covenants; Subordinate Debt
Debt Instrument	Traditional Serial and Term, Full Coupon Bonds	Use of Innovative Structuring, Derivative Products, Structure to Attract Particular Investors (e.g. Discount Bonds), etc.
<b>Credit Quality</b>		
Rating	'A' or better	Below Single 'A'
Outlook	Stable	Weak but Improving, or Under Stress
<b>Issuer Characteristics</b>		
Type of Organization	Broad-Based General Purpose Borrower	Special Purpose, Independent Authority
Frequency of Issuance	Regular Borrower in Public Market	New or Infrequent Issuer
Market Awareness	Active Secondary Market with Broad Investor Base	Little or No Institutional Awareness of Issuer; Historical Antipathy
Investor Comfort	Well-Known, Stable Issuer	Issuer Experiencing Significant Financial, Legal or Other Problems
<b>Market Conditions</b>		
Interest Rates	Stable; Predictable Market	Volatile or Declining Market
Supply and Demand	Strong Investor Demand, Good Liquidity, Light Forward Calendar	Oversold Market, Heavy Supply
<b>Policy Considerations</b>		
Participation in Sale of Bonds	Broad Market Participation Desired	Desire to Direct Business to DBE <sup>1</sup> or Local/Regional Firms
Stimulation of Investor Interest	Broad Market Participation Desired for Purchase of Bonds	Desire to Direct Business to Local/Regional Investors

<sup>1</sup> Disadvantaged Business Enterprise

Source: *A Practitioner's Guide to Effective Debt Management: Competitive v. Negotiated: How to Choose the Method of Sale for Tax-Exempt Bonds*, GFOA, 1994, p. 3.





Thomas A. Schweich  
Missouri State Auditor

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# FOLLOW-UP REPORT ON AUDIT FINDINGS

## PUBLIC SAFETY

### Missouri State Highway Patrol



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November 2013  
Report No. 2013-117

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<http://auditor.mo.gov>

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# Department of Public Safety

## Missouri State Highway Patrol

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#### Status of Findings\*

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\*Includes selected findings



# THOMAS A. SCHWEICH

## Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Jerry Lee, Director  
Department of Public Safety  
and  
Colonel Ronald K. Replogle, Superintendent  
Missouri State Highway Patrol  
Jefferson City, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2013-50, *Department of Public Safety, Missouri State Highway Patrol (MSHP)*, issued in June 2013, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the MSHP about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the MSHP, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we met with MSHP officials, received a written status to select findings, and reviewed documentation related to the actions taken by the MSHP to implement the recommendations. This report is a summary of the results of this follow-up work, which was substantially completed during October 2013.

A handwritten signature in black ink, reading "Thomas A. Schweich".

Thomas A. Schweich  
State Auditor

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# Department of Public Safety

## Missouri State Highway Patrol

### Follow-Up Report on Prior Audit Findings - Status of Findings

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1. Airplane Purchase	<p>The Missouri State Highway Patrol (MSHP) did not perform a formal written analysis to justify the need to purchase an additional airplane, or to purchase a new airplane instead of a much less expensive used airplane. Our analysis of flight usage data indicated existing state airplanes were underutilized prior to the purchase of the additional new airplane. Further, while the purchase of the new airplane appeared to fall within the legal authority of the MSHP, and the use of a sole source purchasing process appeared appropriate, the MSHP could have been more transparent regarding its intent to purchase an additional airplane.</p>
1.1 Airplane fleet usage	<p>MSHP officials did not prepare a formal analysis to determine the necessity of an additional new airplane for the state's fleet. MSHP officials stated an additional airplane was necessary due to frequent use of the existing airplane by elected officials. The majority of the flights logged were by the governor, whose usage was given priority over MSHP flight needs. However, the MSHP did not track instances of when a flight was requested but an airplane was not available.</p> <p>State airplane flight usage records for the state's five passenger airplanes indicated these airplanes were underutilized even before the purchase of an additional airplane. In addition, a formal cost/benefit analysis justifying the need for the purchase of a new airplane instead of a used one was not prepared.</p>
Recommendation	<p>The MSHP conduct a formal written analysis of airplane fleet needs and usage before any future airplane purchases are made, and conduct a cost/benefit analysis of purchasing new or used airplanes.</p>
Status	<p><b>In progress</b></p> <p>The MSHP indicated that since the time of the audit there has been no need for any additional aircraft. However, when the need arises again, the MSHP will consider additional evaluation methods as it conducts its analysis of needs and usage, including a cost/benefit analysis of purchasing new or used airplanes.</p>
1.2 Appropriation authority	<p>While the purchase of the airplane appeared to fall within the legal authority of the MSHP, and although not required, the MSHP did not inform the legislature of its intent to purchase a new airplane during the 2013 budget process.</p>
Recommendation	<p>The MSHP consider including significant anticipated purchases as budget decision items in the future.</p>



Department of Public Safety  
Missouri State Highway Patrol  
Follow-up Report on Prior Audit Findings - Status of Findings

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Status

**In progress**

In May 2013, the 97th General Assembly passed Senate Bill No. 236 revising Section 43.265, RSMo, effective August 28, 2013, to require the MSHP to submit any future purchases exceeding \$100,000 for aircraft, watercraft, motor vehicles, and trailers as decision items in the annual budget process. MSHP officials indicated they would submit any such funding requests as required.

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3. School Bus Inspection Program

The MSHP did not have procedures to periodically observe school bus inspections and did not analyze the results of spot inspections to ensure inspections were properly performed. The MSHP is required by Section 307.375.2, RSMo, to conduct an inspection after February first of each school year of all vehicles required to be marked as school buses. The MSHP also conducts spot inspections of school buses as authorized under Section 307.375.4, RSMo.

The National Transportation Safety Board (NTSB) investigated an August 2010 collision involving four vehicles, including two school buses, and subsequently issued a report on its findings. The report identified the probable causes of the accident to be driver distraction, inattention, and following too closely. The report also noted that the lack of forward warning systems on the two school buses contributed to the severity of the accident. Additionally, the report cited inadequate state school bus inspection regulations and procedures as one of several safety issues identified in the investigation and made recommendations regarding Missouri's school bus inspection program.

3.1 NTSB findings

The MSHP did not have procedures to periodically observe school bus inspections performed by both the MSHP and state inspection stations. The NTSB report concluded safety inspections conducted in March 2010 by the MSHP and in July 2010 by a state inspection station of the two school buses involved in the August 2010 accident were inadequate. The NTSB identified defects in both buses that, in its opinion, existed at the time of the private inspection and likely existed at the time of the MSHP inspection in March 2010. Subsequent to the accident, the MSHP performed inspections of the 20 remaining school buses used to transport students of the school. The MSHP identified eight buses with defects with five of the buses taken out of service until the defects were corrected. It is likely that at least some of the buses had defects that were not identified during the March 2010 inspection. In addition, the July 2010 state inspection station inspections reports identified no defects in the buses involved in accidents or the five buses taken out of service by the MSHP during the August 2010 inspections. The MSHP suspended the inspection permits of the state inspection station and the inspector who performed the July 2010 inspections on the school district's buses. It appeared the MSHP had taken corrective action and implemented NTSB recommendations.



Department of Public Safety  
Missouri State Highway Patrol  
Follow-up Report on Prior Audit Findings - Status of Findings

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**Recommendation**

The MSHP establish and periodically perform oversight procedures to ensure school bus inspections are performed in accordance with state regulations.

**Status**

**In progress**

MSHP officials indicated that subsequent to the August 2010 collision, the MSHP submitted suggested changes to the Code of State Regulations (CSR) to improve the school bus inspection program; those changes are pending approval. Subsequent to the 2013 audit report, the MSHP established a school bus committee in June 2013. The committee is comprised of inspectors from the MSHP's Motor Vehicle Inspection Division. The purpose of the committee is to develop rules, policies, training, and CSR changes that will require inspector mechanics and MSHP personnel to pass a written and practical test before being authorized to inspect school buses. As of now, the committee has met three times, and is scheduled to meet again in November 2013. To date, the committee has addressed training needs, proposed changes to rules and policies, and coordinated an updated school bus inspection training film that will be produced in December 2013. In lieu of an endorsement program, the MSHP is working to establish a separate secondary license for inspector mechanics. Such a license is expected to allow the MSHP to better ensure that mechanics have the technical knowledge and ability to properly inspect a school bus.

**3.2 School bus inspection results**

The MSHP did not use the results of spot inspections to identify state inspection stations that may not have been effectively identifying defective school buses. Spot inspections determined significantly more deficiencies than the annual inspections, an indication that school districts and/or school bus contractors may be lax in maintaining school buses in accordance with school bus safety regulations, and/or the required annual pre-school year bus inspections performed by state inspection stations may not effectively identify defective school buses.

**Recommendation**

The MSHP analyze spot inspection results to identify state inspection stations that may not be performing adequate school bus inspections and require those inspectors attend training on proper school bus inspection procedures.

**Status**

**Implemented**

MSHP officials indicated that their agency is utilizing the spot inspection process to identify buses with deficiencies, to compile information on the bus and the inspection station, and to conduct follow-up reviews to ensure that inspector mechanics are properly trained and inspections are properly conducted.



**Thomas A. Schweich**  
Missouri State Auditor

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# FOLLOW-UP REPORT ON AUDIT FINDINGS

## Dade County

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November 2013  
Report No. 2013-118



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<http://auditor.mo.gov>

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# Dade County

## Follow-Up Report on Audit Findings

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\*Includes selected findings





# THOMAS A. SCHWEICH

## Missouri State Auditor

To the County Commission  
and  
Officeholders of Dade County

We have conducted follow-up work on certain audit report findings contained in Report No. 2013-061, *Dade County*, issued in July 2013, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the county about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the county, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed supporting documentation submitted by county officials and held meetings with county officials. Documentation included calculations of sales tax reductions, bank statements, receipt and deposit records, and various other financial records. This report is a summary of the results of this follow-up work, which was substantially completed during September and October 2013.

Thomas A. Schweich  
State Auditor

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# Dade County

## Follow-Up Report on Prior Audit Findings

### Status of Findings

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1. County Sales Tax
- Property tax reduction amounts were not properly reported to the State Auditor's office for the 2 years ended December 31, 2010, and the county failed to calculate a sales tax rollback for the 2 years ended December 31, 2012. Without this calculation, the county was unable to document whether the required property tax levy reduction was utilized.

For the year 2009, the county incorrectly certified a tax rate with a voluntary reduction instead of a sales tax reduction. For the year 2010, the county originally incorrectly certified a tax rate by failing to show any reduction. After realizing the error, the county re-certified a tax rate with a reduction; however, the reduction was incorrectly reported as a voluntary reduction instead of a sales tax reduction. The calculation for the sales tax rollback was not performed by the county for 2012 or 2011, and as a result, the county has not properly determined the General Revenue property tax levy.

Based upon the reduced tax rate ceiling and the failure of the county to reduce the tax levy for a sales tax reduction, the over collection of General Revenue property taxes was \$115,377 for 2012 and \$114,266 for 2011.

#### Recommendation

The County Commission and County Clerk properly calculate and report property tax rate reductions (sales tax or voluntary) and develop a plan to correct improper property tax reductions from prior years. During the tax rate setting process, the County Commission and County Clerk should ensure tax rate information reported back to the county in the State Auditor's office certification letter is consistent with expectations and, if not, promptly follow up on any discrepancies.

#### Status

##### **Not Implemented**

The County Clerk indicated the County Commission believes that House Bill No. 1035, First Regular Session, 97th General Assembly, will help them in this matter. The County Clerk calculated a 2013 sales tax rollback in August 2013, but the County Commission indicated it did not reduce the levy for sales tax collections because it needed the property tax revenue to continue normal county operations. The county's records show it needed to reduce General Revenue Fund property taxes by approximately \$118,500, which represents 50 percent of estimated sales tax collections for 2013. The County Clerk performed sales tax rollback calculations for 2012 and 2011 in March 2013, rather than when setting tax rates for 2012 and 2011. Also, the county has not submitted amended tax rate forms with an explanation of needed changes to the State Auditor's office as required by House Bill No. 1035.

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- 2.1 Sheriff Controls and Procedures - Segregation of duties

Accounting duties were not adequately segregated, and an adequate supervisory review of accounting records was not performed. An office manager was responsible for receipting, recording, depositing, disbursing,



Dade County  
Follow-up Report on Prior Audit Findings  
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reconciling the bank account, and transmitting monies to the County Collector-Treasurer. The current Sheriff did not perform a comparison of monies received to those deposited or transmitted.

**Recommendation**

The Sheriff adequately segregate accounting duties to the extent possible or ensure an adequate independent or supervisory review of bank and accounting records is performed and documented.

**Status**

**Implemented**

The Sheriff provided documentation of his review of the August 2013 bond and fee account bank statements and reconciliations, receipt and deposit records, checks, and concealed carry weapon (CCW) receipts and transmittals.

**2.3 Sheriff Controls and Procedures - Receipting, depositing, and transmitting monies**

Procedures for receipting, depositing and transmitting monies were not sufficient.

From May through December 2012, receipt slips were not issued for any paper service and phone commission monies received, and receipts slips were not always issued for other monies received. A total of \$11,577 was deposited or transmitted, but not recorded in receipt records.

Several receipt slip books were used concurrently, both copies of voided receipt slips were not always retained, the numerical sequence of receipt slips was not accounted for properly, and some entries on receipt slips were not legible.

Receipt slips issued did not always indicate the method of payment, and the composition of receipts was not reconciled to the composition of deposits. Checks were not restrictively endorsed immediately upon receipt, and receipts were often not deposited or transmitted intact or timely.

**Recommendation**

The Sheriff ensure legible receipt slips are issued for all monies received, all copies of voided receipts slips are retained, the numerical sequence of receipt slips is accounted for properly, the method of payment is indicated on all receipt slips, the composition of receipts is reconciled to the composition of deposits, and checks are restrictively endorsed immediately upon receipt. In addition, the Sheriff should ensure receipts are deposited or transmitted intact and in a timely manner.

**Status**

**In Progress**

We reviewed August 2013 receipt and deposit records. All monies deposited or transmitted were recorded in receipt books, all receipt slips were legible, and no voided receipts were identified. The fee account receipt book indicated the method of payment on all receipt slips and the composition



Dade County  
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was reconciled to deposits. Although the method of payment was still not recorded on bond receipt slips, it is the Sheriff's policy to only accept cash payments for bonds, and the related bond forms and deposits indicated only cash was received and deposited. Also, the CCW receipt book indicated the method of payment on all receipt slips, the composition was reconciled to amounts transmitted to the County Collector-Treasurer, and CCW receipts were transmitted timely and intact. The Sheriff indicated checks are currently being restrictively endorsed immediately upon receipt. Bond receipts were deposited intact during August 2013, but were held up to 10 days before being deposited, and some fee account receipts were held up to 6 days before being deposited.

**2.4 Sheriff Controls and Procedures - Bank reconciliations and liabilities**

Monthly bank reconciliations and lists of liabilities for the two bank accounts (bond and fee) were not prepared during the year ended December 31, 2012, and our review of the bond bank account and other records indicated \$761 in unidentified monies at December 31, 2012.

**Recommendation**

The Sheriff prepare bank reconciliations monthly and reconcile bank balances to monthly lists of liabilities. Any differences should be investigated and resolved.

**Status**

**Implemented**

The Sheriff is preparing bank reconciliations monthly for his new bank accounts. We reviewed the August 2013 bank reconciliations for both accounts (bond and fee), and the bank reconciliation balances reported only monthly interest income remaining in the account; therefore lists of liabilities were not necessary. The former Sheriff's bank accounts were closed and all unidentified monies were turned over to the County Collector-Treasurer.

**2.5 Sheriff Controls and Procedures - Seized property**

Adequate controls over seized property had not been established. While a notebook of individual seized property case reports was maintained, it was not complete and accurate, and periodic inventories of seized property on hand were not conducted. Numerous items included on the reports could not be located in the seized property storage area; some seized property items were stored in unsecured locations; several seized property items were not tagged for identification to a specific case; and several items in the seized property storage area had been held for a long period of time. Further, the release of seized cash was not adequately documented. There was no indication of the date the cash was released, who released the cash, or who received the cash.



Dade County  
Follow-up Report on Prior Audit Findings  
Status of Findings

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**Recommendation**

The Sheriff maintain complete and accurate seized property inventory records. The Sheriff should perform a periodic inventory of seized property, compare it to the seized property list, and investigate any differences. The Sheriff should also make timely and appropriate dispositions of seized property.

**Status**

**In Progress**

The Sheriff indicated a long-term goal has been set to accomplish a complete physical inventory; however, due to the limited staff available to operate his office, this goal will take a considerable amount of time to complete. The Sheriff indicated he has reviewed his office's seized property procedures, and he believes those procedures are sound and are being followed. He also indicated the evidence officer is processing all new seized evidence following procedure, is verifying existing evidence as time allows, and is petitioning the courts for disposition orders, if applicable. As of the time of the follow-up meeting with the Sheriff, over 200 property disposition orders have been obtained from the circuit court. The Sheriff also indicated no seized cash had been released since our audit.

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**3.1 Payroll Controls and  
Procedures -  
Centralized records**

Centralized records of leave balances and leave used and earned were not maintained. Employees were responsible for recording and tracking their own leave balances.

**Recommendation**

The County Commission maintain centralized leave records for all county employees.

**Status**

**In Progress**

Centralized records of leave balances and leave used and earned are now maintained for all full-time employees except for an employee in the County Collector-Treasurer's office. The County Clerk and County Commission indicated they have requested this information from this employee and the County Collector-Treasurer.

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**3.3 Payroll Controls and  
Procedures - Sheriff's  
office payroll records**

Documentation to support the accrual of compensatory time (overtime) by the former Sheriff's office manager/jail administrator was not sufficient and was not documented consistently. We noted 25 of 48 weekly timecards did not adequately document the dates worked, 4 weekly timecards could not be located, compensatory time was sometimes calculated at double time conflicting with the county personnel policy of time and a half, and the calculations of compensatory time on some bi-weekly timesheets were not accurate. In addition, timecards of some employees were not signed by the employee and timecards and bi-weekly timesheets were not always reviewed or signed by the Sheriff.



Dade County  
Follow-up Report on Prior Audit Findings  
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Recommendation	The County Commission ensure adequate reviews of time records, leave records, and other payroll records are performed. The County Commission should also work with the Sheriff to ensure timecards and timesheets are signed by employees and their supervisor, as appropriate.
Status	<b>Partially Implemented</b>  We reviewed time records for the month of August 2013, and compensatory time earned by Sheriff's office employees was not always computed in accordance with Fair Labor Standards Act of 1938 (FLSA) or the county's personnel policy. The Sheriff indicated he plans to review these and future compensatory time calculations for compliance with FLSA and the county's personnel policy. Timecards and timesheets reviewed were signed by Sheriff's office employees and the Sheriff.
4.1 County Procedures - Fuel use and purchases	Records documenting the use of Sheriff's office vehicles could not be located for the year ended December 31, 2012. In addition, the vehicle log maintained by the Assessor and the County Commissioners did not indicate who used the county vehicle, the date the vehicle was used, or when it was fueled. The log was not submitted to the County Clerk for reconciling fuel usage to fuel purchases.
Recommendation	The County Commission require fuel use logs be maintained for all county-owned vehicles, and ensure these logs are reviewed for accuracy and reconciled to fuel purchases. Any significant discrepancies should be investigated.
Status	<b>Implemented</b>  The Sheriff provided mileage and fuel use logs, a detailed copy of the fuel bill for the Sheriff's office vehicles, and a reconciliation of fuel used to fuel purchased for the month of August 2013. The vehicle log maintained by the Assessor and County Commission during 2013 documented who used the county vehicle, the date the vehicle was used, and when it was fueled. Only one purchase of fuel was made during the month of August 2013, and the fuel purchased reconciled to the vehicle log maintained by the Assessor and County Commission.
4.2 County Procedures - Sheriff's Revolving Fund	Some disbursements made from the Sheriff's Revolving Fund during the year ended December 31, 2012, were not in compliance with uses allowed by state law.
Recommendation	The County Commission and Sheriff use the Sheriff's Revolving Fund monies in accordance with state law.



Dade County  
Follow-up Report on Prior Audit Findings  
Status of Findings

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Status

**Implemented**

Disbursements made from the Sheriff's Revolving Fund totaling approximately \$4,400 during the period January 1 through August 31, 2013, were in compliance with state law.



Thomas A. Schweich  
Missouri State Auditor

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# Thirty-Fourth Judicial Circuit

## New Madrid County

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November 2013  
Report No. 2013-119



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<http://auditor.mo.gov>





# CITIZENS SUMMARY

## Findings in the audit of the Thirty-Fourth Judicial Circuit, New Madrid County

### Accounting Controls and Procedures

The Circuit Clerk has not adequately segregated the duties of receiving and recording receipts, reviewing Justice Information System (JIS) cashier sessions, disbursing monies, and preparing deposits. Some monies received are not recorded in the JIS, there is no independent review to ensure manual receipt slips were properly recorded in the JIS and deposited, and the numerical sequence of manual receipt slips and JIS receipt numbers are not accounted for properly. The court's month-end bank and liabilities reconciliation process does not include CDs and interest and time payment fee bank accounts. Therefore, the reconciliation is incomplete and does not account for all monies held by the court, which increases the risk of loss, theft, or misuse of monies. The court does not retain daily cashier session reports, which document monies received and recorded. Blank checks were not securely stored, and voided checks are thrown away or are shredded monthly. The Circuit Clerk is not properly reviewing or requiring clerks to document the non-monetary and voided transactions in the JIS. Of the 10 non-monetary transactions audit staff reviewed, 5 were not supported by a court order reducing the defendant's debt owed, and none of the 15 voided transactions audit staff reviewed included an explanation. The Circuit Clerk has not established procedures to adequately review liabilities monthly to ensure monies are disbursed in a timely manner. The Circuit Clerk does not prepare budgets for the Circuit Clerk's Interest Fund and the Time Payment Fee Fund.

In the areas audited, the overall performance of this entity was **Fair**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Thirty-Fourth Judicial Circuit

## New Madrid County

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# THOMAS A. SCHWEICH

## Missouri State Auditor

Presiding Judge and Court en Banc  
and  
Circuit Clerk of the  
Thirty-Fourth Judicial Circuit  
New Madrid County, Missouri

We have audited certain operations of the Thirty-Fourth Judicial Circuit, New Madrid County in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the court's internal controls over significant financial functions.
2. Evaluate the court's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the court, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the court's management, the Office of State Courts Administrator, and New Madrid County and was not subjected to the procedures applied in our audit of the court.

For the areas audited, we identified (1) deficiencies in internal controls and (2) no significant noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the Thirty-Fourth Judicial Circuit, New Madrid County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Pamela Allison Tillery, CPA
In-Charge Auditor:	Michelle Crawford, M.Acct., CIA
	Heather R. Stiles, MBA, CPA
Audit Staff:	Jennifer Anderson

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# Thirty-Fourth Judicial Circuit

## New Madrid County

### Management Advisory Report - State Auditor's Findings

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#### **1. Accounting Controls and Procedures**

Weaknesses were identified with accounting controls and procedures.

According to court records, receipts collected during the year ended December 31, 2012, totaled approximately \$863,000. Fines, court costs, and bonds are collected, recorded in the Justice Information System (JIS), the Missouri Courts automated case management system; and deposited into the Circuit Clerk's main bank account by personnel of the Circuit Clerk's office.

##### **1.1 Segregation of duties and supervisory reviews**

The Circuit Clerk has not adequately segregated the duties of receiving and recording receipts, reviewing daily JIS cashier sessions, disbursing monies, and preparing deposits.

All nine clerks in the circuit court receive and record monies. Cashier supervisor duties are primarily performed by one clerk, and in her absence the duties are rotated between two other clerks. In addition to receiving monies, supervisors also record transactions, review daily cashier session reports for all clerks (including their own cashier session), and prepare deposits. As a result, there are instances where the cashier supervisor is responsible for transactions from initial receipt to deposit. Also, the primary cashier supervisor is related to another clerk and is responsible for reviewing her work. Because of this relationship and lack of proper segregation and oversight, there is greater risk in this area.

Disbursement duties are primarily performed by the Circuit Clerk, but the Deputy Circuit Clerk, who also serves as a cashier supervisor, and one other clerk can also perform disbursement duties as needed. As a result, the Deputy Circuit Clerk and one other clerk may be responsible for transactions from initial receipt to disbursement without involvement from other clerks. The Deputy Circuit Clerk also alternates preparing monthly bank reconciliations with the Circuit Clerk. The Circuit Clerk does not document her review of daily receipt and deposit activity or of bank reconciliations prepared by the Deputy Circuit Clerk.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Circuit Clerk should implement an adequate and documented independent or supervisory review of bank and accounting records.

##### **1.2 Receipting, recording, and depositing**

The Circuit Clerk has not established adequate receipting, recording, and depositing procedures.

- Some monies received are not recorded in the JIS. While information was entered into the case court docket, the court did not account for some monies in the financial module of JIS. For example, while court docket entries for a case indicated \$7,200 was received annually in 2013, 2012, and 2011 and \$11,000 was received in 2008, the \$32,600 was not



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Thirty-Fourth Judicial Circuit  
New Madrid County  
Management Advisory Report - State Auditor's Findings

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recorded in the JIS financial accounting records. Additionally, after our questioning of the \$11,000 docket entry made in 2008, the Circuit Clerk provided documentation showing this docket entry was made in error. The \$11,000 was actually deposited into a certificate of deposit (CD) for the Circuit Clerk's Interest Fund and incorrectly reported in the docket for this case. Further, the remaining \$21,600 collected on this case was also not recorded in the JIS as receipts, but was accounted for in court docket entries and deposited into a CD by the court. The Circuit Clerk indicated she was not aware of how to track this type of case or the related CD in the JIS, so the receipts and CD were never entered into the JIS.

The Circuit Clerk maintains a separate bank account and CD for interest monies, and maintains a separate bank account for the deposit of time payment fees; however, these monies and related bank accounts/CD are not recorded in the JIS. Further, the Circuit Clerk does not maintain other records (such as bank account ledgers) for the time payment fee account, Circuit Clerk interest CD or bank account, or the CD for the active court case noted above.

The court's month-end bank and liabilities (open items) reconciliation process does not include the CDs and interest and time payment fee bank accounts. Therefore, the reconciliation is incomplete and does not account for all monies held by the court, which increases the risk of loss, theft, or misuse of monies.

- There is no independent review to ensure manual receipt slips were properly recorded in the JIS and subsequently deposited, and as a result, errors or discrepancies were not identified. For example, the court could not explain why a manual receipt slip issued in March 2012 for \$30 cash was recorded in the JIS as \$40 cash. Manual receipt slips issued for copy monies or miscellaneous court costs such as costs for transcript documents are also not recorded in the JIS or deposited. According to the Circuit Clerk, these monies are placed in an envelope and are used for making change or miscellaneous expenses. For example, during our review of 8 manual receipt slips issued from March 6, 2012, to March 26, 2012, 2 manual receipt slips issued for these types of monies totaling \$27 were not recorded in JIS or deposited. Further, the method of payment was not recorded on 3 of the 8 manual receipt slips reviewed, which could have resulted in the incorrect method of payment in the JIS.
- The numerical sequence of manual receipt slips issued and JIS receipt numbers is not accounted for properly.

Failure to implement adequate receipting, recording, and depositing procedures increases the risk that loss, theft, or misuse of monies received will go undetected. Further, to ensure all receipts and



Thirty-Fourth Judicial Circuit  
New Madrid County  
Management Advisory Report - State Auditor's Findings

disbursements are accounted for properly and the cash balance in the bank accounts/CDs can be properly identified, all monies received and the related bank accounts/CDs should be recorded in the JIS and reconciliations performed between book and bank balances.

1.3 Record retention,  
composition of receipts  
and deposits, and record  
storage

The court throws away or shreds printed daily cashier session reports, which document monies received and recorded in JIS by each cashier, at each month end. The Circuit Clerk indicated she makes handwritten explanations on the printed cashier session reports to document that receipt transactions reconciled to deposits; however, these explanations are lost when the records are discarded. Due to the unavailability of printed cashier session reports, we utilized reprinted cashier session reports that did not include the handwritten explanations and noted numerous instances where the composition of JIS receipt slips did not agree to the composition of the related deposit. Court personnel could not provide explanations for the discrepancies. Their ability to explain the differences was likely hindered by the unavailability of the discarded records.

Additionally, blank checks were not securely stored, and voided checks are thrown away or are shredded by the court monthly. Blank checks are stored on an open shelf in the Deputy Circuit Clerk's office.

Supreme Court Operating Rule No. 8 requires the accounting records be maintained for varying time periods based on the type of record. To ensure monies are accounted for properly, the composition of receipts should be reconciled to the composition of deposits, and documentation of such should be retained. To ensure records are properly safeguarded, the Circuit Clerk should ensure access to blank checks is properly restricted.

1.4 Non-monetary and  
voided transactions

The Circuit Clerk is not properly reviewing or requiring clerks to document the non-monetary and voided transactions in the JIS.

Non-monetary transactions, including judicial order transactions and uncollectible bad debt write-offs, are transactions where no monies are received; however, a credit is applied or the amount due is changed. All clerks are allowed to enter non-monetary transactions and to void receipt transactions in the JIS. Of the 10 non-monetary transactions we reviewed, 5 were not supported by a court order reducing the defendant's debt owed. Additionally, the Circuit Clerk is not reviewing the report of voided receipt transactions, and is not requiring an explanation to be documented in the JIS to support voided transaction. As a result, the 15 voided transactions we reviewed had no documented explanation.

To reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly. Non-monetary transactions and voided receipt



Thirty-Fourth Judicial Circuit  
New Madrid County  
Management Advisory Report - State Auditor's Findings

transactions should be supported by adequate documentation and reviewed by the Circuit Clerk to ensure such transactions are appropriate.

## 1.5 Liabilities

The Circuit Clerk has not established procedures to adequately review liabilities monthly to ensure monies are disbursed in a timely manner. For example, a case was dismissed on December 27, 2011; however, the related \$10,000 bond was not refunded until April 24, 2012. To properly monitor and ensure monies are appropriately disbursed as provided by state law, procedures should be established to routinely investigate monies remaining on the liabilities list over a specific period of time.

## 1.6 Budgets

The Circuit Clerk does not prepare budgets for the Circuit Clerk's Interest Fund and the Time Payment Fee Fund. Although the court is primarily funded by the state and county, the interest and time payment fees are spent at the discretion of the court, and during 2012 approximately \$1,473 was disbursed through the Circuit Clerk's Interest Fund and no disbursements were made from the Time Payment Fee Fund. At December 31, 2012, the cash balances of the Circuit Clerk's Interest Fund and Time Payment Fee Fund were \$17,075 and \$7,330, respectively.

Preparing a budget for public funds aids in the fiscal management of the monies, provides a means to effectively monitor actual costs and revenues, and helps inform both the county and the public of the court's financial picture.

## Recommendations

The Circuit Judge and Circuit Clerk:

- 1.1 Segregate duties to the extent possible or ensure an adequate independent or supervisory review of bank and accounting records is performed and documented.
- 1.2 Establish procedures to ensure all manual receipt slips and monies received are recorded in the JIS, all monies received are deposited, and the numerical sequence of both manual and JIS receipt slips/numbers are accounted for. The Circuit Judge and Circuit Clerk should also ensure the bank and liability reconciliation process is complete and accounts for all monies held by the court.
- 1.3 Ensure daily cashier's sessions and voided checks are retained, the composition of monies received is reconciled to the composition of monies deposited, and access to blank checks is properly restricted.
- 1.4 Implement procedures regarding the documentation, review, and approval of non-monetary and voided transactions.





Thirty-Fourth Judicial Circuit  
New Madrid County  
Management Advisory Report - State Auditor's Findings

- 1.5 Establish procedures to review the status of liabilities monthly to determine the appropriate disposition of funds held on closed and active cases.
- 1.6 Prepare annual budgets for the Circuit Clerk's Interest Fund and Time Payment Fee Fund, and provide copies of these budgets to the county budget officer.

## Auditee's Response

*The Circuit Judge and Circuit Clerk provided the following written responses:*

- 1.1 *Daily cashier supervisor duties have been assumed by one clerk with one alternate. That clerk does no receipting at all. The clerk's cashier session, who is related to the cashier supervisor by virtue of their husbands being related, is being reviewed by the Circuit Clerk or the Deputy Circuit Clerk.*
- 1.2 *No manual receipt slips are being used for any purpose. We are currently working with Office of State Court Administrator to determine how best to record, receipt, and maintain non-JIS funds. All copy money is currently being recorded in JIS and paid over to the County Treasurer. We are currently running reports to account for all transaction/receipt numbers. Explanations of exceptions are attached to daily cashier's reports. The Circuit Clerk and the Deputy Circuit Clerk alternate months in completing the bank reconciliation. All accounts will be included in the reconciliation. The Circuit Clerk is approving the reconciliation the Deputy Circuit Clerk completes.*
- 1.3 *Voided checks are currently being retained and blank checks are being kept in a locked drawer in the Deputy Circuit Clerk's office. All daily cashier reports are being retained by scanning and maintaining in electronic form. Cash/check composition is being reconciled daily.*
- 1.4 *Non-monetary and voided transactions are currently being documented, reviewed, and approved by the Circuit Clerk or Deputy Circuit Clerk.*
- 1.5 *Reports are currently being run monthly by the Circuit Clerk or Deputy Circuit Clerk to determine status of liabilities to ensure prompt disbursement of funds on disposed cases.*
- 1.6 *The Circuit Clerk is including the Circuit Clerk Interest Fund and the Time Payment Fee Fund in the annual budget process and will submit those budgets to the County Commission annually.*

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# Thirty-Fourth Judicial Circuit

## New Madrid County

### Organization and Statistical Information

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The Thirty-Fourth Judicial Circuit consists of New Madrid County as well as Pemiscot County.

The Thirty-Fourth Judicial Circuit consists of one circuit judge and three associate circuit judges. The circuit judge hears cases in New Madrid and Pemiscot Counties. Of the three associate circuit judges, one is located in New Madrid County and presides over Associate Circuit Divisions II and III. The other two associate circuit judges are located in Pemiscot County. Circuit personnel located in Pemiscot County are not included in the scope of this audit.

#### Personnel

At December 31, 2012, the judges, Circuit Clerk, and Juvenile Officer of the Thirty-Fourth Judicial Circuit, New Madrid County, were as follows:

Title	Name
Circuit Judge	Fred Copeland
Associate Circuit Judge	Charles L. Spitler
Circuit Clerk	Marsha Meatte Holiman
Juvenile Officer	Brian Abbott

#### Financial Information

Receipts of the Thirty-Fourth Judicial Circuit, New Madrid County, were as follows:

	Year Ended December 31, 2012
Court deposits, fee, bonds, and other	\$862,651
Interest Income	153
Total	\$862,804

#### Caseload Information

From the Office of State Courts Administrator Missouri Judicial Reports, case filings of the Thirty-Fourth Judicial Circuit, New Madrid County, were as follows:

	Year Ended June 30, 2012
Civil	820
Criminal	2,520
Juvenile	62
Probate	109
Total	3,511



Thomas A. Schweich  
Missouri State Auditor

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## 35th Judicial Circuit

### City of Dexter Municipal Division



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November 2013  
Report No. 2013-120

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Thirty-Fifth Judicial Circuit, City of Dexter Municipal Division

Accounting Controls and Procedures	The municipal division does not adequately segregate accounting duties. The Court Clerk performs all duties related to the collection and disbursement of fines, court costs, and bonds, without adequate supervision or review. The Court Clerk does not always deposit bond receipts intact or timely, and does not always timely transmit fines and court costs to the city. The Court Clerk does not prepare a list of liabilities (open bonds) to compare to the reconciled bank balance. At our request, the Court Clerk prepared a list of open bonds at March 31, 2013, which totaled \$644 more than the reconciled bank balance.
Tickets Controls and Procedures	Neither the Police Department nor the municipal division adequately accounts for the numerical sequence and ultimate disposition of traffic tickets issued. The City Attorney does not sign tickets submitted to the municipal division, and amended tickets are not supported by documentation or approval from the City Attorney.
Records and Reporting	The Court Clerk does not have procedures to ensure all case activity is accurately recorded in the case management system. Audit staff tested payments to the municipal division and noted 52 of 495 (11 percent) had incorrect or missing information in the case management system. The Court Clerk does not always prepare complete and accurate monthly reports. Audit staff reviewed the monthly reports submitted to the city and the Office of State Courts Administrator from July 2012 to March 2013 and found for all months the amounts transmitted to the city exceeded the amounts reported, and the differences ranged from \$120 to \$4,047.

In the areas audited, the overall performance of this entity was **Fair**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Thirty-Fifth Judicial Circuit

## City of Dexter Municipal Division

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# THOMAS A. SCHWEICH

## Missouri State Auditor

Presiding Judge  
Thirty-Fifth Judicial Circuit  
and  
Municipal Judge  
and  
Honorable Mayor  
and  
Members of the Board of Aldermen  
Dexter, Missouri

We have audited certain operations of the City of Dexter Municipal Division of the Thirty-Fifth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2013. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's compliance with certain legal provisions.
3. Evaluate the city's compliance with Section 302.341.2, RSMo, which restricts the amount of fines and court costs that may be retained from traffic violations.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) no noncompliance with Section 302.341.2, RSMo. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Dexter Municipal Division of the Thirty-Fifth Judicial Circuit.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Keriann Wright, MBA, CPA
In-Charge Auditor:	Julie M. Moore, MBA

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# Thirty-Fifth Judicial Circuit

## City of Dexter Municipal Division

### Management Advisory Report - State Auditor's Findings

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#### **1. Accounting Controls and Procedures**

Accounting controls and procedures need improvement.

Municipal division fines and court costs are collected by the Court Clerk and transmitted to the City Collector for deposit into the city's general account. Bond monies are collected by police officers and transmitted to the Court Clerk and deposited into the municipal division's bond account. During the year ended June 30, 2013, the municipal division processed approximately \$78,900 in bonds and \$174,500 in fines and court costs.

##### **1.1 Segregation of duties and supervision**

Accounting duties are not adequately segregated. The Court Clerk performs all duties related to the collection and disbursement of fines, court costs, and bonds. Neither the Municipal Judge nor other city personnel independent of the cash custody and record-keeping functions provide adequate supervision or review the work performed by the Court Clerk. The City Collector indicated she compares a summary report and receipt slips in total to the fines and court costs transmitted to the city; however, the composition (cash, check, and money orders) of individual receipts is not reconciled to the composition of monies transmitted to the city. In addition, there is no independent review of bond monies to ensure all bond monies received were properly deposited and disbursed.

To reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, the Municipal Judge should establish procedures to ensure a documented independent review of accounting records is performed.

##### **1.2 Deposits and transmittals**

The Court Clerk does not always deposit bond receipts intact or timely, and does not always timely transmit fines and court costs to the city. For example, the November 13, 2012, deposit included some bonds received between November 1 and November 5, 2012, but did not include all bonds on hand at the time of deposit. We noted an additional 7 bonds received between November 1 and November 9, 2012, were not included in this deposit, but were deposited on November 14, 2012. In addition, we noted cash receipts were held up to 7 days before transmittal to the city. Intact and timely depositing and transmitting of receipts reduces the risk of loss, theft, or misuse of funds.

##### **1.3 Bond liabilities**

The Court Clerk does not prepare a list of liabilities (open bonds) for comparison to the reconciled bond bank account balance, and is unable to agree open bonds to the account balance.

At our request, the Court Clerk prepared a list of open bonds at March 31, 2013, and the list totaling \$7,663 exceeded the reconciled bank balance of \$7,019 by \$644. The Court Clerk was unable to determine the reason for





Thirty-Fifth Judicial Circuit  
City of Dexter Municipal Division  
Management Advisory Report - State Auditor's Findings

this discrepancy. As of June 30, 2013, the list of open bonds still exceeded the reconciled bank balance by approximately \$200.

Monthly lists of open bonds are necessary to ensure all bond dispositions have been properly recorded. In addition, monthly reconciliations between the open bonds maintained by the court and the monies held in the bond bank account are necessary to ensure proper accountability over open cases and to ensure monies held in trust are sufficient to meet liabilities.

## Recommendations

The City of Dexter Municipal Division:

- 1.1 Segregate accounting duties to the extent possible. If it is not possible to segregate duties, documented periodic reviews of municipal division records should be performed by a person independent of accounting functions.
- 1.2 Deposit bonds and transmit fines and court costs intact and timely.
- 1.3 Prepare monthly lists of open bonds and reconcile the lists to the reconciled bank balance. Unidentified differences should be promptly investigated and resolved.

## Auditee's Response

*The Municipal Judge and Court Clerk provided the following responses:*

- 1.1 *The municipal division will work with the City Collector to ensure a complete review of fines and court costs to the underlying accounting records is performed. In addition, the Municipal Judge will establish procedures to monitor the bond bank account, and will include reviewing bank reconciliations, the bond ledger book, and comparing receipt records to deposits made.*
- 1.2 *The Court Clerk has started depositing bonds when received. Since the court is only open on a part-time basis, the Court Clerk will begin initialing and dating when monies are received to better track the timeliness of receipt to deposit. In addition, the Court Clerk has established procedures to ensure fines and court costs are turned over to the city on a weekly basis after court has been held.*
- 1.3 *The municipal division is working to correct the difference between the list of open bonds and the reconciled bank balance. In addition, a reconciliation of open bonds to the reconciled bank balance will be performed monthly.*



## 2. Ticket Controls and Procedures

Municipal division procedures regarding the accountability and disposition of tickets need improvement.

### 2.1 Ticket accountability

Neither the Police Department nor the municipal division adequately accounts for the numerical sequence and ultimate disposition of traffic tickets issued. The Police Department tracks the ticket book numbers assigned to each officer on a log. When tickets are issued, officers enter the ticket information into a shared computerized system with the municipal division; however, neither the Police Department nor the municipal division tracks or monitors the numerical sequence or disposition of individual tickets issued.

Without properly accounting for the numerical sequence and ultimate disposition of tickets issued, the Police Department and the municipal division cannot ensure all tickets issued are properly submitted for processing.

### 2.2 Ticket disposition

The City Attorney does not sign tickets submitted to the municipal division. In addition, amended tickets are not supported by documentation or approval from the City Attorney. Unsigned tickets are processed through the municipal division and documentation supporting amended tickets is not maintained. Without formal approval by the City Attorney of all tickets processed or documentation supporting amended tickets, the risk of improper handling of tickets and related monies increases.

Missouri Supreme Court Rule 37.35 states citations shall be in writing and signed by the prosecutor and filed with the municipal division. The City Attorney's review, documented with his signature, is needed to provide assurance proper cases and charges are filed with the municipal division.

## Recommendations

The City of Dexter Municipal Division:

- 2.1 Work with the Police Department to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.
- 2.2 Ensure the City Attorney signs all tickets and documentation supporting amended tickets is received and maintained.

## Auditee's Response

*The Municipal Judge and Court Clerk provided the following responses:*

- 2.1 *The municipal division will work with the Police Department to establish procedures to account for the numerical sequence and disposition of traffic tickets issued.*



Thirty-Fifth Judicial Circuit  
City of Dexter Municipal Division  
Management Advisory Report - State Auditor's Findings

2.2 *The municipal division will work with the City Attorney to ensure tickets are signed. In addition, the Court Clerk will maintain documentation to support amended tickets.*

### 3. Records and Reporting

#### 3.1 Case activity

Case activity is not always recorded in the court's case management system accurately, a complete report of cases heard is not filed with the city as required, and monthly reports are not always accurate.

The Court Clerk has not established procedures to ensure all case activity is accurately recorded in the case management system. We tested payments made to the municipal division and noted 52 of 495 (11 percent) payments for July 2012, November 2012, and May 2013, had various incorrect or missing information in the case management system. For example, payment dates did not always agree to supporting documentation, and receipt slip numbers and assigned case numbers were not always entered accurately, or at all.

To reduce the possibility of loss, theft, or misuse of funds, and to ensure cases are processed properly, case activity should be properly recorded in the court's case management system.

#### 3.2 Monthly reports

The Court Clerk does not always prepare complete and accurate monthly reports.

The Court Clerk prepares an incomplete list of cases heard for filing with the city. The list includes cases where fines and court costs have been collected, but not cases dismissed or with uncollected fines and court costs. Without a complete report of cases heard, the city cannot effectively monitor municipal division activity and ensure monies are properly remitted.

In addition, the Court Clerk did not prepare accurate monthly reports for submission to the city and the Office of State Courts Administrator (OSCA). We reviewed the monthly reports from July 2012 to March 2013 and noted receipts reported did not agree to receipts transmitted to the city for any of the months. For all months, amounts transmitted to the city exceeded amounts reported, and differences ranged from \$120 to \$4,047. In addition, the OSCA requested the Court Clerk submit corrected reports for several months.

Section 479.080.3, RSMo, and Supreme Court Operating Rules 4.28 and 4.29 require accurate monthly reports of cases heard, cases filed, and fines and court costs collected be verified by the Court Clerk or Municipal Judge and submitted to the city and the OSCA.



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Thirty-Fifth Judicial Circuit  
City of Dexter Municipal Division  
Management Advisory Report - State Auditor's Findings

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## Recommendations

The City of Dexter Municipal Division:

- 3.1 Ensure case activity is recorded accurately for all cases.
- 3.2 Ensure a complete monthly list of cases heard in the municipal division is prepared and filed with the city in accordance with state law. In addition, the municipal division should establish procedures to ensure monthly reports to the city and the OSCA are complete and accurate.

## Auditee's Response

*The Municipal Judge and Court Clerk provided the following responses:*

- 3.1 *The Court Clerk has implemented a self-check to monitor entries into the case management system for accuracy. In addition, the Court Clerk plans to run periodic reports to help identify any inconsistencies or issues with the data entered into the system.*
- 3.2 *The municipal division plans to start including all cases heard on the report submitted to the city. The case management system will be set up to produce this information in a system-generated report. In addition, all reports submitted to OSCA for fiscal year 2013 have been corrected. The Court Clerk has started closing the data as of the last day of each month to help provide more accurate information to the OSCA.*

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# Thirty-Fifth Judicial Circuit

## City of Dexter Municipal Division

### Organization and Statistical Information

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The City of Dexter Municipal Division is in the Thirty-Fifth Judicial Circuit, which consists of Dunklin and Stoddard Counties. The Honorable Robert N. Mayer serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and court costs are collected at times other than during court and transmitted to the city treasury.

#### Personnel

At June 30, 2013, the municipal division employees were as follows:

Title	Name
Municipal Judge	Lawrence E. Wanner
Court Clerk	Laura J. Robinson

#### Financial and Caseload Information

	Year Ended June 30, 2013
Receipts	\$253,407
Number of cases filed	2,244



Thomas A. Schweich  
Missouri State Auditor

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# Thirtieth Judicial Circuit

## City of Rogersville Municipal Division



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November 2013  
Report No. 2013-121

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Thirtieth Judicial Circuit, City of Rogersville Municipal Division

Accounting Controls and Procedures	The municipal division has not adequately segregated the handling of municipal division receipts. The Court Clerk performs all duties related to collection and receipting of funds, deposit preparation, and posting fines and court costs received to a computerized system without adequate supervision or review. In the Court Clerk's absence, city personnel collect municipal division receipts, but procedures are not sufficient to ensure all monies are properly transmitted to the Court Clerk for processing. The Court Clerk does not always timely deposit receipts. Audit staff found 6 instances when receipts were held approximately 2 weeks before deposit.
Municipal Division Procedures	Neither the Police Department nor the municipal division adequately accounts for the numerical sequence of tickets issued, making it difficult to ensure all tickets issued are handled properly. The Court Clerk does not file a monthly list of cases heard with the city, as required by state law. The municipal division collects and deposits the \$1 per case Judicial Education Fund fee into city funds without separately accounting for these monies, so it cannot be determined whether the monies have been expended only for the purposes allowed by state law.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Thirtieth Judicial Circuit

## City of Rogersville Municipal Division

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Presiding Judge  
Thirtieth Judicial Circuit  
and  
Municipal Judge  
and  
Honorable Mayor  
and  
Members of the Board of Aldermen  
Rogersville, Missouri

We have audited certain operations of the City of Rogersville Municipal Division of the Thirtieth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2013. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's compliance with certain legal provisions.
3. Evaluate the city's compliance with Section 302.341.2, RSMo, which restricts the amount of fines and court costs that may be retained from traffic violations.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) no noncompliance with Section 302.341.2, RSMo. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Rogersville Municipal Division of the Thirtieth Judicial Circuit.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Robyn Vogt, M.Acct., CPA
In-Charge Auditor:	Josh Allen, CPA, CFE
Audit Staff:	John R. Ebling

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# Thirtieth Judicial Circuit

## City of Rogersville Municipal Division

### Management Advisory Report - State Auditor's Findings

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#### **1. Accounting Controls and Procedures**

Accounting duties are not adequately segregated and procedures to receipt and deposit municipal division collections need improvement.

##### **1.1 Segregation of duties**

The municipal division has not adequately segregated the handling of municipal division receipts. The Court Clerk performs all duties related to collection and receipting of funds, deposit preparation, and posting fines and court costs received to a computerized system. Neither the Municipal Judge nor other personnel independent of the cash custody and record-keeping functions provide adequate supervision or review the work performed by the Court Clerk.

To reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, a documented independent review of accounting records is necessary. In addition, Section VIII.G. of the Municipal Court Operating Order, requires the Court Clerk to request the city develop a documented independent review if duties of the municipal division cannot be adequately segregated.

##### **1.2 City receipting**

City personnel collect municipal division receipts in the Court Clerk's absence and procedures are not sufficient to ensure all monies are properly transmitted to the Court Clerk to be recorded and deposited. The city does not use a separate receipt slip book for municipal division collections making it difficult to ensure all municipal division monies are accounted for properly. In addition, the Court Clerk does not sign city receipt slips when receiving the monies or provide documentation to the city to support the transmittal of receipts to the municipal division.

To ensure all receipts are properly recorded and deposited intact, procedures should be established to provide assurance all municipal division receipts collected by the city are transmitted to the municipal division.

##### **1.3 Deposits**

The Court Clerk does not always deposit receipts timely. Our review of deposits for the year ended June 30, 2013, identified 6 instances when receipts were held approximately 2 weeks before being deposited. The failure to deposit timely increases the risk of loss, theft, or misuse of funds. In addition, Section IV.C. of the Municipal Court Operating Order requires the Court Clerk to deposit municipal division receipts on a daily basis, or when the amount on hand reaches \$100.



Thirtieth Judicial Circuit  
City of Rogersville Municipal Division  
Management Advisory Report - State Auditor's Findings

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## Recommendations

The City of Rogersville Municipal Division:

- 1.1 Segregate accounting duties to the extent possible. If it is not possible to segregate duties, documented periodic reviews of municipal division records should be performed by a person independent of the accounting functions.
- 1.2 Work with the city to establish procedures to ensure municipal division monies received by the city are properly transmitted to the municipal division.
- 1.3 Deposit monies in a timely manner.

## Auditee's Response

*The Municipal Judge provided the following written responses:*

- 1.1 *We will ask the city to develop a documented review if a segregated accounting procedure is not possible. This is consistent with this court's order dated December 17, 2010.*
- 1.2 *We will require all monies received by the municipal court be accounted for in a common receipt book regardless of who receives the money.*
- 1.3 *We will follow the recommendation contained in the audit report, and we will deposit all money in a timely fashion consistent with this court's order dated December 17, 2010.*

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## 2. Municipal Division Procedures

Municipal division procedures related to ticket accountability need improvement. In addition, a monthly report of cases heard is not filed with the city as required, and Judicial Education Fund monies are not accounted for properly.

### 2.1 Ticket accountability

Neither the Police Department nor the municipal division adequately accounts for the numerical sequence of tickets issued. When tickets are issued, officers enter the ticket information into a computerized system, accessible by the Court Clerk, and provide the tickets to the municipal division for processing. The Police Department also enters the disposition of each ticket into the system using information provided by the municipal division. However, neither the Police Department nor the municipal division tracks the numerical sequence of individual tickets issued. By not accounting for the numerical sequence, gaps in ticket numbers may not be identified, and the Police Department and municipal division cannot ensure all tickets issued are handled properly.



Thirtieth Judicial Circuit  
City of Rogersville Municipal Division  
Management Advisory Report - State Auditor's Findings

Section VIII.D. of the Municipal Court Operating Order requires the Court Clerk to work with the Police Department to account for the numerical sequence of all traffic tickets issued by the Police Department.

## 2.2 Report of cases heard

The Court Clerk does not file a monthly list of cases heard with the city. Without such a report, the city cannot effectively monitor municipal division activity and ensure monies are properly remitted.

Section 479.080.3, RSMo, and Supreme Court Operating Rule 4.29 require the Court Clerk to prepare a monthly list of all cases heard in the municipal division court, including the names of the defendants and fines and court costs imposed, to be verified by the Court Clerk or Municipal Judge and filed with the city. In addition, Section III.A. of the Municipal Court Operating Order also requires such a report to be filed with the city.

## 2.3 Judicial Education Fund

The Judicial Education Fund fee of \$1 per case is not accounted for properly. Section 479.260.1, RSMo, allows judicial education fees to be assessed and deposited into a fund to be used for judicial education and training of the Municipal Judge and Court Clerk. However, judicial education fees collected by the court are deposited into city funds and are not accounted for separately. Without a proper accounting of the judicial education fees collected, it cannot be determined whether the monies have been expended only for the purposes allowed by state law.

## Recommendations

The City of Rogersville Municipal Division:

- 2.1 Work with the Police Department to develop procedures to adequately account for the numerical sequence of all tickets issued.
- 2.2 Ensure a monthly list of cases heard in the municipal division is prepared and filed with the city in accordance with state law and Supreme Court Operating Rule.
- 2.3 Work with the city to account for judicial education fees in accordance with state law.

## Auditee's Response

*The Municipal Judge provided the following written responses:*

- 2.1 *We will follow the recommendation to work with the Police Department to account for tickets by number as required by order of this court dated December 17, 2010.*
- 2.2 *This monthly report is now being delivered to the City Clerk as required by law and Supreme Court Operating Rule, and we will continue to do so.*



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Thirtieth Judicial Circuit  
City of Rogersville Municipal Division  
Management Advisory Report - State Auditor's Findings

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2.3 *We agree that the education fund should be accounted for separately, and we will work with the city to see that such an accounting is accomplished.*

*The Police Chief provided the following written response:*

2.1 *We are working with the records management system (ITI) to get the report needed for the court to find any missing or unaccounted for tickets.*

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# Thirtieth Judicial Circuit

## City of Rogersville Municipal Division

### Organization and Statistical Information

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The City of Rogersville Municipal Division is in the Thirtieth Judicial Circuit, which consists of Benton, Dallas, Hickory, Polk and Webster Counties. The Honorable Michael Hendrickson serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and court costs are collected at times other than during court and transmitted to the city treasury.

#### Personnel

At June 30, 2013, the municipal division employees were as follows:

Title	Name
Municipal Judge	Kenneth Thompson
Court Clerk	Angela Jones

#### Financial and Caseload Information

	Year Ended June 30, 2013
Receipts	\$93,640
Number of cases filed	1,044



Thomas A. Schweich  
Missouri State Auditor

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## REVENUE

# Des Peres Contract License Office



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November 2013  
Report No. 2013-122

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<http://auditor.mo.gov>





**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Des Peres Contract License Office

Background	The Department of Revenue (DOR) has appointed 182 contract agents to operate contract license offices. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law, which became effective in 2009, the State Auditor may audit contract license offices.
Prepayment Void and Override Transactions	Prepayment void transactions occur when transactions are voided before payment is made, such as when the customer lacks sufficient funds or the entry has incorrect information. Override transactions occur after the point prepayment void transactions can be processed and are limited to entries with a misspelled name or the waiver of a fee. DOR policy requires that license office management review prepayment void transactions and override transactions, but the office manager did not document approval for 4 of 14 (29 percent) void transactions that occurred from April 1 to April 4, 2013, and license office management did not review the 4 override transactions processed from April 2 to April 4, 2013.
Accounting Controls and Procedures	The license office did not always accurately record the method of payment (cash, check, or credit card) and did not reconcile the composition of monies received to deposits. Our review of three deposits found cash payments recorded as check payments and check payments recorded as cash payments.
Contract Compliance	The license office does not always accurately update inventory records on a daily basis as required by the DOR agent contract.

In the areas audited, the overall performance of this entity was **Fair**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: <http://auditor.mo.gov>

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# Department of Revenue

## Des Peres Contract License Office

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
John R. Mollenkamp, Acting Director  
Department of Revenue  
Jefferson City, Missouri  
and  
License Office Services, LLC, Contract Agent  
Des Peres Contract License Office  
Des Peres, Missouri

We have audited certain operations maintained and established by the Des Peres Contract License Office, as provided by Section 136.055, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2013. The objectives of our audit were to:

1. Evaluate the office's internal controls related to the handling of various fee and tax transactions.
2. Evaluate the office's compliance with certain contractual and statutory provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Department of Revenue's management and was not subjected to the procedures applied in our audit of the contract office.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) noncompliance with a contractual or statutory provision.

The accompanying Management Advisory Report presents our findings arising from our audit of the Des Peres Contract License Office.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Corey McComas, M. Acct., CPA
Audit Staff:	Nicole Meltabarger, M. Acct., CPA
	Rachelle Thompson

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Department of Revenue  
Des Peres Contract License Office  
Management Advisory Report - State Auditor's Findings

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**1. Prepayment Void  
and Override  
Transactions**

The license office needs to improve controls over prepayment void and override transactions.

A prepayment void transaction occurs when a transaction is entered in the Titling and Registration Intranet Processing System but is voided before payment is made. Valid reasons for prepayment void transactions include when customers lack sufficient funds to pay for the transaction, and entries with incorrect information. In addition, transactions can be overridden in the system before completion, but after the point when a prepayment void transaction can be processed. Override transactions are limited to entries with a misspelled name or the waiver of a fee. Prepayment void and override transactions are required by Department of Revenue (DOR) policy to be reviewed by license office management.

The office manager did not document approval for 4 of 14 (29 percent) void transactions that occurred from April 1 to April 4, 2013. In addition, no review of override transactions was noted for the four override transactions processed from April 2 to April 4, 2013.

A supervisory review of voided and overridden transactions helps ensure transactions were voided or overridden for valid reasons.

**Recommendation**

The license office ensure all prepayment void and override transactions are reviewed and approved by office management.

**Auditee's Response**

*We agree with the finding and are implementing the following internal policy changes to address the issue:*

- The prepayment voids are reviewed by the manager or assistant manager.*
- When it is necessary to override an entry, the employee will make a copy of the transaction with the override. They will record the reason for the override on the copy of the transaction. This copy will be kept with the override report.*
- In order to ensure the proper review process has occurred for the prepayment voids and overrides, the prepayment voids and overrides will be initialed by both the manager and assistant manager.*

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**2. Accounting  
Controls and  
Procedures**

The license office needs to improve controls and procedures over monies collected. For the year ended June 30, 2013, the office collected and remitted to the DOR approximately \$7.4 million in taxes and fees.



Department of Revenue  
Des Peres Contract License Office  
Management Advisory Report - State Auditor's Finding

The license office did not always accurately record the method of payment (cash, check, or credit card) in the accounting records and did not reconcile the composition of monies received to deposits. For example, the composition of deposits did not agree to the composition of receipts recorded for the three deposits made from April 2 to April 4, 2013, and for the June 17, 2013, deposit. A review of these deposits identified cash payments recorded as check payments and check payments recorded as cash payments.

DOR official procedures for license offices provide the composition of monies received should be reconciled to the accounting records and to deposits. Any differences identified as part of this work should be reviewed to ensure proper handling of monies received.

## Recommendation

The license office ensure the correct method of payment is recorded in the accounting records, the composition of monies received is reconciled to the accounting records and to deposits, and differences identified from the reconciliation process are appropriately reviewed.

## Auditee's Response

*We agree with the finding and are implementing the following internal policy changes to address the issue:*

- The employees will not select the payment type until they have the check or cash in hand.*
- If it is an electronic payment, they are to run the card first to make sure the payment is approved.*
- If for some reason the wrong payment type is selected, they will make a copy of the transaction receipt and record the correct type of payment and why it was changed. This copy will be kept with the cashier report.*
- The Audit Cashier Report will also be used to compare the totals from the Cashier Report. From those reports we will be able to pinpoint the differences and adjust the amounts so they are reported correctly. This will ensure the deposit breakdown will be correct.*
- Employees that have recurring issues will be given further training on how to avoid this issue.*



### 3. Contract Compliance

The license office does not always accurately update inventory records on a daily basis, as required by the DOR agent contract. According to office management, the office tries to maintain a 30-day stock of inventory items such as license plates, tabs, decals, and permits. We reviewed selected inventory records for the year ended June 30, 2013. The license office had not properly updated the inventory records for 1 of 25 items reviewed. That item was in the inventory, but not listed in the inventory records. In addition, the license office does not record personalized license plates in the inventory records in such a way to distinguish between plates remaining in inventory and plates sold.

The license office increases the risk of undetected theft and/or impropriety when inventory records are not updated accurately and on a timely basis. In addition, the DOR agent contract requires the license office to maintain up-to-date perpetual inventory records.

### Recommendation

The license office maintain accurate perpetual inventory records, as required by the DOR agent contract.

### Auditee's Response

*We agree with the finding and are implementing the following internal policy changes to address the issue:*

*In order to ensure all inventory is recorded in the daily inventory book, effective immediately, we will have a two person system. When we receive the inventory, we will enter it in the inventory book. We will then have a second person review the newly entered inventory against the invoice for any possible errors.*

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# Department of Revenue

## Des Peres Contract License Office

### Organization and Statistical Information

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Pursuant to Section 136.030(2), the Department of Revenue (DOR) has the authority and responsibility for the collection of motor vehicle registration fees, driver license fees, motor vehicle sales and use tax, and all other taxes. Pursuant to Section 136.055, RSMo, the director of the DOR has appointed 182 contract agents to operate contract license offices. This section also provides that the state auditor may audit the contract license offices. The DOR, License Office Bureau, under the management of the Motor Vehicle and Driver Licensing Division, is responsible for administering contract license offices throughout the state.

The contract license offices are awarded through a competitive bidding process, as required by Section 136.055.2, RSMo. This bidding process must give priority to organizations and entities that are exempt from taxation (not-for-profit) under the Internal Revenue Code, and political subdivisions such as municipalities, counties, and fire protection districts. Contracts for the license offices are typically for one year, with three one-year renewal periods. The contract may be canceled at the discretion of the DOR.

The contract license offices issue titles for all Missouri motor vehicles, trailers, and marine craft; and issue and sell a wide-range of standard, personalized, and specialty license plates that are classified into five major categories: passenger, truck, trailer, motorcycle, and bus. In addition, the contract license offices issue five basic types of driver licenses: Intermediate License (GDL); Class F (Operator); Class E (For-Hire); Class A, B, and C (Commercial); and Class M (Motorcycle). The licensing process also includes allowing customers to contribute to the organ donor program or blindness awareness fund, register with the selective services, and add endorsements or restrictions to licenses; and provides an opportunity to register to vote.

The contract agents do not receive compensation from the DOR, but receive the following fees, allowed by Section 136.055.1, RSMo, from customers for each type of transaction processed by the office.

#### Agent Fees

Transaction Type	Fee
License renewal	\$3.50 one year \$7.00 two years
Transfer of registration	\$3.50
Application or transfer of title	\$2.50
Driver, operator or chauffeur license	\$2.50 three years or less \$5.00 exceeding three years
Notice of lien	\$2.50





Department of Revenue  
Des Peres Contract License Office  
Organization and Statistical Information

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Ryker Enterprises, Inc. was the Des Peres Contract License Office contract agent from January 21, 2010, to March 7, 2013, when the DOR chose not to renew the contract and allowed the current renewal period to expire. In August 2012, the DOR solicited bids for the Des Peres Contract License Office. The office was awarded to License Office Services, LLC, effective March 8, 2013.

For the year ended June 30, 2013, the office collected and remitted to the DOR \$7,422,081 and retained processing fees totaling \$302,624. Additionally, as part of the bidding process, the office agreed to return 3 percent<sup>1</sup> of its processing fees to the state. For the year ended June 30, 2013, the office returned to the state processing fees totaling \$13,276.

## Personnel

At June 30, 2013, key office personnel were as follows:

Jason Dent, Contract Manager  
Angela Gualdoni, Office Manager

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<sup>1</sup> The prior contract agent returned 5 percent of processing fees to the state.



Thomas A. Schweich  
Missouri State Auditor

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## REVENUE

# Farmington Contract License Office



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November 2013  
Report No. 2013-123

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Farmington Contract License Office

Background	The Department of Revenue (DOR) has appointed 182 contract agents to operate contract license offices. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law, which became effective in 2009, the State Auditor may audit contract license offices.
Sales Price Credits	Taxes for registering a vehicle are based upon the purchase price of the vehicle less any credits for selling or trading in another vehicle, or if a prior vehicle was declared a total loss. Our review of 44 transactions with a credit amount applied found 3 transactions (7 percent) had no documentation to support the credit. In 2011, the DOR determined an employee had misappropriated funds and avoided detection, in part, by manipulating the net purchase price of vehicles registered and increasing trade-in and tax credit amounts above actual amounts. The employee pleaded guilty in August 2013, was given a suspended sentence, placed on 5 years of supervised probation, and ordered to pay restitution of \$48,150.
Accounting Controls and Procedures	The license office did not always accurately record the method of payment (cash, check, or credit card) and did not reconcile the composition of monies received to deposits. Our review of three deposits found cash payments recorded as check and/or credit card payments, check payments recorded as credit card and/or cash payments, and credit card payments recorded as cash and/or check payments.
No Fee Identification Log	The license office issues no fee IDs to replace illegible or misspelled IDs, but it does not always list these no fee IDs on the log as required.

In the areas audited, the overall performance of this entity was **Fair**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Department of Revenue

## Farmington Contract License Office

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor

and

John R. Mollenkamp, Acting Director

Department of Revenue

Jefferson City, Missouri

and

Alternative Opportunities, Inc., Contract Agent

Farmington Contract License Office

Farmington, Missouri

We have audited certain operations maintained and established by the Farmington Contract License Office, as provided by Section 136.055, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2013. The objectives of our audit were to:

1. Evaluate the office's internal controls related to the handling of various fee and tax transactions.
2. Evaluate the office's compliance with certain contractual and statutory provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Department of Revenue's management and was not subjected to the procedures applied in our audit of the contract office.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) no significant noncompliance with contractual or statutory provisions.

The accompanying Management Advisory Report presents our findings arising from our audit of the Farmington Contract License Office.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with a large, stylized "S" at the end.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Corey McComas, M. Acct., CPA
Audit Staff:	Nicole Meltabarger, M. Acct., CPA

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# Department of Revenue

## Farmington Contract License Office

### Management Advisory Report - State Auditor's Findings

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#### **1. Sales Price Credits**

The license office does not always retain documentation to support some credit amounts applied to vehicle sales tax transactions, and has not implemented procedures to require supervisors to periodically review this documentation.

Contract license offices collect sales and use taxes from taxpayers who are registering a vehicle. These taxes are based on the purchase price of the vehicle less any applicable credits for selling or trading in another vehicle, or if the taxpayer's prior vehicle has been declared a total loss by an insurance company. Department of Revenue (DOR) official procedures require the retention of documentation to support the net purchase price for all sales and use tax transactions.

We reviewed sales and use tax transactions processed in the license office from April 2 to April 4, 2013. Of the 44 transactions with a credit amount applied to reduce the purchase price, 3 transactions (7 percent) had no documentation to support the credit amount applied. The unsupported credits for these transactions totaled \$10,500, resulting in a \$461 reduction in taxes due.

During 2011, the DOR's Compliance and Investigation Bureau performed a review of the license office and determined an employee of the license office had misappropriated funds from October 2010 through September 2011, when the license office terminated the employee. One of the ways the employee avoided earlier detection was by manipulating the net purchase price of vehicles registered during that time by increasing trade-in and credit amounts above actual amounts. The employee pleaded guilty in August 2013, was given a suspended sentence, placed on 5 years of supervised probation, and ordered to pay restitution of \$48,150.

To ensure the net purchase price is accurately calculated, and errors and improprieties are detected in a timely manner, the license office should comply with DOR procedures requiring documentation for credit amounts be retained, and should implement procedures for supervisors to periodically review the documentation for reasonableness.

#### **Recommendation**

The license office ensure compliance with DOR procedures requiring retention of documentation to support the net purchase price for vehicle sales and use tax transactions, and implement procedures for supervisors to periodically review the documentation for reasonableness.

#### **Auditee's Response**

*We agree with the Auditor's recommendation.*

*Current procedure is for clerks to make an electronic note in the attachment stating which accompanying documents are being sent to Jefferson City.*



Department of Revenue  
Farmington Contract License Office  
Management Advisory Report - State Auditor's Finding

*This procedure will be reaffirmed with all staff in the Farmington License Office.*

*All three of the transactions which had missing documentation were researched by the Department of Revenue and were all later validated, therefore all appropriate taxes were collected and there was ultimately not a loss of \$461 in taxes.*

*It is not known where in the process the accompanying physical documentation went missing, but as stated above, staff will continue to be trained on the importance of making this electronic notation to validate that the documents were included. The office manager will periodically review the documentation for reasonableness.*

*The auditor's recommendation will be implemented.*

## **2. Accounting Controls and Procedures**

The license office needs to improve controls and procedures over monies collected. For the year ended June 30, 2013, the office collected and remitted to the DOR approximately \$4.5 million in taxes and fees.

The license office did not always accurately record the method of payment (cash, check, or credit card) in the accounting records and did not reconcile the composition of monies received to deposits. For example, the composition of deposits did not agree to the composition of receipts recorded for the three deposits made from April 2 to April 4, 2013. A review of these deposits identified cash payments recorded as check and/or credit card payments, check payments recorded as credit card and/or cash payments, and credit card payments recorded as cash and/or check payments.

DOR official procedures for license offices provide the composition of monies received should be reconciled to the accounting records and to deposits. Any differences identified as part of this work should be reviewed to ensure proper handling of monies received.

## **Recommendation**

The license office ensure the correct method of payment is recorded in the accounting records, the composition of monies received is reconciled to the accounting records and to deposits, and differences identified from the reconciliation process are appropriately reviewed.

## **Auditee's Response**

*We agree with the Auditor's recommendation.*

*Customers infrequently indicate their preferred method of payment only to later change their payment type. Clerks have been trained to ask the customer (after stating the amount due) which type of payment they will be making PRIOR to completing the electronic process.*





Department of Revenue  
Farmington Contract License Office  
Management Advisory Report - State Auditor's Finding

*When customers still change their payment type after due diligence by the clerk, documentation is made in two ways:*

- *Written documentation on the actual daily transition audit indicating that a change occurred as a result of a customer choice.*
- *A notation will be made on the daily Cashier's Report required by the DOR. The office manager reviews the transactions on a daily basis.*

*The auditor's recommendation will be implemented.*

### **3. No Fee Identification Log**

The license office does not record some Identifications (IDs) issued for no fees on the office log, as required by the DOR.

No fee IDs are issued at no cost to the ID holder to replace IDs previously purchased for reasons such as an ID printing illegibly or having a misspelled name. Our review of no fee IDs issued in the license office between December 29, 2012, and March 7, 2013, noted 6 of the 25 no fee IDs issued during that period were not listed on the log maintained by the office. The license office is required by the DOR to maintain the log to document the reason for the no fee ID issuance. DOR personnel also use the logs to review for accurate processing of ID transactions and to ensure the reasons for issuing no fee IDs are reasonable.

Maintaining an accurate and complete ID log is needed to demonstrate the proper issuance of no fee IDs.

### **Recommendation**

The license office ensure all no fee ID transactions are properly recorded on the office log.

### **Auditee's Response**

*We agree with the Auditor's recommendation.*

*License Office staff will be retrained on this procedure and local office manager will monitor this issue for compliance. Other management support staff for Alternative Opportunities, Inc. will periodically monitor for compliance as well.*

*The auditor's recommendation will be implemented.*

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# Department of Revenue

## Farmington Contract License Office

### Organization and Statistical Information

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Pursuant to Section 136.030(2), the Department of Revenue (DOR) has the authority and responsibility for the collection of motor vehicle registration fees, driver license fees, motor vehicle sales and use tax, and all other taxes. Pursuant to Section 136.055, RSMo, the director of the DOR has appointed 182 contract agents to operate contract license offices. This section also provides that the state auditor may audit the contract license offices. The DOR, License Office Bureau, under the management of the Motor Vehicle and Driver Licensing Division, is responsible for administering contract license offices throughout the state.

The contract license offices are awarded through a competitive bidding process, as required by Section 136.055.2, RSMo. This bidding process must give priority to organizations and entities that are exempt from taxation (not-for-profit) under the Internal Revenue Code, and political subdivisions such as municipalities, counties, and fire protection districts. Contracts for the license offices are typically for one year, with three one-year renewal periods. The contract may be canceled at the discretion of the DOR.

The contract license offices issue titles for all Missouri motor vehicles, trailers, and marine craft; and issue and sell a wide-range of standard, personalized, and specialty license plates that are classified into five major categories: passenger, truck, trailer, motorcycle, and bus. In addition, the contract license offices issue five basic types of driver licenses: Intermediate License (GDL); Class F (Operator); Class E (For-Hire); Class A, B, and C (Commercial); and Class M (Motorcycle). The licensing process also includes allowing customers to contribute to the organ donor program or blindness awareness fund, register with the selective services, and add endorsements or restrictions to licenses; and provides an opportunity to register to vote.

The contract agents do not receive compensation from the DOR, but receive the following fees, allowed by Section 136.055.1, RSMo, from customers for each type of transaction processed by the office.

#### Agent Fees

Transaction Type	Fee
License renewal	\$3.50 one year \$7.00 two years
Transfer of registration	\$3.50
Application or transfer of title	\$2.50
Driver, operator or chauffeur license	\$2.50 three years or less \$5.00 exceeding three years
Notice of lien	\$2.50



Department of Revenue  
Farmington Contract License Office  
Organization and Statistical Information

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In March 2009, the DOR solicited bids for the Farmington Contract License Office. The office was awarded to Alternative Opportunities, Inc., effective January 14, 2010.

For the year ended June 30, 2013, the office collected and remitted to the DOR \$4,500,526, and retained processing fees totaling \$252,976. Additionally, as part of the bidding process, the office agreed to return 5 percent of its processing fees to the state. For the year ended June 30, 2013, the office returned to the state processing fees totaling \$12,850.

## Personnel

At June 30, 2013, key office personnel were as follows:

David Broeker, Contract Manager  
Kelly Bertel, Office Manager



Thomas A. Schweich  
Missouri State Auditor

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## REVENUE

# Gladstone Contract License Office



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November 2013  
Report No. 2013-124

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Gladstone Contract License Office

Background	The Department of Revenue has appointed 182 contract agents to operate contract license offices. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law, which became effective in 2009, the State Auditor may audit contract license offices.
Accounting Controls and Procedures	The license office did not always accurately record the method of payment (cash, check, or credit card) and did not reconcile the composition of monies received to deposits. Our review of three deposits found cash payments recorded as credit card payments, check payments recorded as credit card and/or cash payments, and credit card payments recorded as cash payments.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: <http://auditor.mo.gov>

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# Department of Revenue

## Gladstone Contract License Office

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor

and

John R. Mollenkamp, Acting Director

Department of Revenue

Jefferson City, Missouri

and

James R. Williams, Contract Agent

Gladstone Contract License Office

Gladstone, Missouri

We have audited certain operations maintained and established by the Gladstone Contract License Office, as provided by Section 136.055, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2013. The objectives of our audit were to:

1. Evaluate the office's internal controls related to the handling of various fee and tax transactions.
2. Evaluate the office's compliance with certain contractual and statutory provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Department of Revenue's management and was not subjected to the procedures applied in our audit of the contract office.

For the areas audited, we identified (1) a deficiency in internal controls, and (2) no significant noncompliance with contractual or statutory provisions.

The accompanying Management Advisory Report presents our finding arising from our audit of the Gladstone Contract License Office.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Corey McComas, M. Acct., CPA
Audit Staff:	Nicole Meltabarger, M. Acct., CPA
	Rachelle Thompson



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# Department of Revenue

## Gladstone Contract License Office

### Management Advisory Report - State Auditor's Findings

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#### **Accounting Controls and Procedures**

The license office needs to improve controls and procedures over monies collected. For the year ended June 30, 2013, the office collected and remitted to the Department of Revenue (DOR) approximately \$8.4 million in taxes and fees.

The license office did not always accurately record the method of payment (cash, check, or credit card) in the accounting records and did not reconcile the composition of monies received to deposits. For example, the composition of deposits did not agree to the composition of receipts recorded for the three deposits made from April 2 to April 4, 2013, and for the June 25, 2013, deposit. A review of these deposits identified cash payments recorded as credit card payments, check payments recorded as credit card and/or cash payments, and credit card payments recorded as cash payments.

DOR official procedures for license offices provide the composition of monies received should be reconciled to the accounting records and to deposits. Any differences identified as part of this work should be reviewed to ensure proper handling of monies received.

#### **Recommendation**

The license office ensure the correct method of payment is recorded in the accounting records, the composition of monies received is reconciled to the accounting records and to deposits, and differences identified from the reconciliation process are appropriately reviewed.

#### **Auditee's Response**

*The Gladstone License Office, agent, and management staff have been reminded of the importance to accurately record the correct form of payment each and every time with respect to the transactions we process. In the future event of any forms of payment that are changed after finalizing the transaction, we will note the change on our audit copies, as well as adjusting our nightly composition of monies collected.*

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# Department of Revenue

## Gladstone Contract License Office

### Organization and Statistical Information

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Pursuant to Section 136.030(2), the Department of Revenue (DOR) has the authority and responsibility for the collection of motor vehicle registration fees, driver license fees, motor vehicle sales and use tax, and all other taxes. Pursuant to Section 136.055, RSMo, the director of the DOR has appointed 182 contract agents to operate contract license offices. This section also provides that the state auditor may audit the contract license offices. The DOR, License Office Bureau, under the management of the Motor Vehicle and Driver Licensing Division, is responsible for administering contract license offices throughout the state.

The contract license offices are awarded through a competitive bidding process, as required by Section 136.055.2, RSMo. This bidding process must give priority to organizations and entities that are exempt from taxation (not-for-profit) under the Internal Revenue Code, and political subdivisions such as municipalities, counties, and fire protection districts. Contracts for the license offices are typically for one year, with three one-year renewal periods. The contract may be canceled at the discretion of the DOR.

The contract license offices issue titles for all Missouri motor vehicles, trailers, and marine craft; and issue and sell a wide-range of standard, personalized, and specialty license plates that are classified into five major categories: passenger, truck, trailer, motorcycle, and bus. In addition, the contract license offices issue five basic types of driver licenses: Intermediate License (GDL); Class F (Operator); Class E (For-Hire); Class A, B, and C (Commercial); and Class M (Motorcycle). The licensing process also includes allowing customers to contribute to the organ donor program or blindness awareness fund, register with the selective services, and add endorsements or restrictions to licenses; and provides an opportunity to register to vote.

The contract agents do not receive compensation from the DOR, but receive the following fees, allowed by Section 136.055.1, RSMo, from customers for each type of transaction processed by the office.

#### Agent Fees

Transaction Type	Fee
License renewal	\$3.50 one year \$7.00 two years
Transfer of registration	\$3.50
Application or transfer of title	\$2.50
Driver, operator or chauffeur license	\$2.50 three years or less \$5.00 exceeding three years
Notice of lien	\$2.50



Department of Revenue  
Gladstone Contract License Office  
Organization and Statistical Information

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In January 2009, the DOR solicited bids for the Gladstone Contract License Office. The office was awarded to James R. Williams, effective October 1, 2009.

For the year ended June 30, 2013, the office collected and remitted to the DOR \$8,405,736, and retained processing fees totaling \$451,072. Additionally, as part of the bidding process, the office agreed to return 3 percent of its processing fees to the state during the first year of the contract and 2 percent during the renewal periods. For the year ended June 30, 2013, the office returned to the state processing fees totaling \$9,164.

## Personnel

At June 30, 2013, key office personnel were as follows:

James R. Williams, Contract Manager  
Abigail Kinman, Office Manager



**Thomas A. Schweich**  
Missouri State Auditor

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## REVENUE

# Malden Contract License Office



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November 2013  
Report No. 2013-125

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Malden Contract License Office

Background	The Department of Revenue has appointed 182 contract agents to operate contract license offices. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law, which became effective in 2009, the State Auditor may audit contract license offices.
Accounting Controls and Procedures	The license office did not always accurately record the method of payment (cash, check, or credit card) and did not reconcile the composition of monies received to deposits. Our review of three deposits found cash payments recorded as check payments and check and credit card payments recorded as cash payments. We also noted three manual receipt slips for driving record purchases were not retained.
Contract Compliance	The DOR agent contract requires actual daily receipts be entered into the computerized system to accurately reflect any overages and shortages, but our July 10, 2013 cash count noted a shortage in collections for one of the cash drawers, which was not subsequently shown on the ending daily documentation. The agent contract requires the license office use a video camera with at least a 60-day memory, but the system had only retained recordings going back 55 days.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: <http://auditor.mo.gov>

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# Department of Revenue

## Malden Contract License Office

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# THOMAS A. SCHWEICH

## Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
John R. Mollenkamp, Acting Director  
Department of Revenue  
Jefferson City, Missouri  
and  
James Burrow, Contract Agent  
Malden Contract License Office  
Malden, Missouri

We have audited certain operations maintained and established by the Malden Contract License Office, as provided by Section 136.055, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2013. The objectives of our audit were to:

1. Evaluate the office's internal controls related to the handling of various fee and tax transactions.
2. Evaluate the office's compliance with certain contractual and statutory provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Department of Revenue's management and was not subjected to the procedures applied in our audit of the contract office.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) noncompliance with contractual or statutory provisions.

The accompanying Management Advisory Report presents our findings arising from our audit of the Malden Contract License Office.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible, and a middle initial "A" in between.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Corey McComas, M. Acct., CPA
Audit Staff:	Nicole Meltabarger, M. Acct., CPA



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# Department of Revenue

## Malden Contract License Office

### Management Advisory Report - State Auditor's Findings

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#### **1. Accounting Controls and Procedures**

The license office needs to improve controls and procedures over monies collected. For the year ended June 30, 2013, the office collected and remitted to the DOR approximately \$1.7 million in taxes and fees.

The license office did not always accurately record the method of payment (cash, check, or credit card) in the accounting records and did not reconcile the composition of monies received to deposits. For example, the composition of deposits did not agree to the composition of receipts recorded for the three deposits made from April 2 to April 4, 2013. A review of these deposits identified cash payments recorded as check payments, and check and credit card payments recorded as cash payments. In addition, we noted three manual receipt slips for driving record purchases were not retained. The license office must issue manual receipt slips for these transactions because driving records are processed outside of the computerized system.

DOR official procedures for license offices provide the composition of monies received should be reconciled to the accounting records and to deposits. Any differences identified as part of this work should be reviewed to ensure proper handling of monies received. In addition, DOR official procedures require a receipt slip be issued for all sales of driving records.

#### **Recommendation**

The license office ensure the correct method of payment is recorded in the accounting records, the composition of monies received is reconciled to the accounting records and to deposits, and differences identified from the reconciliation process are appropriately reviewed. In addition, the license office should ensure receipt slips are issued for all driving record sales.

#### **Auditee's Response**

*We will strive to be more efficient and mindful of how the customer pays. If we key in an incorrect payment method, we will, if necessary, make notes to the accounting report of how the customer actually paid. We will use these notes when performing reconciliations and will review any discrepancies. We will also issue receipt slips for all driving record sales.*

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#### **2. Contract Compliance**

The license office does not always follow procedures required by the DOR agent contract.

##### **2.1 Collection Shortages**

The license office does not always handle shortages in collections as required by the contract with the DOR. We conducted cash counts in the office on July 10, 2013, and noted a shortage in collections for one of the cash drawers counted by comparing the amounts counted to system reports showing the amounts that should have been collected. However, the shortage was not subsequently shown on the ending daily documentation. Instead the clerk made up the difference by adding personal monies to the collections after we noted the shortage.



Department of Revenue  
Malden Contract License Office  
Management Advisory Report - State Auditor's Finding

The DOR agent contract provides that if the daily balance reflects a shortage, the agent should pay the difference prior to the deposit, but DOR procedures also require actual daily receipts be entered into the computerized system to accurately reflect any overages and shortages.

## 2.2 Video Surveillance

The video surveillance system does not retain recorded footage for the timeframe required by the DOR agent contract. The contract requires the license office agent use a video camera with at least a 60-day memory. Our review of the recordings on July 11, 2013, noted the system had only retained recordings going back to May 17, 2013, or 55 days, instead of the required 60 days.

The security system is an important control to protect against the theft of license office inventory, capital assets, and collections. By not ensuring the office is in compliance with the contract requirement, the security of these assets could be compromised.

## Recommendations

The license office:

- 2.1 Ensure compliance with the contract by covering shortages with the agent fees and properly documenting any differences.
- 2.2 Ensure the video surveillance system retains 60 days of recordings, as required by the contract.

## Auditee's Response

- 2.1 *We normally deposit any overages into the Motor Vehicle account. The agent fees will be shorted only when and if we find the discrepancy. We will make notes to the accounting report and reconcile the drawer to \$100 for each of the 3 Titling and Registration Intranet Processing System cash drawers.*
- 2.2 *The video surveillance usually always went back 60 days. We have since corrected the problem. What was happening, according to the techs that installed the equipment, was that our hard drive was too full and the sensitivity was set too high, causing the system to record through the night when it wasn't necessary. Shining headlights through the doors and windows was the problem. To correct, a bigger hard drive was installed, everything was backed up and the sensitivity was lowered. We also now have a contract with the computer company to come in once a month to make sure everything is running correctly.*

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# Department of Revenue

## Malden Contract License Office

### Organization and Statistical Information

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Pursuant to Section 136.030(2), the Department of Revenue (DOR) has the authority and responsibility for the collection of motor vehicle registration fees, driver license fees, motor vehicle sales and use tax, and all other taxes. Pursuant to Section 136.055, RSMo, the director of the DOR has appointed 182 contract agents to operate contract license offices. This section also provides that the state auditor may audit the contract license offices. The DOR, License Office Bureau, under the management of the Motor Vehicle and Driver Licensing Division, is responsible for administering contract license offices throughout the state.

The contract license offices are awarded through a competitive bidding process, as required by Section 136.055.2, RSMo. This bidding process must give priority to organizations and entities that are exempt from taxation (not-for-profit) under the Internal Revenue Code, and political subdivisions such as municipalities, counties, and fire protection districts. Contracts for the license offices are typically for one year, with three one-year renewal periods. The contract may be canceled at the discretion of the DOR.

The contract license offices issue titles for all Missouri motor vehicles, trailers, and marine craft; and issue and sell a wide-range of standard, personalized, and specialty license plates that are classified into five major categories: passenger, truck, trailer, motorcycle, and bus. In addition, the contract license offices issue five basic types of driver licenses: Intermediate License (GDL); Class F (Operator); Class E (For-Hire); Class A, B, and C (Commercial); and Class M (Motorcycle). The licensing process also includes allowing customers to contribute to the organ donor program or blindness awareness fund, register with the selective services, and add endorsements or restrictions to licenses; and provides an opportunity to register to vote.

The contract agents do not receive compensation from the DOR, but receive the following fees, allowed by Section 136.055.1, RSMo, from customers for each type of transaction processed by the office.

#### Agent Fees

Transaction Type	Fee
License renewal	\$3.50 one year \$7.00 two years
Transfer of registration	\$3.50
Application or transfer of title	\$2.50
Driver, operator or chauffeur license	\$2.50 three years or less \$5.00 exceeding three years
Notice of lien	\$2.50



Department of Revenue  
Malden Contract License Office  
Organization and Statistical Information

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In June 2009, the DOR solicited bids for the Malden Contract License Office. The office was awarded to James Burrow, effective October 15, 2009.

For the year ended June 30, 2013, the office collected and remitted to the DOR \$1,716,504, and retained processing fees totaling \$97,105. Under the terms of the contract, the office was not required to return a percentage of its processing fees to the state.

## Personnel

At June 30, 2013, key office personnel were as follows:

James Burrow, Contract Manager  
Tammy Rawlings, Office Manager



**Thomas A. Schweich**  
Missouri State Auditor

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## REVENUE

# Vienna Contract License Office



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November 2013  
Report No. 2013-126

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Vienna Contract License Office

Background	The Department of Revenue has appointed 182 contract agents to operate contract license offices. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law, which became effective in 2009, the State Auditor may audit contract license offices.
Findings	The audit identified no significant deficiencies in internal controls and no significant noncompliance with contractual or statutory provisions. No findings resulted from our audit.

In the areas audited, the overall performance of this entity was **Excellent**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: <http://auditor.mo.gov>

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Department of Revenue  
Vienna Contract License Office  
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# THOMAS A. SCHWEICH

## Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor

and

John R. Mollenkamp, Acting Director

Department of Revenue

Jefferson City, Missouri

and

County of Maries-Commission, Contract Agent

Vienna Contract License Office

Vienna, Missouri

We have audited certain operations maintained and established by the Vienna Contract License Office, as provided by Section 136.055, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2013. The objectives of our audit were to:

1. Evaluate the office's internal controls related to the handling of various fee and tax transactions.
2. Evaluate the office's compliance with certain contractual and statutory provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Department of Revenue's management and was not subjected to the procedures applied in our audit of the contract office.



For the areas audited, we identified (1) no significant deficiencies in internal controls, and (2) no significant noncompliance with contractual or statutory provisions.

No findings resulted from our audit of the Vienna Contract License Office.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Robyn Vogt, M.Acct., CPA
In-Charge Auditor:	Denise Huddleston, MBA
Audit Staff:	Nicholas Schafer
	Andrew Ferguson, M.Acct.

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# Department of Revenue

## Vienna Contract License Office

### Organization and Statistical Information

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Pursuant to Section 136.030(2), the Department of Revenue (DOR) has the authority and responsibility for the collection of motor vehicle registration fees, driver license fees, motor vehicle sales and use tax, and all other taxes. Pursuant to Section 136.055, RSMo, the director of the DOR has appointed 182 contract agents to operate contract license offices. This section also provides that the state auditor may audit the contract license offices. The DOR, License Office Bureau, under the management of the Motor Vehicle and Driver Licensing Division, is responsible for administering contract license offices throughout the state.

The contract license offices are awarded through a competitive bidding process, as required by Section 136.055.2, RSMo. This bidding process must give priority to organizations and entities that are exempt from taxation (not-for-profit) under the Internal Revenue Code, and political subdivisions such as municipalities, counties, and fire protection districts. Contracts for the license offices are typically for one year, with three one-year renewal periods. The contract may be canceled at the discretion of the DOR.

The contract license offices issue titles for all Missouri motor vehicles, trailers, and marine craft; and issue and sell a wide-range of standard, personalized, and specialty license plates that are classified into five major categories: passenger, truck, trailer, motorcycle, and bus. In addition, the contract license offices issue five basic types of driver licenses: Intermediate License (GDL); Class F (Operator); Class E (For-Hire); Class A, B, and C (Commercial); and Class M (Motorcycle). The licensing process also includes allowing customers to contribute to the organ donor program or blindness awareness fund, register with the selective services, and add endorsements or restrictions to licenses; and provides an opportunity to register to vote.

The contract agents do not receive compensation from the DOR, but receive the following fees, allowed by Section 136.055.1, RSMo, from customers for each type of transaction processed by the office.

#### Agent Fees

Transaction Type	Fee
License renewal	\$3.50 one year \$7.00 two years
Transfer of registration	\$3.50
Application or transfer of title	\$2.50
Driver, operator or chauffeur license	\$2.50 three years or less \$5.00 exceeding three years
Notice of lien	\$2.50



Department of Revenue  
Vienna Contract License Office  
Organization and Statistical Information

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In July 2009, the DOR solicited bids for the Vienna Contract License Office. The office was awarded to County of Maries-Commission, effective October 1, 2009.

For the year ended June 30, 2013, the office collected and remitted to the DOR \$1,007,975, and retained processing fees totaling \$58,448. Under the terms of the contract, the office was not required to return a percentage of its processing fees to the state.

## Personnel

At June 30, 2013, key office personnel were as follows:

Ray Schwartze, Contract Manager  
Stephanie Plassmeyer, Office Manager



# Thomas A. Schweich

Missouri State Auditor

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## City of Savannah



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November 2013  
Report No. 2013-127

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the City of Savannah

Water and Sewer System	<p>Prior Boards of Aldermen failed to properly address the weak financial condition of the Combined Water and Wastewater Fund. Since at least August 2006, the city has not funded reserve accounts as required by bond covenants. Recent Boards have taken actions to address the financial condition of the fund, but the city has indicated that it will take several years to fulfill the reserve requirements. The city does not always prepare an adequate cost analysis to support water rate and sewer rate increases. The city lacks adequate policies and procedures regarding handling and accounting for delinquent utility accounts, adjustments to customer account balances are not reviewed and approved by an independent person, and the city does not always assess the late penalty or disconnect services for city officials and employees when their utility payments were late. The City Administrator does not approve partial payment arrangements, and these arrangements are not always in compliance with city policy. The city does not charge all city departments for water usage at city facilities, and the city lacks sufficient procedures to ensure monies received from the bulk water sales machine are deposited.</p>
Accounting Controls, Records, and Procedures	<p>The city does not track the balance of various restricted revenues. The city absorbed \$9,900 in credit card fees from utility bill payments rather than passing these fees on to the credit card users. The City Administrator does not use actual costs or other documented rationale to allocate wages and applicable withholdings or assess administrative fees, making it difficult to accurately determine the results of operations of specific activities. The city does not reconcile fuel usage to fuel purchases, which would help reduce the risk of loss, theft, and misuse. The city does not have an accounting policies and procedures manual, and the city's independent auditor reported a material weakness in city controls regarding financial reporting.</p>
Golf Course	<p>The golf course does not adequately segregate duties, record the method of payment received, or maintain the change fund at a constant amount. Neither the Board nor the advisory committee have reviewed and approved the prices/fees or considered related costs, and the advisory committee did not always comply with the Sunshine Law requirements regarding closed meetings. The golf course manager does not perform a periodic physical inventory of golf course concession items and merchandise or reconcile the inventory to sales and purchases of the concession items/merchandise.</p>
Parks and Recreation	<p>The Parks and Recreation Department does not adequately segregate duties, issue receipt slips, or maintain records of monies received. The Park Board has not reviewed and approved prices/fees and does not have written agreements with several organizations, as required by law. The Park Board approved deficit fund balances, does not adequately monitor monthly budget to actual reports and amend the budget when necessary, and has not submitted an annual report of operations to the city.</p>

Procurement and Contracts	The city did not solicit competitive proposals or bids for several significant purchases as required by City Code and does not buy concession items in bulk. The city does not have formal written agreements with several not-for-profit organizations defining services to be provided or benefits to be received, and the not-for-profits do not regularly provide the city with documentation of the services provided.
Personnel Policies and Procedures	The city provides full-time employees with certain benefits, including a \$600 annual family golf membership, a \$200 family swimming pass, one free rental of the Clasbey Center per year, and two city cemetery plots for employees with 20 or more years of service, which it does not report on the employees' W-2 forms. Each December the city pays eligible employees \$30 for each year of employment, which violates the Missouri Constitution's prohibition against extra compensation for services already rendered. The city did not protest the unemployment claims of two former council members although elected officials are exempt from unemployment claims. City personnel policies do not address some current personnel practices, and at least one policy regarding compensatory time is not being followed.
Closed Meetings	The Board uses the same statement in each meeting notice/agenda to indicate the potential for a closed meeting, rather than citing the specific exception when applicable. The Board discussed some items in closed meetings that are not allowed by state law and sometimes discussed issues other than the specific reason cited in the open meeting minutes for going into a closed meeting.
Computer Controls	The city has not established adequate computer system controls. The city does not have a formal, written contingency plan for resuming operations and recovering computer systems and data in the event of a disaster and does not store backup data at a secure off-site location.
Capital Assets	The city does not maintain complete and detailed records of all capital assets, tag or otherwise identify capital assets as property of the city, or perform an annual physical inventory of city property.
Tickets	The police department does not account for the ultimate disposition of traffic tickets and the city has not developed adequate procedures for collecting on unpaid parking tickets.

In the areas audited, the overall performance of this entity was **Poor**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our Web site: [auditor.mo.gov](http://auditor.mo.gov)**

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# City of Savannah

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the Honorable Mayor  
and  
Members of the Board of Aldermen  
City of Savannah, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Savannah. We have audited certain operations of the city in fulfillment of our duties. The city engaged Cochran Head Vick & Co., P.C., Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended September 30, 2012. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the year ended September 30, 2012. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.



For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Savannah.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
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	Keisha Williams

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# City of Savannah

## Management Advisory Report

### State Auditor's Findings

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#### **1. Water and Sewer Systems**

There are significant weaknesses regarding water and sewer operations. As a result, there is less assurance water and sewer rates are established at an appropriate level and properly billed and collected.

##### **1.1 Financial condition**

Prior Boards of Aldermen failed to properly address the weak financial condition of the Combined Water and Wastewater Fund (water/sewer fund).

Since at least August 2006, the city has not funded reserve accounts, including debt service, debt service reserve, and depreciation/replacement, as required by bond covenants of the water/sewer fund revenue bonds. As of September 30, 2012, the balance of the reserve accounts was \$579,000 and the accounts were underfunded by a total of approximately \$640,000. In addition, an engineering study in February 2012, identified that in the next 10 years, the city would need to spend approximately \$500,000 for equipment replacement and \$1 million for capital improvements. These obligations and anticipated future costs, along with weaknesses noted in sections below have contributed to the weak financial condition of the water/sewer fund.

Recent Boards have taken actions to address the financial condition of the water/sewer fund. Since 2010, the Board has increased water and sewer rates and reduced debt payments by refinancing various revenue bonds. However, city officials indicated it will take several years at the increased rates to collect sufficient revenues to fulfill the reserve requirements.

It is essential the Board continues to address the financial condition of the water/sewer fund in both the immediate- and long-term future to ensure the solvency of the water/sewer fund and compliance with bond covenants.

##### **1.2 User rates**

The city does not always raise water and sewer rates based on an adequate cost analysis to ensure rates are sufficient.

###### **Water rates**

The city did not prepare an adequate cost analysis to support the approximate 30 percent increase in water rates approved in November 2010. To support the increase, the city prepared a cost analysis that indicated the calculated percentage rate increase could produce sufficient revenues to cover the fiscal year 2011 budget. This analysis did not include other needed information such as equipment replacement, capital improvements, or funding reserve accounts.

Subsequently, the city obtained a cost study of water rates from a professional engineer in February 2012. This study concluded the city had taken on substantial debt over the last few years without raising user rates and fees commensurately and the current rate structures were not fairly structured. The study evaluated the water system over a 10-year period, and, in addition to normal operation costs, the study considered depreciation,



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capital improvements, equipment replacement, and accumulating adequate reserves. In response to the study and based upon recommendations from a citizens' ad hoc committee on water rates, the Board increased water rates in May 2012 by 48 percent, with annual automatic increases of 3 percent each year until May 2017. In May 2013, the Board rescinded the automatic increases starting May 2014. According to city personnel, the Board plans to review and evaluate rates on an annual basis.

#### Sewer rates

The city did not prepare an adequate cost analysis to support an increase in sewer rates approved in September 2011. To support the increase, the city prepared a cost analysis that indicated the calculated percentage rate increase could produce sufficient revenues to cover the fiscal year 2012 budget. This analysis did not include other needed information such as equipment replacement, capital improvements, or funding reserve accounts. Prior to the September 2011 increase, the most recent sewer rate increase occurred in 2003.

Subsequently, in November 2011, the city completed the Missouri Department of Natural Resources Rate Assist (Wastewater) Program with the assistance of the Missouri Rural Water Association. The program results indicated the current sewer rates were generating sufficient revenues. However, sewer rates have not been analyzed and have remained the same since November 2011, and it is unclear if the rates are currently sufficient.

#### Conclusion

Bond covenants require the city to maintain rates that produce sufficient revenues to pay the expenses of the system, the principal and interest of outstanding bonds, and provide adequate reserves. Water and sewer fees are user charges, which should cover the cost of providing the related services. The city's cost analysis of water and sewer rates should consider expenses such as debt service costs, need for the extension of the system, equipment repairs and replacement, depreciation, enlargement of plant, capital improvements, and operating and incidental expenses. The preparation of a comprehensive statement of costs would not only allow the city to determine the rates necessary to support current and future operations, but also provide documentation to customers of the rationale behind the rates.

### 1.3 Delinquent accounts

The city has not developed adequate policies and procedures regarding handling and accounting for delinquent utility accounts. As of May 2013, accounts delinquent for over 30 days totaled \$103,680.

Delinquent accounts are considered closed (water service shut off and no billings) after 3 billing cycles. Our review of 9 delinquent accounts each with balances due greater than \$1,000 indicated:

- Four accounts, totaling \$13,813, have been delinquent and closed for more than 5 years, and three accounts, totaling \$6,491, have been



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delinquent and closed within the last 3 years. According to city personnel, no collection efforts were made on these accounts prior to closing the accounts.

- Two accounts, totaling \$11,856, belong to the same customer. According to city personnel, although the accounts were sent to a collection agency; the customer filed for bankruptcy and the city chose not to file a claim.

To help maximize utility revenues, policies and procedures should be developed to ensure adequate steps are taken to collect delinquent accounts.

## 1.4 Adjustments

Adjustments to customer account balances are not reviewed and approved by an independent person. The Deputy City Clerk collects and posts payments and has the ability to adjust account balances. These adjustments are not reviewed or approved by the City Clerk or City Administrator. As a result, there is an increased risk that unsupported or unauthorized changes can be made to the utility system.

Adjustments to customer account balances should be verified and approved by a person independent of the postings of such transactions to ensure they are legitimate. In addition, for the Board to be aware of the number and amount of adjustments, a report of adjustments should be presented periodically to the Board.

## 1.5 Partial payments

The City Administrator does not approve partial payment arrangements, and these arrangements are not always in compliance with city policy. The Deputy City Clerk sometimes allows customers with delinquent water accounts to make alternative payment arrangements. Partial payment arrangements are granted in the event of a water service line break, because an abnormal and significant amount of water may be discharged through the break.

City Code, Chapter 66 provides that payment arrangements require an on-time payment of no less than \$200, and/or carry forward a balance of no more than \$200, and the total cumulative balance due must be paid in the next two billing periods, regardless of total balance due. In addition, the City Administrator is to approve partial payment arrangements.

As of May 2013, there were five partial payment arrangements. None of the arrangements were in compliance with city policy:

- One arrangement did not document the amount of the one-time payment or the required monthly payment. As a result, it is unclear if the amount delinquent was paid within 2 billing periods. The total amount due was \$6,792.



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- One arrangement allowed an initial payment of \$182 with monthly payments of \$150 (6 months). This arrangement would result in a final payment of \$100. The total balance due was \$1,182.
- One arrangement allowed an initial payment of one-half of the amount due or \$394, with monthly payments of \$50 (7 months). This arrangement would result in a final payment of \$43. The total balance due was \$787.
- One arrangement allowed an initial payment of \$108 with monthly payments of \$50 (14 months). This arrangement would result in a final payment of \$1. The total balance due was \$809.
- One arrangement allowed monthly payments of \$75 (25 months). This arrangement would result in a final payment of \$28. The total balance due was \$1,903.

To ensure all customers are treated in a fair and equitable manner, payment arrangements should comply with city policy and be approved by the City Administrator.

## 1.6 Penalty and disconnect of service

The city does not always assess the late penalty or disconnect services for city officials and employees when their utility payment is received after the due date or shutoff date.

We noted an employee was not assessed a penalty for paying his bill after the due date. In addition, the employee's service was not disconnected even though his bill was paid after the shutoff date. We also noted an elected official was not assessed a penalty for paying her bill after the due date.

City Code, Chapter 66 provides all bills not paid before the 16th day of the month shall be delinquent and subject to a penalty of 10 percent, and should any customer fail or refuse to pay when due, the city shall discontinue utility service. However, prior to discontinuance a notice will be mailed, and on or about the 22nd day of each month the names of all customers who are to be disconnected shall be delivered to the Director of Public Works.

It is not good public policy to make exceptions to city policies for elected officials and employees. Failing to enforce city policy related to utility services for elected officials and employees does not provide equitable treatment of all utility users and reduces the incentive for elected officials and employees to make timely payments.



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## 1.7 Water usage not billed

The city does not charge most city departments for water usage at city-owned facilities. As a result, the cost of water is not being properly allocated to city operations. Only the Parks Department and golf course are charged for water usage.

In order to establish appropriate user fees for its utilities, the city should ensure water costs are properly allocated to the various city departments. In addition, bond indentures require water rates to be set at a level to produce sufficient revenue to cover all operating costs and to provide for bond payments. Since the city's rate calculations spread these revenue requirements across all paying utility customers, the city's paying utility customers are covering the cost of city water consumption.

To equitably allocate the cost of city water use to utility customers and ensure compliance with bond indentures, the city should charge all city departments for water consumption.

## 1.8 Bulk water sales

The city does not have sufficient procedures to ensure monies received from the bulk water sales machine are deposited. For the year ended September 30, 2012, the city deposited \$3,308 from the machine's change box. According to city personnel, water is dispensed from the machine in 15 second increments (approximately 25 gallons) for 25 cents, monies are collected from the machine's change box monthly, and a meter tracks the total gallons sold monthly. However, the city does not have procedures to reconcile monies collected to water dispensed.

To improve accountability over the bulk water sales machine, the city should reconcile money collected to water dispensed to determine if all bulk water revenues are deposited. Without proper reconciliation procedures, there is less assurance bulk water revenue is accounted for properly and transmitted to the bank.

## Recommendations

The Board of Aldermen:

- 1.1 Continue to monitor the financial condition of the Combined Water and Wastewater Fund, and ensure required accounts are properly funded in compliance with bond covenants.
- 1.2 Ensure adequate cost studies are prepared that consider all relevant expenses such as operating expenses, debt obligations, and future repair/maintenance costs and capital improvements. The Board should also consider periodically obtaining a formal water and/or sewer rate study from a professional engineer to ensure rates are sufficient.



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- 1.3 Establish policies and procedures regarding the collection of delinquent accounts.
- 1.4 Require adjustments to account balances be reviewed and approved by an independent person. In addition, the Board should receive a report of adjustments on a periodic basis.
- 1.5 Ensure partial payment agreements are in accordance with city policy and approved by the City Administrator.
- 1.6 Ensure the late penalty and water disconnect procedures are applied to city officials and employees, when applicable.
- 1.7 Charge all city departments for water consumption at city-owned facilities.
- 1.8 Develop reconciliation procedures to ensure revenue from the bulk water sales machine is deposited and reasonable.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 1.1 *The City understands the importance of the financial condition of the Combined Water and Wastewater Fund and reserve accounts. At the August 21, 2013 meeting, the City Council<sup>1</sup> approved bringing the reserve levels up to meet the bond covenants. The City is currently in compliance with bond requirements and will continue to monitor the financial condition of the Combined Water and Wastewater Fund.*
- 1.2 *The City will make an effort to ensure all relevant expenses are included in rate studies. The City will periodically obtain a formal water and/or sewer rate study from an outside source to ensure rates are sufficient. The Fiscal Year 2014 budget includes hiring a financial advisor for projects which would include review of the City's rates. The City has published the legal notice in the local newspaper with the requests for qualifications for a financial advisor due by November 20.*
- 1.3 *The City Council, staff, and City Attorney will work together to enhance the policies and procedures regarding the collection of delinquent accounts. The City Attorney will create a policy on step-by-step collection procedures for Council's approval. The Utility*

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<sup>1</sup> In the responses provided, the Board of Aldermen refers to itself as City Council or Council.



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*Clerk attended the Missouri Rural Water Association conference in October 2013 that included a session on collection procedures.*

- 1.4 The City has implemented a practice where the City Administrator will review and sign off on all adjustments to account balances. The Council will review a report of adjustments on a periodic basis.*
- 1.5 The City has implemented a practice where the City Administrator will review and sign off on any payment agreements and ensure any arrangement follows City policy.*
- 1.6 The City realizes the importance of disconnect procedures. The City has implemented the practice of applying disconnect procedures to all officials and employees.*
- 1.7 The City will take this recommendation under advisement. The City will research further what would need to be done to charge all city departments for water consumption at city-owned facilities including what amounts would need to be budgeted in the future.*
- 1.8 The City has implemented new procedures to track the gallon readings from the bulk water machine with the revenues from the coin 25 cent collections. Periodically the City will test to make sure the number of gallons matches up to the cost.*

## **2. Accounting Controls, Records, and Procedures**

Accounting controls, records, and procedures need improvement.

### **2.1 Restricted revenues**

The city does not track the balance of various restricted revenues. These restricted monies include state motor vehicle-related revenues, Law Enforcement Training (LET) fees, one-half cent sales tax revenues, and grant monies.

These restricted monies are accounted for in the General Fund. Although the annual revenues and expenditures of these restricted monies are separately tracked within the General Fund, the balances of these restricted monies are not. As a result, the city cannot determine at a point in time what portion of the General Fund represents restricted monies.

Article IV, Section 30, Missouri Constitution, requires motor vehicle-related revenues apportioned by the state of Missouri be expended for street related purposes. Section 488.5336.2, RSMo, requires LET fees be used for the training of law enforcement officers. By city ordinance, the sales tax is





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restricted for streets and street improvements. Grant funds can only be used for purposes provided in the grant agreement. A separate accounting, with a current balance, would help ensure these restricted revenues are used properly.

## 2.2 Expense allocation

The City Administrator does not use actual costs or other documented rationale for allocating wages and applicable withholdings of certain employees between the city's funds or assessing an administrative fee to certain city funds to cover costs incurred by the General Fund. The city assessed an administrative fee of \$10,000 and \$9,600 to the Duncan Hills Golf Course and Parks and Recreation Funds, respectively, for the year ended September 30, 2012. These transfers are authorized in the budget.

According to city personnel, wage allocation percentages are based on workload estimates (see table below) made by each employee. Although city employees prepare timesheets, the timesheets show no detail of activity or department. According to the city's budget for the year ended September 30, 2012, the percentage allocation of wages and applicable withholdings to be charged to various city funds was as follows.

Personnel	General Fund	Water Fund	Wastewater Fund	Sanitation Fund	Street Account	Cemetery Fund
City administrator	55%	15%	15%	15%		
City clerk	55%	15%	15%	15%		
2 city hall staff	30%	25%	25%	20%		
4 street employees		20%	20%	10%	50%	
2 wastewater employees			90%	10%		
1 street/cemetery employee				30%	50%	20%

However, actual administrative wages of \$141,504 for the year ended September 30, 2012, were not allocated by the percentages indicated in the table above. Rather, the allocation was 71 percent to the General Fund, 16 percent to the Water Fund, and 13 percent to the Wastewater Fund. In addition, a portion of these costs were not allocated to other accounts and funds managed by city administration including the Street Account within the General Fund or the Cemetery Fund.

It is essential the city properly allocate payroll costs, to accurately determine the results of operations of specific activities, thus enabling the city to establish the level of taxation and/or user fees necessary to meet all operation costs. Salary expense should be allocated to the various city funds based on actual time or estimated time based on historical data, and documentation should be maintained to support the allocation. In addition, the administrative fee should be in direct proportion to the benefits received by the various funds from the General Fund.



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## 2.3 Accounting manual

The city does not have an accounting (policies and procedures) manual related to processing and recording financial transactions. In addition, for the year ended September 30, 2012, the city's independent auditor reported a material weakness in city controls regarding financial reporting, associated with the recording and reporting of certain financial transactions. For example, the trial balance did not include all required journal entries to properly accrue accounts receivable, interest payable, or depreciation expense, and some significant accounts were not reconciled such as the bond cash account. An accounting manual would help ensure all required entries are made, and accounts reconciled as needed.

Employees need written policies and procedures to ensure operations are conducted in accordance with the city's intent, assist employees in properly performing their assigned duties, and aid in the training of new employees. An accounting manual would also assist in the preparation of financial statements.

## 2.4 Credit card convenience fees

The city allows utility bills to be paid with personal credit cards; however, credit card users are not charged a convenience fee to offset the related costs to the city. Personal credit cards are also accepted by the golf course. Credit card fees, which totaled approximately \$9,900 during the year ended September 30, 2012, are absorbed by the city.

Considering the costs of credit card fees, the city should reconsider if absorbing these costs outweighs the benefits of not charging credit card convenience fees. In addition, absorbing the credit card fee is a possible violation of Article VI, Section 23, Missouri Constitution, which prohibits the granting of public funds to individuals.

## 2.5 Fuel use

The city does not adequately monitor diesel fuel used by city departments. Diesel fuel purchases totaled approximately \$4,500 for the year ended September 30, 2012.

The city has a bulk diesel tank for city equipment and two vehicles, which use diesel fuel. A public works employee oversees the bulk tank, maintains a log of gallons used by each department, and has the tank refilled when needed. However, the usage log is not reviewed for reasonableness and fuel usage is not reconciled to fuel purchases. Reconciling fuel usage to purchases helps to reduce the risk of loss, theft, and misuse of fuel occurring without detection.

## Recommendations

The Board of Aldermen:

- 2.1 Determine the balance of restricted monies in the General Fund and establish separate funds or a separate accounting of these monies.



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- 2.2 Ensure payroll costs allocated to applicable city funds are supported by adequate documentation. In addition, the city should develop a methodology for determining the appropriate administrative fee to be charged to various funds. Thorough and detailed documentation of the rationale and calculation of the fee should be maintained.
- 2.3 Develop a policies and procedures manual for the accounting system.
- 2.4 Consider charging a convenience fee when customers pay by credit card.
- 2.5 Establish procedures to effectively monitor diesel fuel use, and reconcile use to purchases.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 2.1 *With the new fiscal year 2014, the City has implemented listing the balances of restricted monies that are in the General Fund, in the monthly reports to the City Council.*
- 2.2 *The City will prepare detailed documentation on how payroll and other costs are allocated to specific city funds. City employees whose pay is split between departments are periodically providing timesheets with the breakdown of time spent on tasks for each department. The average will then be used to budget for that department. The City is developing a methodology to determine the appropriate administrative fee to be charged to the Park and Golf departments which are currently charged \$10,000 annually. Detailed documentation will be provided on the rationale and calculation of the fee.*
- 2.3 *The City has been researching accounting and procedures manuals from other cities. The City is in the process of developing an accounting policy and procedures manual, which will provide more detail beyond the current Procurement chapter of the City Code. This new section will relate to the processing and recording of financial transactions.*
- 2.4 *The City will review the convenience fees and payment method options including e-checks, online payments over the City's website, and alternate credit card processing companies. The City Council will consider charging a convenience fee when customers pay by credit card.*



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2.5 *The City tracks fuel from the bulk diesel tank through a usage log. The City will review the current setup and decide the best procedures to more effectively monitor diesel fuel use and reconcile use to purchases.*

### 3. Golf Course

Significant weaknesses were noted in golf course controls, policies, and procedures.

A five-member committee, appointed by the Mayor, with the consent of the Board of Aldermen, acts as an advisory committee for golf course operations. However, the Board has final approval of all decisions regarding the golf course.

The golf course accepts cash, checks, and credit cards. For the year ended September 30, 2012, city records indicate the following receipts were collected by the golf course and deposited in the city's main bank account.

Type of Receipt	Amount
Memberships	\$ 136,054
Green fees	83,474
Golf cart storage	55,800
Beer sales	51,862
Tournament fees	51,176
Golf cart rentals	47,662
Concessions	34,455
Golf apparel	21,453
Golf balls and accessories	18,841
Golf clubs	10,407
Total	\$ 511,184

#### 3.1 Segregation of duties

Segregation of duties is not adequate and there is no supervisory review of collection activities for monies collected by golf course staff. Various staff, including the golf course manager, receive, record, and deposit monies collected, and there is no independent review of these activities.

To safeguard against possible loss, theft, or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, there should be a documented independent review of golf course records and transactions.

#### 3.2 Receipts

Golf course personnel do not always record the correct method of payment received (cash, check, or credit cards) on receipt slips issued from the cash register. Checks received are recorded as cash.



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To ensure all monies are properly recorded and deposited intact, the method of payment should be recorded and the composition of receipt slips issued should be reconciled to the composition of deposits.

### 3.3 Change fund

The golf course does not maintain the change fund at a constant amount. According to golf course personnel, the balance of the change fund is \$800; however, our cash count of the change fund on March 26, 2013, was \$852.

To safeguard against possible loss, theft, or misuse of funds, the change fund should be maintained at a constant amount. Periodically, the change fund should be counted and reconciled to the authorized balance by an independent person.

### 3.4 Golf course prices/fees

Neither the Board nor the advisory committee have reviewed and approved the prices/fees established by the golf course manager and considered related costs for items including, concession food and drink, merchandise, green fees, membership fees, and cart rentals.

To ensure fees cover the cost of these items/services, a periodic review of prices/fees and related costs should be performed. In addition, these prices/fees should be approved by the advisory committee and authorized by the Board.

### 3.5 Inventory

The golf course manager does not perform a periodic physical inventory of golf course concession items and merchandise or reconcile the inventory to sales and purchases of the concession items/merchandise. To safeguard against possible loss, theft, or misuse of items/merchandise, a physical inventory should be performed and reconciled to sales and purchases on a periodic basis. The reconciliation should also account for golf merchandise given away at tournaments.

### 3.6 Closed meetings

The advisory committee did not always follow Sunshine Law requirements relating to closed meetings as required by Chapter 610, RSMo. The advisory committee held five closed meetings from October 2012 to June 2013. The notices for closed and open meetings and related agendas are combined into one document.

- The vote of each member for closing a meeting is not documented in the open meeting minutes.
- The minutes of open meetings typically do not document the reason(s) for closing the meeting. The reason for holding a closed meeting was documented for only one meeting.
- Minutes of open meetings do not always document that a closed meeting was held. One closed meeting held was not documented.



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- Meeting notices/agendas use the same statement for each meeting to indicate the potential for a closed meeting, instead of citing the specific exception as the reason for a closed meeting, when applicable. The statement indicates ". . . may enter into closed executive session . . . regarding personnel, the lease or sale of real estate, or legal or privileged matters . . ."
- Minutes for closed meeting are not prepared. For one closed meeting, handwritten comments were retained.

The Sunshine Law, Chapter 610, RSMo, requires that before any meeting may be closed, the question of holding the closed meeting and the reason for the closed meeting, including reference to a specific section of the law, shall be voted on at an open session. The law limits discussions in closed meetings to only those items specifically allowed by law, requires governmental bodies to prepare and maintain minutes of closed meetings, and requires reasonable notice of meetings. After the closed meeting, the governmental body should disclose the decisions made in closed meetings and the vote of each member as appropriate. In addition, the law requires notices of closed meetings to include the reason for holding it by reference to the specific exception allowed.

## Recommendations

The Board of Aldermen in conjunction with the golf course advisory committee:

- 3.1 Segregate the duties of receiving, recording, and depositing golf course monies to the extent possible. If proper segregation of duties cannot be achieved, timely supervision or independent reviews of the golf course records and transactions should be performed.
- 3.2 Require the method of payment be recorded on receipt slips, and the composition of receipts be reconciled to the composition of deposits.
- 3.3 Maintain the change fund at an authorized amount. In addition, the fund should be periodically counted and reconciled to the authorized balance by an independent person.
- 3.4 Evaluate concession and golf course prices/fees and related costs on a periodic basis. In addition, concession and golf course prices/fees should be approved by the advisory committee and authorized by the Board.
- 3.5 Develop procedures to periodically reconcile inventory on hand to the sales and purchases of golf course concession items and merchandise.



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- 3.6 Ensure the notices/agendas state the specific reasons for going into a closed session, the reason and vote of each member to close a meeting is recorded in the open minutes, and minutes of closed meetings are prepared. In addition, only the items allowed by state law should be discussed in closed meetings and limited to only those specific reasons cited to justify such a closed meeting. Decisions and the vote of each member made in closed meetings should be properly disclosed to the public.

## Auditee's Response

*The Board of Aldermen in conjunction with the golf course advisory committee provided the following written responses:*

- 3.1 *In order to safeguard the Golf Fund monies, the Golf Course will keep a log of when deposits are made, who did the deposit, and when it was taken to the bank. The Golf Course will also limit the number of parties who deal with the deposits made. Also, the supervisor will check the register at least once a day during normal shift hours. As part of the internal controls, a designated person from outside the department will periodically count the register unannounced.*
- 3.2 *To separate cash, credit cards, and checks entering the cash register, the Golf Course personnel now use the appropriate category when entering in the payments. Receipts list the correct method of payment (cash/check/credit card) and are distributed to customers on all sales. Receipts are reconciled daily with the composition of deposits.*
- 3.3 *Each night, the safe at the golf course will be counted to \$800 by personnel who will document how much change there was, the time and date they counted out the change, and initial a log when they are finished.*
- 3.4 *Prices of all merchandise and concessions will be re-evaluated every three months. The Golf Course will present all price increases/decreases to the Golf Committee in monthly meetings and ensure they are authorized by the Board.*
- 3.5 *The inventory will be taken on merchandise and concessions at the beginning of the summer and will continue to be reported every three months. When merchandise is purchased, it will be added to the inventory.*
- 3.6 *When the Golf Committee enters into closed executive sessions, it will be listed on the agenda and will be documented in the open session of the meeting minutes. The Golf Course Committee will state*



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*the reason and statute number for the closed session, which member motioned and seconded, and the vote to enter into the session. The discussion will be limited to the specific reason cited. The Committee will assign a person to take the closed meeting minutes. Any decisions and votes of each member will be properly disclosed per the Sunshine Law. The City Attorney will provide a Sunshine Law orientation to the Committee members.*

## 4. Parks and Recreation

Significant weaknesses were noted in parks and recreation controls, policies, and procedures.

The Parks and Recreation Department (department) is governed by a nine-member Park Board, which is appointed by the Mayor with the consent of the Board of Aldermen. As authorized by state law, the Park Board has exclusive control of expenditures of department funds and supervision of the department, city park activities, and improvements to park facilities. The Park Board oversees two city parks, a youth sports complex, and a swimming pool.

The department accepts cash and checks. For the year ended September 30, 2012, city records indicate the following receipts were collected by the department and deposited in the city's main bank account.

Type of Receipt	Amount
Swimming pool	\$ 44,527
Concessions, sports complex	22,510
Baseball fees	17,064
Concessions, pool	13,813
School facility maintenance fees	13,544
Soccer fees	11,795
League fees, sports complex	8,500
Baseball field rentals	450
Shelter house rentals	260
Total	\$ 132,463

### 4.1 Segregation of duties

Segregation of duties is not adequate and there is no supervisory review of collection activities for monies collected by department staff. Various staff members, including the department director, activities director and pool manager, receive, record, and deposit monies collected at the department office, baseball field and pool concession stands, and pool, and no independent review of these activities is performed.

To safeguard against possible loss, theft, or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If





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proper segregation of duties is not possible, there should be a documented independent review of department records and transactions.

## 4.2 Receipts

Department staff do not always issue receipt slips or maintain records of monies received. In addition, department staff do not always reconcile the method of payment recorded on register tapes to the composition of deposit. As a result, there is little assurance that all monies collected are properly deposited.

- Pre-numbered receipt slips are not issued for baseball league fees, baseball and soccer fees, or baseball field rental fees received by the department office.
- There is no record of monies received by the ball field and pool concession stands. In addition, department personnel do not evaluate the reasonableness of concession monies deposited. A reconciliation of concession inventories purchased to the amount sold is not performed.
- The cash register tape for pool collections such as entry fees and passes, is not adequately reconciled to the deposit. Pool personnel indicated the employee making the daily deposit should reconcile the cash register tape to the deposit.

We reviewed 14 deposits made for 15 days of receipts for pool collections from June 1 to June 17, 2013. For 6 deposits the cash register tapes exceeded the deposit, while the deposit exceeded the cash register tapes for 8 deposits. For these deposits, the cash register tapes showed \$12,466 was collected; but \$11,193 was deposited, resulting in a shortage of \$1,273.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of funds will go undetected. A receipt log and/or pre-numbered receipt slips should be prepared for all monies received that are not recorded by the cash register. The method of payment should be recorded and the composition of receipt slips issued should be reconciled to the composition of deposits. Cash register tapes should also be reconciled to deposits and any differences should be investigated. In addition, a reconciliation of concession inventory purchased to the amount sold and on hand should be performed on a periodic basis by an independent person.

## 4.3 Concession prices and pool fees

The Park Board has not reviewed and approved concession prices and pool fees, such as entry fees and pool memberships, established by the department Director, or evaluated the related costs.



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To ensure the department is covering the costs of these services, a periodic review of prices and related costs should be performed. In addition, concession prices and pool fees should be approved by the Park Board.

#### 4.4 Written agreements

The Park Board does not have written agreements with various organizations, including the local school district, for arrangements related to the use of city baseball fields and sports complex, operations of city youth program, or the city maintenance of athletic facilities for the local school district, as follows:

- The department rents baseball fields to a county baseball association and the local school district for a \$75 fee per day per field. Department employees maintain the fields and operate the concession stand during games.
- A city youth football organization operates the youth program for the department, and does not pay any fees for the use of the sports complex. According to department employees, both the department and the youth organization perform and/or pay maintenance, repairs and improvement costs for the complex.
- The department performs maintenance of some athletic facilities of the local school district on a reimbursement basis.

Written agreements are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires agreements for political subdivisions to be in writing.

#### 4.5 Deficits

The Park Board approved deficit fund balances for the Parks and Recreation Certificates of Participation Fund budgets. The Parks and Recreation Certificates of Participation Fund budgets reflect the following:

	Year Ended September 30,	
	2013	2012
Actual beginning fund balance	\$ (50,514)	(50,000)
Transfer from Park and Recreation Fund	56,000	57,230
Expenditures	59,000	57,228
Budgeted ending fund balance	\$ (53,514)	(49,998)

The Park Board needs to take steps to eliminate the deficit cash balance by ensuring transfers from the Parks and Recreation Fund are sufficient. In addition, Sections 67.010, RSMo, prohibits deficit budgeting.

#### 4.6 Budgeted expenditures

The Park Board does not adequately review and monitor monthly budget to actual reports and amend the budget when necessary. For the year ended



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September 30, 2012, actual expenditures exceeded budgeted expenditures by \$350 and \$28,541 for the Parks and Recreation Fund and Parks and Recreation Certificates of Participation Fund, respectively.

Section 67.040, RSMo, requires political subdivisions to keep expenditures within amounts budgeted. If there are valid reasons, which necessitate excess expenditures, a resolution should be adopted by the governing body setting forth the amount of the budget increase and the facts and reasons.

#### 4.7 Annual reports

The Park Board has not submitted an annual report of operations to the city, as required by state law.

Section 90.560, RSMo, requires the Park Board submit an annual report to the city by the second Monday in June stating the financial condition of the park as of May 1 of that year. The report should indicate the various monies received the amount and purposes of disbursements, and other statistics and information of general interest.

### Recommendations

The Board of Aldermen in conjunction with the Park Board:

- 4.1 Segregate the duties of receiving, recording, and depositing department monies to the extent possible. If proper segregation of duties cannot be achieved, timely supervision or independent review of the work performed by the department is necessary.
- 4.2 Require receipt logs and/or pre-numbered receipt slips be prepared for monies received that are not recorded by the cash register, the method of payment be recorded on receipt slips, and the composition of receipts be reconciled to composition of deposits. Also, procedures should be developed to periodically compare concession sales to purchases, and ensure cash register tapes for pool receipts are reconciled to deposits and the reason(s) for differences promptly investigated and documented.
- 4.3 Evaluate concession prices and pool fees and related costs on a periodic basis. In addition, concession prices and pool fees should be approved by the Park Board.
- 4.4 Enter into written agreements defining services provided and benefits received with entities using department facilities/personnel.
- 4.5 Discontinue approving deficit budgets.
- 4.6 Ensure actual expenditures do not exceed amounts budgeted.



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- 4.7 Ensure an annual report of park operations is prepared by the Park Board and submitted to the city.

## Auditee's Response

*The Board of Aldermen in conjunction with the Park Board provided the following written responses:*

- 4.1 *The Supervisor of concessions and pool will keep a log of when deposits are made, who did the deposit, and when it was taken to the bank. The Parks will ensure that there is a 3rd party review of deposits to verify monies being deposited. Also, the supervisor will check the register at least once a day during normal shift hours.*
- 4.2 *The receipts will be provided for fees collected for baseball, soccer, league and ball field rentals. Since there are no cash registers at the ball field concession stands, the Parks department with the Park Board is developing a system to track receipts. Inventories will be taken on a regular basis and reconciled with the receipts. Parks will use the appropriate category (cash/checks) on the type of payment. The receipts will be daily reconciled to the composition of deposits (cash/checks). As part of the internal controls, a designated person from the Park Board will periodically check the registers.*
- 4.3 *Prices of all concessions will be evaluated prior to the beginning of the concession season. The Parks will also evaluate and compare pool prices with similar pools in the area to determine rates. These figures will be presented to the Park Board for approval on a regular basis.*
- 4.4 *The Parks Superintendent and Activities Director will assist in the development of Memorandums of Understanding with each outside entity we deal with. These agreements will be presented to the Park Board for approval and, if approved, to the City Attorney for legal review prior to signatures.*
- 4.5 *The deficit fund balance was corrected in the 2013 budget year. At the September 27, 2012, Park Board meeting the Board approved transferring from the 020 Operating Fund to the 027 Park COP Fund to end the September 30, 2012, year with a zero balance for the Park COP Fund. The original 2013 budget was approved prior to that transfer. The September 30, 2012 cash balances reflect the zero balance and correction. The Parks had positive fund balances for 2013. The Park Board will continue to monitor revenues and expenses to ensure positive balances.*
- 4.6 *The balances for each fund operated by the Park Board will be monitored by the Treasurer and Board to ensure expenditures do*



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*not exceed budgeted amounts. If a transfer is required, an amendment to the budget will be made.*

- 4.7 *The Park Board will develop and submit an Annual Report to the City Council on an annual basis. The Annual Report for Fiscal Year 2013 was submitted to the City in October 2013.*

## 5. Procurement and Contracts

Policies and procedures over procurement and contracts need improvement.

### 5.1 Procurement

The city does not always solicit competitive proposals or bids for purchases of goods and services. City Code, Chapter 25 requires bids to be obtained for supplies and contractual services estimated to cost more than \$2,500.

#### Bond issuance services

The city did not solicit competitive proposals for its bond underwriter, bond counsel, or financial advisor related to bond issuances, and has used the same vendors for these services for many years.

In 2013, the city issued General Obligation Bonds, Series 2013, totaling \$650,000, for pool improvements and Combined Waterworks and Sewerage Refunding Revenue Bonds, Series 2013, totaling \$5,670,000. In 2012, the city issued Refunding Certificates of Participation (COPS), Series 2012, totaling \$2,270,000, for storm water improvements. Underwriter fees, bond counsel costs, financial advisor fees and other related costs totaled \$14,339, \$83,763, and \$42,945, for the general obligation bonds, refunding revenue bonds, and refunding COPS, respectively.

#### Other goods and services

The city did not solicit competitive proposals or bids or maintain documentation of sole source vendors for the following significant purchases of goods and services during the year ended September 30, 2012. As a result, the city cannot ensure the best and lowest price was obtained.



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Item	Cost (1)
Pro shop inventory (2)	\$ 72,183
Quicklime	58,607
Concessions - golf course (3)	34,648
Pool chemicals	32,703
Concessions - parks/pool (3)	20,752
Water meters	19,844
Fuel (4)	15,253
Carbon dioxide - water plant	13,115
Fertilizer - golf course	11,556
Asphalt	11,473
Wireless equipment	8,805
City attorney	8,400
Rock and chat	7,621
Sludge truck tires	7,528
Water treatment chemicals	6,869
Wastewater testing services	3,334
Total	\$ 332,691

- (1) Total amount expended for the year ended September 30, 2012, except fuel.  
(2) Includes items such as golf clothing, shoes, clubs, balls, and accessories.  
(3) Includes items such as candy bars, chips, pizza, pretzels, and hot dogs for the parks/pool and golf course and beer for the golf course.  
(4) Excludes fuel purchases after March 2012. The city solicited bids and entered into a contract for fuel in April 2012.

According to city personnel, some purchases, such as quicklime, asphalt, water meters, and wireless equipment, are considered sole source purchases because the city has purchased these items from the same vendor for many years or because the vendor is the only local vendor. However, purchasing from the same vendor for a number of years is not a valid reason to consider the vendor a sole source vendor. City personnel also indicated they solicited phone quotes for the sludge truck tires, but did not retain this documentation. Also, instead of the city purchasing concession items in bulk for both the parks/pool and golf course, parks and golf course personnel make their own purchases, as needed.

In addition to complying with city policy, competitive procurement provides a framework for economical management of city resources and helps ensure the city has made sufficient effort to receive goods and services at the best and lowest price. Complete documentation of all bids/proposals received and reasons why a bid or proposal was selected helps demonstrate the city conducts a fair procurement process and provides information needed should questions arise. The reason bids are not taken due to sole source procurement should also be documented.



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## 5.2 Written agreements

The city has not entered into formal written agreements, with several not-for-profit (NFP) organizations, defining services to be provided or benefits to be received. In addition, these NFPs do not routinely and/or periodically provide the city documentation or reports outlining the services provided the city and/or city residents. For example:

- The city gave \$1,000 in November 2012 and \$500 in May 2012 to an NFP. According to city personnel, this NFP is involved in economic development for the city.
- The city pays annual dues of \$3,000 to the local Chamber of Commerce. According to city personnel, the chamber provides weekly newsletters, legislative representation, webinars/seminars, and networking opportunities.
- The city pays the local regional council an annual assessment of \$1,770. According to city personnel, the council provides services such as grant assistance and zoning/planning.

Written agreements ensure all parties are aware of their duties and responsibilities and prevent misunderstandings. In addition, Section 432.070, RSMo, requires agreements of political subdivisions to be in writing. Documentation of monies spent or services provided is necessary to monitor the funds are spent in accordance with the city's intended purpose.

## Recommendations

The Board of Aldermen:

- 5.1 Ensure proposals or bids are solicited when the annual estimated cost of an item or service exceeds \$2,500, and documentation is prepared and retained for phone quotes and sole source procurements.
- 5.2 Enter into written agreements with entities providing services that clearly detail the services to be received and the compensation to be paid or benefits received.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 5.1 *The City plans to update the current Procurement chapter of the City Code as advised and include more detailed information on telephone/email requests and other bid procedures. The City plans to implement bidding for annual contracts on maintenance items that exceed \$2,500 on an annual basis such as chemicals. The City did bid for the fuel supply in recent years and plans to continue to bid for similar contracts on a staggered basis over the next few years. Detailed documentation will be prepared and retained on*



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*sole source procurements. Additionally, in the fiscal year 2014, the City has budgeted to hire a financial advisor for a variety of projects, including procedures for future debt financing. The City has published the legal notice in the local newspaper with the requests for qualifications for a financial advisor due by November 20.*

- 5.2 *The City will continue to enter into written agreements with entities providing services and detail the services and/or benefits to be received. This year the City entered into a written agreement with the Chamber of Commerce. Previously the City approved by ordinance an agreement with the non-profit organization Northwest Missouri Enterprise Facilitation, which is involved in economic development. The City will enter into a written agreement with the local regional council for its services.*

## 6. Personnel Policies and Procedures

Personnel policies and procedures need to be improved.

### 6.1 Taxable benefits

The city does not report certain taxable benefits on employee W-2 forms. Each full-time employee is provided the following:

- An annual family golf membership (sold for \$600 for a family of four plus \$50 for each additional family member).
- A family swimming pass (sold for \$200 for a family of four plus \$40 for each additional family member).
- One free rental of the Clasbey Center per year. Rental rates range from \$30 for a regular rental of the kitchen on a weekday without alcohol up to \$450 for a rental of the kitchen and multipurpose room on a weekend including alcohol.
- Employees with 20 or more years of service are provided two cemetery plots (sold for \$300 each) at the city cemetery at no cost to the employee.

The city employed 24 full-time employees on September 30, 2012. Possible unreported taxable benefits (excluding the cemetery plots) for the year are \$19,920 to \$30,000.

The Internal Revenue Service (IRS) publication 15-B provides that a fringe benefit is taxable and must be included in the recipient's pay unless specifically excluded. When these benefits are used by an employee, it becomes a taxable benefit and should be included on the employee's W-2





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form. Because procedures have not been established to ensure IRS guidelines are followed, the city may be subject to penalties and/or fines for failure to report all taxable benefits.

## 6.2 Longevity pay

The city made longevity payments totaling \$5,030 in December 2012. These payments represent additional compensation for services already rendered and violate the Missouri Constitution.

City Code, Chapter 23 provides that after 5 full years of continuous employment each employee is to be paid \$30 for each year of employment, up to a maximum of 20 years or \$500. This longevity pay is calculated and paid in December annually.

Article III, Section 39, Missouri Constitution, prohibits granting any extra compensation, fee, or allowance to employees for services already rendered.

## 6.3 Unemployment claims

The city failed to protest former Alderwoman George's and Alderman Wanfluh's claims for unemployment benefits to the Missouri Department of Labor and Industrial Relations (DLIR), Division of Employment Security. As a result, from June 2009 to February 2012, the city was required to pay their unemployment claims totaling \$1,445.

According to management personnel, payroll software did not properly identify elected officials as exempt from unemployment claims. However, this situation has been corrected. DLIR guidelines provide that compensation paid to elected officials of governmental entities is not subject to unemployment claims.

To ensure the city does not incur unnecessary expense for unemployment benefit claims, procedures should be established to review and address claims on a timely basis, and ensure employees are correctly coded in payroll software.

## 6.4 Personnel policies

The city has not adequately addressed some current personnel practices in the City Code.

- The personnel policy provides that the city clerk and other administrative and supervisory positions should not be entitled to compensatory time; however, these individuals earn, use and are paid compensatory time. During 2012, the City Clerk and other administrative/supervisory positions were paid \$5,737 for 264 hours of compensatory time and took compensatory leave of 349 hours, totaling \$6,709.



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- The city allows each full-time employee one free rental of the Clasbey Center each year; however, this benefit is not addressed in the personnel policies.
- When employees are called back to work during the weekend because of an emergency, they are paid an extra dollar an hour (weekend differential payment). In 2012, weekend differential payments were paid for 1,056 hours. This practice is not addressed in the personnel policies.

The Board should ensure its personnel policies are followed or amend the policies as necessary to help ensure employees are treated fairly and equitably.

## Recommendations

The Board of Aldermen:

- 6.1 Develop procedures to ensure applicable taxable benefits are reported on employee W-2 forms.
- 6.2 Discontinue longevity payments to employees.
- 6.3 Ensure elected officials are properly identified as exempt from unemployment claims. Unemployment claims should be reviewed and addressed on a timely basis.
- 6.4 Ensure compliance with personnel policies and amend policies as needed.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 6.1 *The City is in the process of codification including updating the Personnel Manual. As part of this process, the City Council will review employee benefits. The City will develop procedures to ensure applicable taxable benefits are reported on employee W-2 forms.*
- 6.2 *The City is in the process of updating the Personnel Manual. The City Council will request a legal opinion from the City Attorney on this issue and review the longevity program.*
- 6.3 *The City is aware that elected officials are exempt from unemployment. The situation has been corrected. Unemployment claims are reviewed and addressed on a regular basis. Newly elected officials are categorized as exempt in the payroll software.*
- 6.4 *The City is in the process of codification including updating the Personnel Manual. The employee job descriptions are also being*



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*reviewed and updated to match actual job responsibilities. Part of this process will be ensuring compliance with personnel policies and updating the policies as needed.*

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## 7. Closed Meetings

Weaknesses were noted in closed meeting policies and procedures.

### 7.1 Notices/agendas

The Board uses the same statement in each meeting notice/agenda to indicate the potential for a closed meeting, instead of citing the specific exception as the reason for a closed meeting, when applicable. The city combines its meeting notices and related agendas in one document. The statement indicates "The Board of Alderman may enter into closed executive session . . . regarding personnel, the lease or sale of real estate, or legal or privileged matters . . . ."

Section 610.022, RSMo, provides that a public governmental body planning to hold a closed meeting should follow the notice procedures for an open meeting and include there will be a closed meeting and cite the specific provision of the law that allows the meeting to be closed. A statement that includes potential issues that may be discussed in a closed meeting appears to circumvent the intent of state law.

### 7.2 Allowable topics

The Board discussed some items in closed meetings that are not allowed by state law. For example, in closed meetings the Board discussed issues including the employee chain of command, police involvement with the Missouri Uniformed Law Enforcement System, bidding the city attorney position, and suspending the recycling program.

Section 610.021, RSMo, allows the Board to discuss certain subjects in closed meetings, including litigation, real estate transactions, sealed bids, specific personnel matters, and confidential or privileged communications with auditors. The Board should restrict the discussion in closed meetings to specific topics listed in Chapter 610, RSMo.

### 7.3 Specific reason

The Board sometimes discussed issues other than the specific reason cited in the open minutes for going into a closed meeting. For example, in several closed meetings the Board discussed legal matters; however, the open minutes cited personnel issues as the specific reason for going into closed session.

Section 610.022, RSMo, requires a closed meeting, record, or vote be held only for the specific reasons announced publicly at an open session. This section also provides that public governmental bodies shall not discuss any other business during the meeting that differs from the specific reasons used to justify such meeting, record, or vote.



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## Recommendations

The Board of Aldermen:

- 7.1 Ensure meeting notices/agendas state the specific reasons for going into a closed meeting.
- 7.2 Ensure issues discussed in closed meetings are allowed by state law.
- 7.3 Limit issues discussed in closed meetings to only those specific reasons cited for closing the meeting.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 7.1 *The City Council will review the current notice on all agendas regarding the potential for a closed session. A legal opinion on the issue will be requested from the City Attorney. The City Council will follow the legal opinion regarding future agenda postings and ensure the notices list the specific reasons if there will be a closed session.*
- 7.2 *The City Council agrees with the recommendation. The City Attorney will assist in ensuring the issues discussed in closed session are allowed by State Law.*
- 7.3 *The City Council agrees that compliance to the Sunshine Law is of vital importance. The City will limit conversations to the specific reason(s) documented for any closed meeting.*

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## 8. Computer Controls

The city has not established adequate computer system controls. In addition, there is no contingency plan to restore important systems in the event of a disaster or system failure, and backup data is not stored off site. As a result, city records are not adequately protected and are susceptible to damage or theft.

The city relies on purchased computer software for significant activities, including, but not limited to, recording/processing general ledger entries, revenues and expenditures, utility billings and collections, and payroll transactions.

### 8.1 User identifications and passwords

The city has not adequately restricted access to the computer software system. Separate user identifications and passwords are not required to log onto the system. City hall employees share one user identification/password. Also, passwords are not required to be changed periodically. The lack of an effective system of user identifications and passwords may allow unauthorized access and/or changes to the system and records.



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User identifications and passwords are an effective, simple control to provide protection against improper access to computer systems and data. Passwords should be unique and confidential, changed periodically to reduce the risk of unauthorized use, and used to restrict an individual's access to only those computer systems and data files needed to accomplish assigned jobs.

## 8.2 Security controls

The city has not implemented security controls to lock computers after a certain period of inactivity. As a result, unauthorized individuals could access an unattended computer and have unrestricted access to programs and data files. To help protect computer records, security controls should be implemented to lock computers after a certain period of inactivity.

## 8.3 Contingency plan and data backup

City computerized records are at risk of loss due to equipment failure or other electronic or physical disaster. The city has not developed a formal, written contingency plan for resuming normal business operations and recovering computer systems and data in the event of a disaster or other disruptive event. In addition, the city does not store backup data at a secure off-site location or periodically test the backup data to ensure essential information can be restored and used. The failure to store backup data at a secure off-site location results in backup data being susceptible to the same damage as the computer system.

A formal, written contingency plan should be prepared, and periodically tested and updated to address actions needed to restore computer systems in case of a disaster or extraordinary situations. In addition, storing backup data in a secure off-site location would provide increased assurance city electronic records could be recreated if necessary, and periodic testing of backup data helps ensure it is reliable.

## Recommendations

The Board of Aldermen:

- 8.1 Require unique user identifications and passwords for all employees with access to the computer system, and require passwords be kept confidential and changed periodically.
- 8.2 Establish security controls to lock computers after a certain period of inactivity.
- 8.3 Develop a formal, written contingency plan that is periodically tested, evaluated, and updated as needed. The Board should also require backup data be stored in a secure off-site location, and tested on a periodic basis.



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## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 8.1 *The City has implemented that all computers require unique user identifications and passwords. The passwords are kept confidential and required by the network to be changed periodically.*
- 8.2 *The City has implemented security controls to lock computers after a certain period of inactivity.*
- 8.3 *The City is in the process of developing a written contingency plan, which will be periodically tested, evaluated, and updated as needed. The City has obtained a lockbox from the bank. The city's backup files, which are on an external hard drive, were taken to the off-site lockbox after fiscal year 2013 was closed out in October 2013. The city will periodically update and test the backup files.*

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## 9. Capital Assets

The city does not maintain complete and detailed records of all capital assets, including land, buildings, vehicles, equipment, furniture, and infrastructure (e.g. roads, street lights, storm sewers, etc.), The city also does not tag or otherwise identify capital assets as property of the city, or perform an annual physical inventory of city property.

The city's audited financial statements for the year ended September 30, 2012, values city property at approximately \$28.6 million (\$17 million after depreciation), and the city insurance coverage for capital assets totaled approximately \$15 million.

Adequate capital asset records are necessary to secure better internal control over city property; properly report city property in audited financial statements; safeguard assets against loss, theft, or misuse; and provide a basis for determining proper insurance coverage. Capital asset records should be maintained on a perpetual basis, accounting for property acquisitions and dispositions as they occur, and include a detailed description of the assets such as acquisition costs, descriptions, make and model numbers, and asset identification numbers; the physical location of the assets; and the date and method of disposition of the assets. All capital assets should be identified with a tag or other similar device, and the city should conduct annual physical inventories and compare the results to detailed property records.

A similar condition was noted in the independent auditor's report of the city's financial statements for the year ended September 30, 2012.

## Recommendation

The Board of Aldermen ensure complete and detailed capital asset records are maintained, assets are tagged for identification, and annual physical inventories are performed and compared to detailed records.



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## Auditee's Response

*The Board of Aldermen provided the following written response:*

*The City purchased Fixed Asset software from Incode to collect the capital asset records electronically. The departments have begun the process of updating the detailed records and tagging assets for identification. Once complete, these physical inventories will be recorded into the Fixed Asset software on a regular basis. Regular inventories will be performed and compared to the electronic records.*

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## 10. Tickets

Procedures are not adequate to account for traffic tickets or collect unpaid parking tickets.

### 10.1 Ticket accountability

The police department does not account for the ultimate disposition of traffic tickets. As a result, there is less assurance all traffic tickets are accounted for properly.

The police department issues traffic tickets, which are sent through the City Attorney to the Andrew County Associate Circuit Division for processing. The police department maintains a record of traffic ticket books assigned to and traffic tickets issued by police officers; however, the disposition of traffic tickets is not documented.

Without a proper accounting for the ultimate disposition of tickets, the police department cannot be assured all tickets issued are properly submitted to the court for processing.

### 10.2 Unpaid parking tickets

The city has not developed adequate procedures for collecting unpaid parking tickets, and does not determine the number and amount of unpaid parking tickets each month. We determined that as of August 2013, there were 17 unpaid parking tickets, totaling \$850, that were more than 7 days delinquent.

In October 2011, the Board adopted Ordinance 2541 and the city began issuing parking tickets in January 2012. The ordinance provides that a fine of \$25 be imposed on any vehicle parked in unauthorized areas. The fine doubles if the violation continues for more than 7 days.

The police department enters parking tickets into a spreadsheet sorted by ticket number and includes the date issued, the license plate number, and the offense committed. This spreadsheet is provided to the city, which collects the fines. City personnel indicated summonses and/or warrants have not been issued for unpaid parking tickets. To increase revenue and deter citizens from disregarding parking tickets in the future, the city should institute procedures to collect amounts owed for parking tickets.



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## Recommendations

The Board of Aldermen:

- 10.1 Ensure the police department properly accounts for the ultimate disposition of all tickets issued.
- 10.2 Establish procedures to collect unpaid parking fines.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 10.1 *The Police Department, along with the City Attorney, has reviewed the current procedures in regards to accounting for tickets issued. A log of dispositions will be obtained from the Andrew County Associate Circuit Court, which will then be correlated with officer ticket logs. Also, the City Attorney will create a monthly spreadsheet to account for all other dispositions not recorded by the Court, such as dismissals and nolle prosequi charges.*
- 10.2 *The City Council recognizes the importance of accountability on tickets. The current procedures have already been discontinued. Parking tickets will be processed in the same manner as all other municipal ordinance violations through the Associate Circuit Court of Andrew County, Municipal Division.*



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# City of Savannah

## Organization and Statistical Information

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The City of Savannah is located in Andrew County. The city was incorporated in 1851 and is currently a fourth-class city. The city employed 24 full-time employees and 8 part-time employees on September 30, 2012.

City operations include law enforcement services, fire services, utilities (water/sewer/trash), street maintenance, planning and zoning, building inspections, recreational facilities (parks/pool/golf course/sports complex), and cemetery maintenance.

### Mayor and Board of Aldermen

The city government consists of a mayor and four-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 4-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen at September 30, 2012, are identified below. The Mayor is paid \$200 per month and Board of Aldermen members are paid \$50 for each regular meeting attended, plus \$25 for each special meeting or work session. The compensation of these officials is established by ordinance.

Dave Ingersoll, Mayor  
Don Dillman, Alderman, East Ward  
John Parker, Alderman, East Ward  
Joy Thompson, Alderwoman, West Ward  
Vernon Townsend, Alderman, West Ward



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Moniteau County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Moniteau County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Casey-Beard-Boehmer PC, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich".

Thomas A. Schweich  
State Auditor

November 2013  
Report No. 2013-128

**AUDITED FINANCIAL STATEMENTS**

**MONITEAU COUNTY, MISSOURI**

**FOR THE YEARS ENDED**  
**DECEMBER 31, 2012 AND 2011**



CASEY-BEARD-BOEHMER PC  
CERTIFIED PUBLIC ACCOUNTANTS  
COLUMBIA, MISSOURI

**MONITEAU COUNTY, MISSOURI  
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# CASEY-BEARD-BOEHMER PC



A Certified Public Accounting and Consulting Firm

One Broadway Building  
1 East Broadway  
Columbia, MO 65203-4205  
573 / 442 – 8427  
FAX / 875 – 7876  
www.caseycpas.com

October 28, 2013

## INDEPENDENT AUDITOR'S REPORT

To the County Commission  
and Officeholders of  
Moniteau County, Missouri

We have audited the accompanying financial statements of Moniteau County, Missouri, which comprise the statement of receipts, disbursements, and changes in cash – regulatory basis of each governmental fund as of December 31, 2012 and 2011, and the related statements of receipts, disbursements and changes in cash - budget and actual – regulatory basis for each governmental fund, for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri Law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

MEMBER  
•  
American  
Institute of  
Certified  
Public  
Accountants  
•  
Missouri  
Society of  
Certified  
Public  
Accountants  
•

## **MONITEAU COUNTY, MISSOURI INDEPENDENT AUDITORS' REPORT (CONTINUED)**

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### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1, the financial statements are prepared by Moniteau County, Missouri, using accounting practices prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Moniteau County, Missouri, as of December 31, 2012 and 2011, and the changes in its financial position.

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each governmental fund of Moniteau County, Missouri, as of December 31, 2012 and 2011, and their respective cash receipts and disbursements, and budgetary results for the years then ended, on the basis of the financial reporting provisions of Missouri Law as described in Note 1.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated October 28, 2013, on our consideration of the Moniteau County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Moniteau County, Missouri's internal control over financial reporting and compliance.

This report is intended solely for the information and use of management, County Commission, others within the entity, and the Missouri State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

**Casey-Beard-Boehmer PC**

Casey-Beard-Boehmer PC  
Certified Public Accountants

MONITEAU COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Fund	Cash January 1, 2011	Receipts	Disbursements	Cash December 31, 2011	Receipts	Disbursements	Cash December 31, 2012
General Revenue	\$ 34,841	1,446,817	1,472,139	9,519	1,539,738	1,524,733	24,524
Special Road and Bridge	127,560	1,010,848	1,001,374	137,034	1,110,561	1,065,083	182,512
Assessment	117,283	217,466	154,397	180,352	224,199	160,658	243,893
Capital Improvement	2,237,956	653,495	416,721	2,474,730	578,977	2,428,543	625,164
Law Enforcement Training	4,249	3,744	5,138	2,855	2,113	3,999	969
Sheriff Civil Fee	19,395	48,590	55,042	12,943	48,093	53,811	7,225
Prosecuting Attorney Training	65	1,095	1,035	125	925	975	75
Prosecuting Attorney Bad Check	27,490	9,256	10,908	25,838	11,751	6,491	31,098
Off System Bridge (1)	-	183,272	183,272	-	-	-	-
Election Service	9,275	3,898	4,170	9,003	6,645	10,967	4,681
Recorder User Fee	14,987	13,503	14,885	13,605	9,362	9,600	13,367
Local Emergency Planning Committee	768	20	-	788	23	-	811
Adult Abuse	2,449	2,755	2,911	2,293	2,442	2,570	2,165
Knierim Cemetery Trust	2,800	138	138	2,800	139	139	2,800
Enloe Cemetery Trust	12,000	593	593	12,000	594	594	12,000
Law Library	20,729	6,504	5,687	21,546	6,500	4,787	23,259
Tax Maintenance	28,418	15,065	11,322	32,161	14,984	11,613	35,532
Senate Bill 40 Board	349,703	1,162,067	1,083,948	427,822	1,274,769	1,151,889	550,702
Totals	\$ <u>3,009,968</u>	<u>4,779,126</u>	<u>4,423,680</u>	<u>3,365,414</u>	<u>4,831,815</u>	<u>6,436,452</u>	<u>1,760,777</u>

(1) Fund not used after 2011; therefore, no budget prepared for 2012.

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

MONITEAU COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

General Revenue Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 358,000	347,410	(10,590)	\$ 342,000	352,048	10,048
Sales taxes	537,500	520,524	(16,976)	500,000	529,817	29,817
Intergovernmental	134,900	170,569	35,669	112,500	115,633	3,133
Charges for services	249,825	272,972	23,147	241,100	249,121	8,021
Interest	2,600	3,077	477	5,700	2,759	(2,941)
Other	59,000	100,186	41,186	53,000	68,189	15,189
Transfers in	75,000	125,000	50,000	170,000	129,250	(40,750)
Total Receipts	\$ 1,416,825	1,539,738	122,913	\$ 1,424,300	1,446,817	22,517
DISBURSEMENTS						
General County Government -						
County Commission	\$ 91,415	91,381	(34)	\$ 90,565	90,303	(262)
County Clerk	98,654	97,265	(1,389)	95,340	95,017	(323)
Elections	96,700	80,183	(16,517)	28,100	23,276	(4,824)
Buildings and grounds	34,300	28,378	(5,922)	32,700	31,241	(1,459)
Employee fringe benefits	192,100	175,496	(16,604)	185,500	183,481	(2,019)
County Treasurer	44,291	43,834	(457)	43,566	43,559	(7)
County Collector	81,482	81,267	(215)	80,815	81,100	285
Circuit Clerk/Ex Officio Recorder	54,254	53,744	(510)	54,346	51,401	(2,945)
Court Administration	11,500	9,197	(2,303)	11,500	9,599	(1,901)
Public Administrator	36,294	35,745	(549)	36,944	35,374	(1,570)
Public Safety -						
Sheriff	248,745	248,305	(440)	223,845	219,684	(4,161)
Jail	229,073	218,475	(10,598)	206,872	202,862	(4,010)
Prosecuting Attorney	178,040	176,609	(1,431)	177,738	175,959	(1,779)
Juvenile Officer	57,101	42,435	(14,666)	54,400	38,680	(15,720)
County Coroner	13,549	13,312	(237)	13,549	13,143	(406)
Other -						
General government	119,920	112,096	(7,824)	101,120	111,734	10,614
Court Reporters and Circuit Judges	9,162	4,561	(4,601)	9,539	5,726	(3,813)
Transfers out	-	12,450	12,450	-	60,000	60,000
Emergency Fund	21,965	-	(21,965)	4,629	-	(4,629)
Total Disbursements	\$ 1,618,545	1,524,733	(93,812)	\$ 1,451,068	1,472,139	21,071
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (201,720)	15,005	216,725	\$ (26,768)	(25,322)	1,446
CASH, JANUARY 1	9,519	9,519	-	34,841	34,841	-
OTHER RESOURCES AVAILABLE	195,000	-	(195,000)	-	-	-
CASH, DECEMBER 31	\$ 2,799	24,524	21,725	\$ 8,073	9,519	1,446

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS



MONITEAU COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Special Road and Bridge Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 443,250	473,221	29,971	\$ 434,000	436,433	2,433
Intergovernmental	497,000	504,981	7,981	495,000	495,002	2
Charges for services	60,000	79,623	19,623	27,500	67,134	39,634
Interest	5,500	9,607	4,107	8,300	5,967	(2,333)
Other	20,000	43,129	23,129	5,000	6,312	1,312
Total Receipts	\$ 1,025,750	1,110,561	84,811	\$ 969,800	1,010,848	41,048
DISBURSEMENTS						
Salaries	\$ 340,000	339,708	(292)	\$ 340,000	329,372	(10,628)
Employee fringe benefits	95,500	91,742	(3,758)	95,500	84,535	(10,965)
Supplies	184,000	203,556	19,556	174,000	226,584	52,584
Insurance	25,000	23,142	(1,858)	27,000	22,203	(4,797)
Road and bridge materials	180,000	142,735	(37,265)	150,000	198,439	48,439
Equipment repairs	75,000	84,519	9,519	75,000	109,184	34,184
Equipment purchases	180,000	177,668	(2,332)	130,000	9,200	(120,800)
Road and bridge construction	25,000	560	(24,440)	25,000	19,536	(5,464)
Other	4,000	1,453	(2,547)	4,000	2,321	(1,679)
Total Disbursements	\$ 1,108,500	1,065,083	(43,417)	\$ 1,020,500	1,001,374	(19,126)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (82,750)	45,478	128,228	\$ (50,700)	9,474	60,174
CASH, JANUARY 1	137,034	137,034	-	127,560	127,560	-
CASH, DECEMBER 31	\$ 54,284	182,512	128,228	\$ 76,860	137,034	60,174

Assessment Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 212,716	216,614	3,898	\$ 194,802	212,153	17,351
Interest	4,500	7,585	3,085	500	5,228	4,728
Other	100	-	(100)	-	85	85
Total Receipts	\$ 217,316	224,199	6,883	\$ 195,302	217,466	22,164
DISBURSEMENTS						
Assessor	\$ 179,361	160,658	(18,703)	\$ 170,795	154,397	(16,398)
Total Disbursements	\$ 179,361	160,658	(18,703)	\$ 170,795	154,397	(16,398)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 37,955	63,541	25,586	\$ 24,507	63,069	38,562
CASH, JANUARY 1	180,352	180,352	-	117,283	117,283	-
CASH, DECEMBER 31	\$ 218,307	243,893	25,586	\$ 141,790	180,352	38,562

MONITEAU COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
BUDGET AND ACTUAL - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Capital Improvement Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	\$ 537,500	520,541	(16,959)	\$ 500,000	529,819	29,819
Interest	30,000	53,503	23,503	50,000	63,676	13,676
Other	-	4,933	4,933	-	-	-
Transfers in	-	-	-	-	60,000	60,000
Total Receipts	\$ 567,500	578,977	11,477	\$ 550,000	653,495	103,495
DISBURSEMENTS						
Buildings and grounds	\$ 14,000	21,732	7,732	\$ 10,000	6,083	(3,917)
Jail project	2,950,000	2,281,811	(668,189)	2,500,000	281,388	(2,218,612)
Transfers out	75,000	125,000	50,000	170,000	129,250	(40,750)
Total Disbursements	\$ 3,039,000	2,428,543	(610,457)	\$ 2,680,000	416,721	(2,263,279)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,471,500)	(1,849,566)	621,934	\$ (2,130,000)	236,774	2,366,774
CASH, JANUARY 1	2,474,730	2,474,730	-	2,237,956	2,237,956	-
CASH, DECEMBER 31	\$ 3,230	625,164	621,934	\$ 107,956	2,474,730	2,366,774

Law Enforcement Training Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 1,700	2,064	364	\$ 1,700	3,626	1,926
Interest	100	49	(51)	100	118	18
Total Receipts	\$ 1,800	2,113	313	\$ 1,800	3,744	1,944
DISBURSEMENTS						
Sheriff	\$ 4,511	3,999	(512)	\$ 4,500	5,138	638
Total Disbursements	\$ 4,511	3,999	(512)	\$ 4,500	5,138	638
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,711)	(1,886)	825	\$ (2,700)	(1,394)	1,306
CASH, JANUARY 1	2,855	2,855	-	4,249	4,249	-
CASH, DECEMBER 31	\$ 144	969	825	\$ 1,549	2,855	1,306

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MONITEAU COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Sheriff Civil Fee Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 5,000	1,940	(3,060)	\$ 5,000	5,000	-
Charges for services	25,000	31,468	6,468	16,000	25,464	9,464
Interest	500	290	(210)	550	420	(130)
Other	15,000	1,945	(13,055)	15,000	17,706	2,706
Transfers in	-	12,450	12,450	-	-	-
Total Receipts	\$ 45,500	48,093	2,593	\$ 36,550	48,590	12,040
DISBURSEMENTS						
Sheriff	\$ 58,000	53,811	(4,189)	\$ 55,778	55,042	(736)
Total Disbursements	\$ 58,000	53,811	(4,189)	\$ 55,778	55,042	(736)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (12,500)	(5,718)	6,782	\$ (19,228)	(6,452)	12,776
CASH, JANUARY 1	12,943	12,943	-	19,395	19,395	-
CASH, DECEMBER 31	\$ 443	7,225	6,782	\$ 167	12,943	12,776

Prosecuting Attorney Training Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 1,100	925	(175)	\$ 1,500	1,095	(405)
Total Receipts	\$ 1,100	925	(175)	\$ 1,500	1,095	(405)
DISBURSEMENTS						
Prosecuting Attorney	\$ 1,100	975	(125)	\$ 1,500	1,035	(465)
Total Disbursements	\$ 1,100	975	(125)	\$ 1,500	1,035	(465)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	(50)	(50)	\$ -	60	60
CASH, JANUARY 1	125	125	-	65	65	-
CASH, DECEMBER 31	\$ 125	75	(50)	\$ 65	125	60

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MONITEAU COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Prosecuting Attorney Bad Check Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 750	4,961	4,211	\$ 750	884	134
Charges for services	7,500	5,992	(1,508)	6,000	7,610	1,610
Interest	600	798	198	600	581	(19)
Other	-	-	-	-	181	181
Total Receipts	\$ 8,850	11,751	2,901	\$ 7,350	9,256	1,906
DISBURSEMENTS						
Prosecuting Attorney	\$ 11,000	6,491	(4,509)	\$ 12,000	10,908	(1,092)
Total Disbursements	\$ 11,000	6,491	(4,509)	\$ 12,000	10,908	(1,092)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,150)	5,260	7,410	\$ (4,650)	(1,652)	2,998
CASH, JANUARY 1	25,838	25,838	-	27,490	27,490	-
CASH, DECEMBER 31	\$ 23,688	31,098	7,410	\$ 22,840	25,838	2,998

Off System Bridge Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ -	-	-	\$ 190,000	183,272	(6,728)
Total Receipts	\$ -	-	-	\$ 190,000	183,272	(6,728)
DISBURSEMENTS						
Bridge projects	\$ -	-	-	\$ 190,000	183,272	(6,728)
Total Disbursements	\$ -	-	-	\$ 190,000	183,272	(6,728)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-	\$ -	-	-
CASH, JANUARY 1	-	-	-	-	-	-
CASH, DECEMBER 31	\$ -	-	-	\$ -	-	-

MONITEAU COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Election Service Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 5,000	6,470	1,470	\$ 6,500	3,651	(2,849)
Interest	200	175	(25)	150	247	97
Total Receipts	\$ 5,200	6,645	1,445	\$ 6,650	3,898	(2,752)
DISBURSEMENTS						
Elections	\$ 12,000	10,967	(1,033)	\$ 14,000	4,170	(9,830)
Total Disbursements	\$ 12,000	10,967	(1,033)	\$ 14,000	4,170	(9,830)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,800)	(4,322)	2,478	\$ (7,350)	(272)	7,078
CASH, JANUARY 1	9,003	9,003	-	9,275	9,275	-
CASH, DECEMBER 31	\$ 2,203	4,681	2,478	\$ 1,925	9,003	7,078

Recorder User Fee Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 8,000	8,985	985	\$ 9,100	13,148	4,048
Interest	350	377	27	400	355	(45)
Total Receipts	\$ 8,350	9,362	1,012	\$ 9,500	13,503	4,003
DISBURSEMENTS						
Ex Officio Recorder of Deeds	\$ 10,000	9,600	(400)	\$ 10,000	14,885	4,885
Total Disbursements	\$ 10,000	9,600	(400)	\$ 10,000	14,885	4,885
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,650)	(238)	1,412	\$ (500)	(1,382)	(882)
CASH, JANUARY 1	13,605	13,605	-	14,987	14,987	-
CASH, DECEMBER 31	\$ 11,955	13,367	1,412	\$ 14,487	13,605	(882)

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MONITEAU COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Local Emergency Planning Committee Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ -	-	-	\$ 1,000	-	(1,000)
Interest	15	23	8	-	20	20
Total Receipts	\$ 15	23	8	\$ 1,000	20	(980)
DISBURSEMENTS						
Other	\$ 750	-	(750)	\$ 1,500	-	(1,500)
Total Disbursements	\$ 750	-	(750)	\$ 1,500	-	(1,500)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (735)	23	758	\$ (500)	20	520
CASH, JANUARY 1	788	788	-	768	768	-
CASH, DECEMBER 31	\$ 53	811	758	\$ 268	788	520

Adult Abuse Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 2,800	2,404	(396)	\$ 3,500	2,718	(782)
Interest	-	38	38	-	37	37
Total Receipts	\$ 2,800	2,442	(358)	\$ 3,500	2,755	(745)
DISBURSEMENTS						
Domestic violence shelter	\$ 3,200	2,570	(630)	\$ 3,500	2,911	(589)
Total Disbursements	\$ 3,200	2,570	(630)	\$ 3,500	2,911	(589)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (400)	(128)	272	\$ -	(156)	(156)
CASH, JANUARY 1	2,293	2,293	-	2,449	2,449	-
CASH, DECEMBER 31	\$ 1,893	2,165	272	\$ 2,449	2,293	(156)

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MONITEAU COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Knierim Cemetery Trust Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 125	139	14	\$ 150	138	(12)
Total Receipts	\$ 125	139	14	\$ 150	138	(12)
DISBURSEMENTS						
Cemetery	\$ 1,500	139	(1,361)	\$ 1,500	138	(1,362)
Total Disbursements	\$ 1,500	139	(1,361)	\$ 1,500	138	(1,362)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,375)	-	1,375	\$ (1,350)	-	1,350
CASH, JANUARY 1	2,800	2,800	-	2,800	2,800	-
CASH, DECEMBER 31	\$ 1,425	2,800	1,375	\$ 1,450	2,800	1,350

Enloe Cemetery Trust Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 550	594	44	\$ 600	593	(7)
Total Receipts	\$ 550	594	44	\$ 600	593	(7)
DISBURSEMENTS						
Cemetery	\$ 3,500	594	(2,906)	\$ 3,000	593	(2,407)
Total Disbursements	\$ 3,500	594	(2,906)	\$ 3,000	593	(2,407)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,950)	-	2,950	\$ (2,400)	-	2,400
CASH, JANUARY 1	12,000	12,000	-	12,000	12,000	-
CASH, DECEMBER 31	\$ 9,050	12,000	2,950	\$ 9,600	12,000	2,400

MONITEAU COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Law Library Fund							
	2012				2011		
	Final Budget	Actual	Actual Over (Under) Budget		Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS							
Charges for services	\$ 6,500	6,500	-	\$	6,000	6,482	482
Interest	25	-	(25)		20	22	2
Total Receipts	\$ 6,525	6,500	(25)	\$	6,020	6,504	484
DISBURSEMENTS							
Law library maintenance	\$ 7,500	4,787	(2,713)	\$	7,000	5,687	(1,313)
Total Disbursements	\$ 7,500	4,787	(2,713)	\$	7,000	5,687	(1,313)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (975)	1,713	2,688	\$	(980)	817	1,797
CASH, JANUARY 1	21,546	21,546	-		20,729	20,729	-
CASH, DECEMBER 31	\$ 20,571	23,259	2,688	\$	19,749	21,546	1,797

Tax Maintenance Fund							
	2012				2011		
	Final Budget	Actual	Actual Over (Under) Budget		Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS							
Charges for services	\$ 16,500	14,088	(2,412)	\$	16,000	14,269	(1,731)
Interest	-	896	896		-	796	796
Total Receipts	\$ 16,500	14,984	(1,516)	\$	16,000	15,065	(935)
DISBURSEMENTS							
County Collector	\$ 11,000	11,613	613	\$	11,000	11,322	322
Total Disbursements	\$ 11,000	11,613	613	\$	11,000	11,322	322
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 5,500	3,371	(2,129)	\$	5,000	3,743	(1,257)
CASH, JANUARY 1	32,933	32,161	(772)		28,418	28,418	-
CASH, DECEMBER 31	\$ 38,433	35,532	(2,901)	\$	33,418	32,161	(1,257)



MONITEAU COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Senate Bill 40 Board Fund						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 206,384	208,820	2,436	\$ 196,269	202,183	5,914
Intergovernmental-						
Medicaid waiver	820,088	870,968	50,880	707,597	804,278	96,681
Medicaid waiver - TCM	117,500	120,018	2,518	86,000	90,157	4,157
Grant income	4,203	4,203	-	-	1,200	1,200
Charges for services-						
Transportation income	261	258	(3)	-	163	163
Client room/board income	63,995	63,329	(666)	51,463	52,573	1,110
Other local income	955	900	(55)	480	-	(480)
Interest	876	823	(53)	500	926	426
Donations	516	515	(1)	-	1,265	1,265
Miscellaneous	7,967	4,935	(3,032)	-	9,322	9,322
Total Receipts	\$ 1,222,745	1,274,769	52,024	\$ 1,042,309	1,162,067	119,758
DISBURSEMENTS						
Personnel expenses	\$ 779,619	777,605	(2,014)	\$ 628,128	686,595	58,467
Communications	14,070	14,114	44	17,429	14,318	(3,111)
Maintenance and repairs	36,586	36,432	(154)	32,363	25,358	(7,005)
Physical plant costs	35,929	32,835	(3,094)	113,365	100,333	(13,032)
Utilities	11,214	11,171	(43)	13,296	11,500	(1,796)
Food services	20,430	20,868	438	23,910	20,622	(3,288)
Materials and supplies	33,459	38,705	5,246	37,600	33,697	(3,903)
Professional services	16,362	15,276	(1,086)	20,000	19,470	(530)
Direct care staff training	1,056	1,055	(1)	5,351	4,719	(632)
Administrative staff travel	1,950	1,948	(2)	1,000	195	(805)
Insurance	2,651	700	(1,951)	2,654	4,744	2,090
Equipment and furnishings	24,858	21,004	(3,854)	14,619	1,894	(12,725)
Transportation expenses	31,931	37,858	5,927	31,671	28,955	(2,716)
Miscellaneous expense	4,460	5,394	934	4,252	1,123	(3,129)
Medicaid waiver match	147,672	136,924	(10,748)	116,800	130,425	13,625
Total Disbursements	\$ 1,162,247	1,151,889	(10,358)	\$ 1,062,438	1,083,948	21,510
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 60,498	122,880	62,382	\$ (20,129)	78,119	98,248
CASH, JANUARY 1	427,822	427,822	-	349,703	349,703	-
CASH, DECEMBER 31	\$ 488,320	550,702	62,382	\$ 329,574	427,822	98,248

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**MONITEAU COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

Moniteau County, Missouri is governed by a three-member board of commissioners. In addition to the three County Commissioners, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk/Ex Officio Recorder of Deeds, Collector, Treasurer, Coroner, Prosecuting Attorney, Public Administrator, and Sheriff.

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which practices differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

**1. A. REPORTING ENTITY**

The County's operations include property tax assessments and collections, state/county courts administration, recording of deeds and other instruments, public safety, economic development, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, and the Senate Bill 40 Board of Trustees. The cemetery trust funds have been donated to the County for use of the interest only for cemetery upkeep; the Tax Maintenance Fund is under the control of the County Collector, and the Law Library Fund is under the control of the Prosecuting Attorney.

The financial statements referred to above include the primary government of Moniteau County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity. The financial statements do not include the Circuit Court Fund since it is controlled by the Circuit Clerk.

**1. B. BASIS OF PRESENTATION**

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts, and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary (Agency) Funds - Certain county officials may collect fees from services, remit the monies to the county, state, or to other parties or hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

**1. C. BASIS OF ACCOUNTING**

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

**MONITEAU COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

**1. D. BUDGETS AND BUDGETARY ACCOUNTING**

The County follows these procedures in establishing the budget information:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund and the Senate Bill 40 Board adopts its annual budget.
2. On or before the second Monday in January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year. The Senate Bill 40 Board Director prepares its budget document for board approval.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received. The Senate Bill 40 Board Director submits the proposed budget document to the Senate Bill 40 Board for approval.
4. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission and the Senate Bill 40 Board, the budget documents are available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission and Senate Bill 40 Board.
6. Budgets are prepared and adopted on the cash basis of accounting.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission during the year. The County Commission amended the General Revenue Fund and Special Road and Bridge Fund budgets for 2012 and 2011 in October 2012 and October 2011.
8. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds for 2012 and 2011.

<u>Fund</u>	<u>Years Ended December 31,</u>
Tax Maintenance	2012 and 2011
General Revenue	2011
Law Enforcement Training	2011
Recorder User Fee	2011
Senate Bill 40 Board	2011

**1. E. PROPERTY TAXES**

Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The County bills and collects its own property taxes and also taxes for most other local governments in the county. The assessed valuation of the tangible property for the year 2012 and 2011 for purposes of local taxation was:

	<u>2012</u>	<u>2011</u>
Real Estate	\$ 114,393,010	\$ 113,405,880
Personal Property	41,893,172	38,130,723
Railroad and Utilities	26,291,915	26,339,016
Total Assessed Valuation	<u>\$ 182,578,097</u>	<u>\$ 177,875,619</u>

**MONITEAU COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

The county-wide levy per \$100 of the assessed valuation of tangible property for the year 2012 and 2011 for purposes of local taxation was:

	2012	2011
General Revenue Fund	\$ 0.1852	\$ 0.1881
Special Road and Bridge Fund	0.2473	0.2470
Senate Bill 40 Board Fund	0.1184	0.1182

**1. F. CASH DEPOSITS**

Cash deposits are stated at cost, which approximates market. Cash balances for the County Treasurer and Senate Bill 40 Board funds are invested in interest-bearing bank accounts to the extent possible. Interest earned from such investments is recorded in each of the funds as appropriate. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents.

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

**1. G. INTERFUND ACTIVITY**

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. Transfers between funds of the County for the years ended December 31, 2012 and 2011 were as follows:

	Year Ended December 31, 2012	
	Transfers In	Transfers Out
<b>FUNDS:</b>		
General Revenue	\$ 125,000	\$ 12,450
Capital Improvement	-	125,000
Sheriff Civil Fee	12,450	-
Totals	\$ <u>137,450</u>	\$ <u>137,450</u>

	Year Ended December 31, 2011	
	Transfers In	Transfers Out
<b>FUNDS:</b>		
General Revenue	\$ 129,500	\$ 60,000
Capital Improvement	60,000	129,500
Totals	\$ <u>189,500</u>	\$ <u>189,500</u>

**MONITEAU COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

**1. H. PUBLISHED FINANCIAL STATEMENTS**

Under Section 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the County. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the years ended December 31, 2012 and 2011, the published financial statements included all funds as required.

**NOTE 2. CASH AND INVESTMENTS**

Deposits

The County and Senate Bill 40 Board have determined through experience that business checking accounts and money market accounts are appropriate types of accounts or instruments for its needs. The County invests each fund's cash balance in interest-bearing bank accounts and in repurchase agreements to the extent possible at one depository bank. The Senate Bill 40 Board has banking accounts at two depository banks. Each fund is included on the financial statements as "Cash" under each fund's caption. Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreements, in U.S. Treasury and agency obligations. At December 31, 2012 and 2011, the County had investments in repurchase agreements.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand accounts, including negotiable order of withdrawal accounts in banks.

Insured and Collateralized Deposits

In accordance with state law, all uninsured deposits in financial institutions must be secured with acceptable collateral. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain state or political subdivision debt obligations, surety bonds, or certain letters of credit. Missouri statutes also require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

At December 31, 2012 and 2011, the County's deposits and Senate Bill 40 Board's deposits held at the respective depository banks were adequately covered by Federal Depository Insurance Coverage and with additional collateral held by an independent bank in the county's name or Senate Bill 40 Board's name or by its agent in the county's name or Senate Bill 40 Board's name. The County's deposits and Senate Bill 40 Board's deposits were not subject to custodial or investment credit risk at year end.

In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County and Senate Bill 40 Board have not adopted a written investment policy in accordance with applicable state law.

**MONITEAU COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS**

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

**A. County Employees' Retirement Fund (CERF)**

The County Employees' Retirement Fund (CERF) was established by the state of Missouri to provide pension benefits for county officials and employees.

**1) Plan Description**

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties of not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under sections 56.800 to 56.840, RSMo; circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System; county sheriffs covered under sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

**2) Pension Benefits**

CERF first paid benefits beginning January 1, 1997. At that time a member could not retire until age 62. Beginning January 1, 2000, a member could retire with full benefits at age 62 or reduced benefits as early as age 55. The monthly benefit for county employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). An eligible death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling toll-free 1-877-632-2373.

**3) Funding Policy**

In accordance with state statutes, the Fund is partially funded through various fees collected by counties and remitted to the CERF. A contribution to CERF of 2% of annual salary is required for eligible employees hired before February 25, 2002 and not in LAGERS, and a contribution of 6% of annual salary is required of employees hired after February 25, 2002, effective January 1, 2003, in order to participate in CERF. During 2012 and 2011, the County collected and remitted to CERF \$117,485 and \$110,379, respectively, for the years then ended.

**MONITEAU COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)**

**B. Missouri Local Government Employees Retirement System (LAGERS)**

1) Plan Description

Moniteau County Senate Bill 40 Board participates in the Missouri Local Government Employee Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by state statutes RSMo 70.600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P. O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-477-4334.

2) Pension Benefits

Upon termination of employment, any member who is vested is entitled to either an unreduced benefit annuity, payable at age sixty (police and fire fighters, age fifty-five), or a reduced benefit annuity, payable at age fifty-five (police and fire fighters, age fifty). Any member with less than five years of creditable service will be refunded accumulated plan contributions.

3) Funding Policy

Moniteau County Senate Bill 40 Board's full-time employees do not contribute part of their salaries to the plan but is paid for by the Board. The Senate Bill 40 Board is required to contribute an actuarially determined rate; the rate as of December 31, 2012 and 2011 is 6.7 and 6.0 percent, respectively, of annual covered payroll. The Senate Bill 40 Board contributed \$26,471 in 2012 and \$19,343 in 2011 to the system. Trend information showing progress in accumulating sufficient assets to pay benefits when due is presented in the LAGERS report.

**C. Prosecuting Attorney Retirement Fund**

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the state of Missouri is responsible for administration of this plan. The County contributed \$7,752 and \$7,752, respectively, for the years ended December 31, 2012 and 2011.

**D. County Retirement Plan**

Employees contribute to a 401(a) retirement plan and then the County will match the amount of the contribution up to \$20 per person per month. The County's contribution to this plan for the year ended December 31, 2012 and 2011 was \$6,180 and \$6,020, respectively.

**NOTE 4. POST- EMPLOYMENT BENEFITS**

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

**MONITEAU COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 5. CLAIMS, COMMITMENTS, AND CONTINGENCIES**

1) Compensated Absences Commitments

Annual Leave

Regular or permanent county full-time employees who have completed the introductory period (a minimum of three months) are eligible to receive vacation time as follows: 1 through 10 years of service, one day per month, maximum of 18 days; 11 through 15 years of service, 1.5 days per month, maximum of 27 days; and 16 years and above of service, 1.75 days per month, 31.5 days maximum. Upon termination of employment, county employees will receive equivalent cash reimbursement for all unused accrued vacation leave. Senate Bill 40 Board employees are eligible to receive vacation time of 3 days up to a maximum of 27 days per year depending on the employee's employment classification and length of service. Upon termination of employment, vacation benefits that have been accrued at termination will be paid.

Sick Leave

Regular or permanent county full-time employees earn sick leave as follows: 1 through 10 years of service, 3 hours per month, maximum of 320 hours; 11 through 15 years of service, 4 hours per month, maximum of 480 hours; and 16 years and above of service, 5 hours per month, maximum of 560 hours. Upon termination of employment, an employee shall be compensated 15% of their remaining sick leave balance. Senate Bill 40 Board employees are entitled to sick leave of 6 days to 12 days per year based on their employment classification and can accrue to a maximum from 10 days to 30 days. Sick leave is not paid upon termination.

2) Federal and State Assisted Programs Contingencies

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

**NOTE 6. RISK MANAGEMENT**

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool (MoPERM), which is a corporate and political body created pursuant to Chapter 537.70 RSMo. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.



**MONITEAU COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 6. RISK MANAGEMENT (CONTINUED)**

The County is also a member of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established to provide insurance coverage to Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and reinsured up to the statutory limit through excess insurance.

**NOTE 7. CHANGE IN BASIS OF ACCOUNTING**

Moniteau County, Missouri, has changed its basis of accounting from presenting its financial statements in accordance with GASB 34 for 2007 and 2008 on the cash basis of accounting to the regulatory basis of accounting as prescribed or permitted in accordance with state law. The accounting change had no effect on the beginning cash balances of the various county funds. The County did not have an audit for the years ended December 31, 2009 and 2010.

**NOTE 8. SUBSEQUENT EVENT**

In April 2013, voters in Moniteau County, Missouri, approved a local use tax on out-of-state purchases at the same rate as the total local sales tax rate of 1.00%. The tax goes into effect on July 1, 2013.

# CASEY-BEARD-BOEHMER PC



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October 28, 2013

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission  
and Officeholders  
of Moniteau County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the various county funds of Moniteau County, Missouri, as of and for the two years ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Moniteau County, Missouri's basic financial statements and have issued our report thereon dated October 28, 2013.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Moniteau County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Moniteau County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Moniteau County, Missouri's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We do not consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)**

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A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies as items 12-01 and 12-02.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Moniteau County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under Government Auditing Standards.

**Moniteau County, Missouri's Responses to Findings**

Moniteau County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Moniteau County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, County Commission, others within the entity, and the Missouri State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

**Casey-Beard-Boehmer PC**

Casey-Beard-Boehmer PC  
Certified Public Accountants

**MONITEAU COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**FINANCIAL STATEMENT FINDINGS**

This section includes the audit findings that Government Auditing Standards require to be reported for an audit of financial statements.

**SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL**

**12-01      Accounting for Transfers Need Improvement**

Condition: The financial statements of the County as represented in the annual budget document do not present the proper amount of transfers between the various funds. Total amounts reflected on the budget documents for actual transfers in do not agree with total actual transfers out for the years ended December 31, 2012 and 2011. The total actual transfers in and out for the year ended December 31, 2012 per the budget documents were \$137,450 and \$146,929, respectively, for a difference of \$9,479. The total actual transfers in and out for the year ended December 31, 2011 per the budget documents were \$196,344 and \$210,144, respectively, for a difference of \$13,800.

The differences in transfers in and out were the result of other expenditures or corrections posted on the budget document to transfers in and out instead of to the appropriate expenditure classifications. Audit adjustments have been made to several county funds in the financial statements for the incorrect classifications to properly state the actual amount of transfers made by the County as restated on page 16 of the Notes to Financial Statements.

Criteria: Strong internal controls over financial statements require that transfers in and out are properly reported in the various funds and are in balance.

Cause: The County Commission and County Clerk did not consider the importance of balancing the budgeted and actual amounts of transfers in and out between the various funds.

Effect: The transfers in and out between various county funds are not in balance on the budget documents filed with the state and misstate the financial statements presented by the county.

Recommendation:

The County Commission and County Clerk should ensure both budgeted and actual transfers to and from other funds are in agreement each year.

Auditee's Response:

The County Commission and County Clerk will work together to ensure that both budgeted and actual transfers to and from funds are in agreement.

**12-02      Budgetary Procedures Not in Compliance With State Law**

Condition: We noted the following issues with the County's budgeting process during our audit:

- A. The County Commission, County Clerk, County Collector, and Recorder did not exercise adequate budgetary control over certain funds during the audit period. Expenditures were approved for payment that exceeded the approved budget for the following funds as shown below:

**MONITEAU COUNTY, MISSOURI**  
**SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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<u>Fund</u>	<u>Year</u>	<u>Amount</u>
Tax Maintenance	2012	\$ 613
	2011	322
General Revenue	2011	21,071
Law Enforcement Training	2011	638
Recorder User Fee	2011	4,885

B. The County Commission amended the budget document for the General Revenue Fund in 2011 for \$38,100 by using much of the original appropriation from the Emergency Fund expenditure classification and allocating this amount to other expenditure classifications in order for those areas to not exceed their original budget appropriations. This amendment left the remaining amount appropriated in the Emergency Fund expenditure classification with a balance of \$4,629. These transfers did not meet the criteria of the state law to be for unforeseen emergencies.

C. The County Collector did not prepare accurate budgets for the Tax Maintenance Fund for the years ended December 31, 2012 and 2011. The County Collector inappropriately misclassified the receipts into the fund as all under Interest Income instead of separating the receipts out into fees from taxes and interest income. This has been adjusted on the financial statements to properly state the income for each year. In addition, the total receipts and expenditures were not properly stated each year on the budget document causing the budget to have the incorrect cash balance at December 31, 2011. This was caused mainly by not recording all interest income from the bank account and recording disbursements more than once on her ledger.

The financial statements have been adjusted for immaterial amounts to properly state the correct cash balances at December 31, 2012 and 2011.

D. The Senate Bill 40 Board exceeded its total expenditure appropriation for the year ended December 31, 2011 by \$21,510.

Criteria: Section 50.540 RSMo, requires that the budget be revised prior to authorizing expenditures in excess of the budget. Section 50.540.4 RSMo, states that the expenditures shall be made only for unforeseen emergencies and only on unanimous vote of the county commission.

Cause: County officials and Senate Bill 40 Board did not consider the importance of preparing proper amended budgets. The County Commission did not consider the improper use of the Emergency Fund expenditure classification within the General Revenue Fund. The County Collector did not properly review the budget document to ensure that the budget was properly and accurately prepared to reflect the actual receipts, disbursements, and cash balance for the Tax Maintenance Fund.

Effect: The County Commission, County Clerk, other County officials, and Senate Bill 40 Board did not follow state law on the preparation of budget documents and expenditures of funds.

Recommendation:

A. The County Commission should not approve expenditures in excess of budgeted amounts. The County Commission should properly amend the budgets in a public meeting when unforeseen circumstances arise that necessitate increased expenditures in any fund.

**MONITEAU COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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- B. The County Commission and County Clerk should only use the Emergency Fund expenditure classification within the General Revenue Fund in accordance with the provisions of the state law.
- C. The County Collector should prepare a proper and accurate budget document.
- D. The Senate Bill 40 Board should not approve expenditures in excess of budgeted amounts.

Auditee's Response:

The County Commission and County Clerk responded as follows:

- A. The County Commission will refrain from approving expenditures in excess of budgeted amounts. The County Commission will properly amend the budget in public meetings as required when unforeseen circumstances arise that increase expenditures in all county funds.
- B. The state law will be followed. The County Commission and County Clerk will only use the emergency fund expenditure classification within the General Revenue Fund in accordance with the provisions of the state law.
- C. The County Collector has recently prepared a proper and accurate budget document.

The Senate Bill 40 Board responded as follows:

- D. The Moniteau County SB 40 Board will appropriately amend their budget in the future to avoid overspending budgeted line items.

**MONITEAU COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

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The previous financial audit performed for Moniteau County, Missouri, was for the two years ended December 31, 2008. Because Moniteau County, Missouri, did not obtain an audit of its financial statements for the two years ended December 31, 2010, this section does not report the status of any prior audit findings.



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Pike County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Pike County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the year ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Casey-Beard-Boehmer PC, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich".

Thomas A. Schweich  
State Auditor

November 2013  
Report No. 2013-129



## AUDITED FINANCIAL STATEMENTS

# PIKE COUNTY, MISSOURI

FOR THE YEAR ENDED  
DECEMBER 31, 2012

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CASEY-BEARD-BOEHMER PC  
CERTIFIED PUBLIC ACCOUNTANTS  
COLUMBIA, MISSOURI

**PIKE COUNTY, MISSOURI  
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October 21, 2013

## INDEPENDENT AUDITORS' REPORT

To the County Commission  
and Officeholders of  
Pike County, Missouri

We have audited the accompanying financial statements of Pike County, Missouri, which comprise the statement of receipts, disbursements, and changes in cash – regulatory basis of each governmental fund as of December 31, 2012, and the related statements of receipts, disbursements and changes in cash - budget and actual – regulatory basis for each governmental fund, for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri Law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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**PIKE COUNTY, MISSOURI  
INDEPENDENT AUDITORS' REPORT (CONTINUED)**

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**Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1, the financial statements are prepared by Pike County, Missouri, using accounting practices prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Pike County, Missouri, as of December 31, 2012, and the changes in its financial position.

**Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each fund of Pike County, Missouri, as of December 31, 2012, and their respective cash receipts and disbursements, and budgetary results for the year then ended, on the basis of the financial reporting provisions of Missouri Law as described in Note 1.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated October 21, 2013, on our consideration of Pike County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Pike County, Missouri's internal control over financial reporting and compliance.

This report is intended solely for the information and use of management, County Commission, others within the entity, and the Missouri State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

**Casey-Beard-Boehmer PC**

Casey-Beard-Boehmer PC  
Certified Public Accountants

PIKE COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

Fund	Cash January 1, 2012	Receipts	Disbursements	Cash December 31, 2012
General Revenue	\$ 1,320,382	2,047,049	2,326,138	1,041,293
Special Road and Bridge	266,451	2,660,262	2,854,916	71,797
Assessment	103,227	284,920	290,259	97,888
Law Enforcement Sales Tax	72,609	1,608,045	1,621,053	59,601
Law Enforcement Training	7,469	5,837	10,308	2,998
Recorder	37,029	10,902	24,597	23,334
Prosecuting Attorney Bad Check (1)	20,161	13,996	10,064	24,093
911	129,225	166,522	141,678	154,069
Prosecuting Attorney Training	691	1,535	1,660	566
Prosecuting Attorney Tax	830	-	-	830
5% Statute Cost Election	2,187	1,753	3,313	627
Special Election	22,125	76,216	90,553	7,788
Domestic Violence	13,344	4,984	13,232	5,096
Hospital	68,526	753,505	695,570	126,461
Help America Vote Act (HAVA)	1,020	2,120	2,120	1,020
Tax Maintenance (2)	86,738	21,961	17,646	91,053
Sheriff Revolving	15,889	14,093	12,355	17,627
Inmate Security	2,840	3,078	2,152	3,766
Law Enforcement Restitution (3)	11,602	8,821	5,012	15,411
Totals	\$ <u>2,182,345</u>	<u>7,685,599</u>	<u>8,122,626</u>	<u>1,745,318</u>

- (1) No budget for 2012 was prepared by the Prosecuting Attorney.  
(2) No budget for 2012 was prepared by the County Collector.  
(3) No budget for 2012 was prepared by the County.

PIKE COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

General Revenue Fund			
	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>			
Property taxes	\$ 735,000	755,803	20,803
Sales taxes	730,000	752,936	22,936
Intergovernmental	76,400	55,858	(20,542)
Charges for services	358,950	357,291	(1,659)
Interest	-	11,240	11,240
Other	138,222	113,921	(24,301)
Total Receipts	\$ 2,038,572	2,047,049	8,477
<b>DISBURSEMENTS</b>			
General County Government-			
County Commission	\$ 121,449	120,322	(1,127)
County Clerk	107,631	109,178	1,547
Elections	82,336	81,588	(748)
Buildings and grounds	89,620	92,499	2,879
Employee fringe benefits	283,843	292,494	8,651
County Treasurer	58,926	52,480	(6,446)
County Collector	93,806	77,703	(16,103)
Recorder of Deeds	71,168	71,705	537
Circuit Clerk	39,836	30,556	(9,280)
Court Administration	75,500	47,602	(27,898)
Public Administrator	49,316	47,612	(1,704)
Public Safety-			
Prosecuting Attorney	275,316	228,557	(46,759)
Juvenile Officer	57,899	40,605	(17,294)
County Coroner	32,566	23,264	(9,302)
General Government	142,888	141,791	(1,097)
Miscellaneous	169,000	400,883	231,883
Pike County Development Authority	49,880	50,401	521
Public Defender	4,200	4,086	(114)
Health and welfare	3,000	1,700	(1,300)
Transfers out	411,112	411,112	-
Emergency Fund	60,000	-	(60,000)
Total Disbursements	\$ 2,279,292	2,326,138	46,846
RECEIPTS OVER (UNDER) DISBURSEMENTS	(240,720)	(279,089)	(38,369)
CASH, JANUARY 1	\$ 1,320,382	1,320,382	-
CASH, DECEMBER 31	\$ 1,079,662	1,041,293	(38,369)

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

PIKE COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

Special Road and Bridge Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Property taxes	\$ 565,000	566,675	1,675
Sales taxes	820,000	825,480	5,480
Intergovernmental	882,000	1,019,709	137,709
Interest	3,000	1,228	(1,772)
Other	327,000	247,170	(79,830)
Total Receipts	\$ 2,597,000	2,660,262	63,262
DISBURSEMENTS			
Salaries	\$ 558,707	520,626	(38,081)
Employee fringe benefits	173,975	157,454	(16,521)
Supplies	240,000	232,343	(7,657)
Insurance	44,000	54,304	10,304
Road and bridge materials	575,000	707,280	132,280
Equipment repairs	115,000	84,647	(30,353)
Equipment purchases	657,500	561,507	(95,993)
Road and bridge construction	310,000	485,702	175,702
Other	12,000	51,053	39,053
Total Disbursements	\$ 2,686,182	2,854,916	168,734
RECEIPTS OVER (UNDER) DISBURSEMENTS	(89,182)	(194,654)	(105,472)
CASH, JANUARY 1	\$ 285,436	266,451	(18,985)
CASH, DECEMBER 31	\$ 196,254	71,797	(124,457)

Assessment Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Intergovernmental	\$ 208,016	244,086	36,070
Interest	700	528	(172)
Other	7,200	14,194	6,994
Transfers in	26,112	26,112	-
Total Receipts	\$ 242,028	284,920	42,892
DISBURSEMENTS			
Assessor	\$ 327,372	290,259	(37,113)
Total Disbursements	\$ 327,372	290,259	(37,113)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(85,344)	(5,339)	80,005
CASH, JANUARY 1	\$ 103,227	103,227	-
CASH, DECEMBER 31	\$ 17,883	97,888	80,005

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

PIKE COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

Law Enforcement Sales Tax Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Sales taxes	\$ 816,000	825,530	9,530
Intergovernmental	266,853	297,371	30,518
Charges for services	44,300	39,977	(4,323)
Interest	500	354	(146)
Other	43,500	35,813	(7,687)
Transfers in	409,000	409,000	-
Total Receipts	\$ 1,580,153	1,608,045	27,892
DISBURSEMENTS			
Salaries	\$ 893,716	837,681	(56,035)
Employee fringe benefits	265,000	229,592	(35,408)
Office	219,038	288,386	69,348
Jail	192,000	214,328	22,328
Other	8,500	51,066	42,566
Total Disbursements	\$ 1,578,254	1,621,053	42,799
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,899	(13,008)	(14,907)
CASH, JANUARY 1	\$ 73,109	72,609	(500)
CASH, DECEMBER 31	\$ 75,008	59,601	(15,407)

Law Enforcement Training Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Charges for services	\$ 9,000	4,818	(4,182)
Interest	50	19	(31)
Transfers in	-	1,000	1,000
Total Receipts	\$ 9,050	5,837	(3,213)
DISBURSEMENTS			
Sheriff	\$ 9,050	10,308	1,258
Total Disbursements	\$ 9,050	10,308	1,258
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(4,471)	(4,471)
CASH, JANUARY 1	\$ 7,469	7,469	-
CASH, DECEMBER 31	\$ 7,469	2,998	(4,471)



PIKE COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

Recorder Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Charges for services	\$ 12,000	10,882	(1,118)
Interest	-	20	20
Total Receipts	\$ 12,000	10,902	(1,098)
DISBURSEMENTS			
Office	\$ 34,000	24,597	(9,403)
Total Disbursements	\$ 34,000	24,597	(9,403)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(22,000)	(13,695)	8,305
CASH, JANUARY 1	\$ 37,029	37,029	-
CASH, DECEMBER 31	\$ 15,029	23,334	8,305

Prosecuting Attorney Bad Check Fund			
	Final Budget	Actual	Actual Over (Under) Budget
	No budget prepared by official		
RECEIPTS			
Collections and other	\$	13,996	
Total Receipts	\$	13,996	
DISBURSEMENTS			
Office	\$	10,064	
Total Disbursements	\$	10,064	
RECEIPTS OVER (UNDER) DISBURSEMENTS		3,932	
CASH, JANUARY 1	\$	20,161	
CASH, DECEMBER 31	\$	24,093	

PIKE COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

911 Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Charges for services	\$ 145,000	166,433	21,433
Interest	-	89	89
Total Receipts	\$ 145,000	166,522	21,522
DISBURSEMENTS			
Salary	\$ 26,728	24,790	(1,938)
Employee fringe benefits	9,298	4,248	(5,050)
Other	55,992	87,174	31,182
Mileage and training	500	466	(34)
Transfers out	50,000	25,000	(25,000)
Total Disbursements	\$ 142,518	141,678	(840)
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,482	24,844	22,362
CASH, JANUARY 1	\$ 129,225	129,225	-
CASH, DECEMBER 31	\$ 131,707	154,069	22,362

Prosecuting Attorney Training Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Other	\$ 1,491	1,535	44
Total Receipts	\$ 1,491	1,535	44
DISBURSEMENTS			
Training and tuition	\$ 1,400	1,660	260
Total Disbursements	\$ 1,400	1,660	260
RECEIPTS OVER (UNDER) DISBURSEMENTS	91	(125)	(216)
CASH, JANUARY 1	\$ 691	691	-
CASH, DECEMBER 31	\$ 782	566	(216)

PIKE COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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Prosecuting Attorney Tax Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Other	\$ -	-	-
Total Receipts	\$ -	-	-
DISBURSEMENTS			
Office	\$ 830	-	(830)
Total Disbursements	\$ 830	-	(830)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(830)	-	830
CASH, JANUARY 1	\$ 830	830	-
CASH, DECEMBER 31	\$ -	830	830

5% Statute Cost Election Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Other	\$ 2,000	1,753	(247)
Total Receipts	\$ 2,000	1,753	(247)
DISBURSEMENTS			
Office	\$ 2,000	-	(2,000)
Equipment	-	3,313	3,313
Total Disbursements	\$ 2,000	3,313	1,313
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(1,560)	(1,560)
CASH, JANUARY 1	\$ 2,187	2,187	-
CASH, DECEMBER 31	\$ 2,187	627	(1,560)

PIKE COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

Special Election Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Interest	\$ -	22	22
Other	70,000	74,074	4,074
Transfers in	-	2,120	2,120
Total Receipts	\$ 70,000	76,216	6,216
DISBURSEMENTS			
Office	\$ 85,000	90,553	5,553
Total Disbursements	\$ 85,000	90,553	5,553
RECEIPTS OVER (UNDER) DISBURSEMENTS	(15,000)	(14,337)	663
CASH, JANUARY 1	\$ 21,313	22,125	812
CASH, DECEMBER 31	\$ 6,313	7,788	1,475

Domestic Violence Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Other	\$ 5,500	4,984	(516)
Total Receipts	\$ 5,500	4,984	(516)
DISBURSEMENTS			
Other	\$ 5,000	13,232	8,232
Total Disbursements	\$ 5,000	13,232	8,232
RECEIPTS OVER (UNDER) DISBURSEMENTS	500	(8,248)	(8,748)
CASH, JANUARY 1	\$ 13,344	13,344	-
CASH, DECEMBER 31	\$ 13,844	5,096	(8,748)

PIKE COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

Hospital Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Sales taxes	\$ 732,000	752,580	20,580
Interest	-	925	925
Total Receipts	\$ 732,000	753,505	21,505
DISBURSEMENTS			
Debt principal and interest (construction)	\$ 435,000	574,014	139,014
Other payments to Hospital	280,000	121,556	(158,444)
Total Disbursements	\$ 715,000	695,570	(19,430)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 17,000	57,935	40,935
CASH, JANUARY 1	68,526	68,526	-
CASH, DECEMBER 31	\$ 85,526	126,461	40,935

Help America Vote Act (HAVA) FUND			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Intergovernmental	\$ 1,500	2,120	620
Total Receipts	\$ 1,500	2,120	620
DISBURSEMENTS			
Transfers out	\$ 1,500	2,120	620
Total Disbursements	\$ 1,500	2,120	620
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-
CASH, JANUARY 1	1,020	1,020	-
CASH, DECEMBER 31	\$ 1,020	1,020	-

PIKE COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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Tax Maintenance Fund			
	Final Budget	Actual	Actual Over (Under) Budget
	No budget prepared by official		
RECEIPTS			
Delinquent fees on taxes		\$ 21,961	
Total Receipts		\$ 21,961	
DISBURSEMENTS			
Office		\$ 17,646	
Total Disbursements		\$ 17,646	
RECEIPTS OVER (UNDER) DISBURSEMENTS		\$ 4,315	
CASH, JANUARY 1		86,738	
CASH, DECEMBER 31		\$ 91,053	

Sheriff Revolving Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Charges for services	\$ 19,000	14,093	(4,907)
Interest	70	-	(70)
Total Receipts	\$ 19,070	14,093	(4,977)
DISBURSEMENTS			
Office	\$ 20,000	12,355	(7,645)
Total Disbursements	\$ 20,000	12,355	(7,645)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (930)	1,738	2,668
CASH, JANUARY 1	15,889	15,889	-
CASH, DECEMBER 31	\$ 14,959	17,627	2,668

PIKE COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

Inmate Security Fund			
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Intergovernmental	\$ 3,000	1,626	(1,374)
Charges for services	-	1,452	1,452
Interest	50	-	(50)
Total Receipts	\$ 3,050	3,078	28
DISBURSEMENTS			
Office	\$ 3,050	2,152	(898)
Total Disbursements	\$ 3,050	2,152	(898)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	926	926
CASH, JANUARY 1	2,840	2,840	-
CASH, DECEMBER 31	\$ 2,840	3,766	926

Law Enforcement Restitution Fund			
	Final Budget	Actual	Actual Over (Under) Budget
No budget prepared by County			
RECEIPTS			
Fees and other		\$ 8,821	
Total Receipts		\$ 8,821	
DISBURSEMENTS			
Sheriff		\$ 5,012	
Total Disbursements		\$ 5,012	
RECEIPTS OVER (UNDER) DISBURSEMENTS		\$ 3,809	
CASH, JANUARY 1		11,602	
CASH, DECEMBER 31		\$ 15,411	

**PIKE COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

Pike County, Missouri is governed by a three-member board of commissioners. In addition to the three County Commissioners, there are eleven elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder of Deeds, Collector, Treasurer, Coroner, Prosecuting Attorney, Public Administrator, Surveyor, and Sheriff.

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which practices differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

**1. A. REPORTING ENTITY**

The County's operations include tax assessments and collections, state/county courts administration, recording of deeds and other instruments, public safety and 911, economic development, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The Senate Bill 40 Board Fund, with a separate appointed board, is separately audited by an independent certified public accounting firm and, therefore, is not included in this report.

The financial statements referred to above include the primary government of Pike County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

**1. B. BASIS OF PRESENTATION**

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts, and expenditures/disbursements. The county's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary (Agency) Funds - Certain county officials may collect fees from services, remit the monies to the county, state, or to other parties or hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

**1. C. BASIS OF ACCOUNTING**

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.



**PIKE COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

**1. D. BUDGETS AND BUDGETARY ACCOUNTING**

The County follows these procedures in establishing the budget information:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission, the budget documents are available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Budgets are prepared and adopted on the cash basis of accounting.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission during the year. The County Commission did not prepare any amended budgets for the year ended December 31, 2012.
8. Although adoption of a formal budget is required by law, county officials did not adopt formal budgets for the Law Enforcement Restitution Fund, Prosecuting Attorney Bad Check Fund, and Tax Maintenance Fund for the year ended December 31, 2012.
9. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. No county funds had a deficit budgeted cash balance for the year ended December 31, 2012.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds for 2012.

General Revenue	5% Statute Cost Election
Special Road and Bridge	Special Election
Law Enforcement Sales Tax	Domestic Violence
Law Enforcement Training	Help America Vote Act (HAVA)
Prosecuting Attorney Training	

**1. E. PROPERTY TAXES**

Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The County bills and collects its own property taxes and also taxes for most other local governments in the county. The assessed valuation of the tangible property for the calendar year 2012 for purposes of local taxation was:

Real Estate	\$ 141,051,430
Personal Property	57,916,842
Railroad and Utilities	56,654,489
Total Assessed Valuation	<u>\$ 255,622,761</u>

**PIKE COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

The county-wide levy per \$100 of the assessed valuation of tangible property for the calendar year 2012 for purposes of local taxation was:

General Revenue Fund	\$	0.2954
Special Road and Bridge Fund *		0.3083
Hospital Fund (Maintenance)		0.2117
Pike County Developmental Disability		0.1914

\* The County retains all tax proceeds from areas not within special road districts. The County has one road district that receives four-fifths of the tax collections from property within this district, and the Special Road and Bridge Fund retains one-fifth. The road district also has an additional levy approved by the voters.

**1. F. CASH DEPOSITS**

Cash deposits are stated at cost, which approximates market. Cash balances for the County Treasurer funds are invested in separate interest-bearing bank accounts to the extent possible. Interest earned from such investments is recorded in each of the funds as appropriate. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par.

Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

**1. G. INTERFUND ACTIVITY**

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. Transfers between funds for the year ended December 31, 2012 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>FUNDS:</b>		
General Revenue	\$ -	\$ 411,112
Law Enforcement Sales Tax	409,000	-
Assessment	26,112	-
911	-	25,000
Law Enforcement Training	1,000	-
Special Election	2,120	-
Help America Vote Act (HAVA)	-	2,120
Totals	\$ <u>438,232</u>	\$ <u>438,232</u>

**PIKE COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

**1. H. PUBLISHED FINANCIAL STATEMENTS**

Under Section 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the year ended December 31, 2012, the published financial statements included all funds and required information except information for the Law Enforcement Restitution Fund.

**NOTE 2. CASH AND INVESTMENTS**

The County has determined through experience that business checking accounts, super NOW checking accounts, and money market accounts are appropriate types of accounts or instruments for its needs. The County invests each fund's cash balance in separate interest-bearing bank accounts to the extent possible at one depository bank. Each fund is included on the financial statements as "Cash" under each fund's caption. Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreements, in U.S. Treasury and agency obligations. At December 31, 2012, the County had no such investments.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand accounts, including negotiable order of withdrawal accounts in banks. The County did not invest in any nonnegotiable certificates of deposit or other investment vehicles during the year ended December 31, 2012.

Insured and Collateralized Deposits

In accordance with state law, all uninsured deposits in financial institutions must be secured with acceptable collateral. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain state or political subdivision debt obligations, surety bonds, or certain letters of credit. Missouri statutes also require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

At December 31, 2012, the County's deposits held at the respective depository bank were adequately covered by Federal Depository Insurance Coverage and with additional collateral held by an independent bank in the County's name or by its agent in the County's name. The County's deposits were not subject to custodial or investment credit risk at year end.

In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County has not adopted a written investment policy in accordance with applicable state law.

**NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS**

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

**PIKE COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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**NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)**

**A. Missouri Local Government Employees Retirement System (LAGERS)**

1) Plan Description

Pike County participates in the Missouri Local Government Employees' Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by state statutes, section RSMo 70.600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax-exempt. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-477-4334.

2) Pension Benefits

Upon termination of employment, any member who is vested is entitled to either an unreduced benefit annuity, payable at age sixty (police and fire fighters, age fifty-five), or a reduced benefit annuity, payable at age fifty-five (police and fire fighters, age fifty). Any member with less than five years of creditable service will be refunded accumulated plan contributions.

3) Funding Policy

The County's full-time employees are required to contribute 4% to the LAGERS pension plan. The County is required by state statute to contribute at an actuarially determined rate: the rate for 2012 was 10.3% (general) and 1.2% (police) of annual covered payroll. The County Commission determines the contribution requirements of plan members. The contribution provisions of the county are established by state statute.

4) Annual Pension Cost

For 2012, total payments to LAGERS were \$186,801.

**B. County Employees' Retirement Fund (CERF)**

The County Employees' Retirement Fund (CERF) was established by the state of Missouri to provide pension benefits for county officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties of not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under sections 56.800 to 56.840, RSMo; circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System; county sheriffs covered under sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

**PIKE COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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**NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)**

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

**2) Pension Benefits**

CERF first paid benefits beginning January 1, 1997. At that time a member could not retire until age 62. Beginning January 1, 2000, employees could retire with full benefits at age 62 or reduced benefits at age 55. The monthly benefit for county employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). An eligible death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling toll-free 1-877-632-2373.

**3) Funding Policy**

In accordance with state statutes, the Fund is partially funded through various fees collected by counties and remitted to the CERF. A contribution to CERF of 2% of annual salary is required for eligible employees hired before February 25, 2002 and not in LAGERS, and a contribution of 6% of annual salary is required of employees hired after February 25, 2002, effective January 1, 2003, in order to participate in CERF. During 2012, the County collected and remitted to CERF \$118,273 for the year then ended.

**C. Prosecuting Attorney Retirement Fund**

In accordance with state statute chapter 56.807 RSMo, the County contributed to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$7,106 for the year ended December 31, 2012.

**NOTE 4. POST- EMPLOYMENT BENEFITS**

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

**PIKE COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

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**NOTE 5. CLAIMS, COMMITMENTS, AND CONTINGENCIES**

1) Compensated Absences

Regular full-time employees who have completed the introductory period are eligible to receive vacation time as follows per each pay period: 0 to 4 years of service, 3 hours; 5 to 9 years of service, 4 hours; 10 to 14 years of service, 5 hours; 15 to 24 years of service, 6 hours; and after 25 years of service, 7 hours. Employees may accumulate and carry forward vacation leave up to the maximum of 200 hours. Upon termination of employment, an employee will receive equivalent cash reimbursement for all unused accrued vacation leave. Regular full-time employees earn 4 hours of sick leave per pay period. Sick leave may accrue to a maximum of 960 hours. Upon termination of employment, an employee will receive equivalent cash reimbursement for all unused sick leave.

2) Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

3) Litigation

The County is involved in a litigation matter at which time the probable outcome is not readily obtainable. The County's management and legal counsel anticipate that the potential claim against the County not covered by insurance, if any, resulting from such matter would not materially affect the financial position of the County.

**NOTE 6. RISK MANAGEMENT**

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this fund, a non-profit corporation established to provide insurance coverage to Missouri counties. The fund is self-insured up to \$2,000,000 per occurrence and reinsured up to the statutory limit through excess insurance.

**NOTE 7. LONG-TERM DEBT OBLIGATION**

Hospital debt

The County memorial hospital's prior Certificates of Participation on hospital construction were refinanced through refunding Certificates of Participation in August 2012 funded by a regional bank in the amount of \$3,655,000. Principal was paid totaling \$300,000 in December 2012. The interest rate on the repayments is 2.870% and ends December 1, 2021.

PIKE COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 7. LONG-TERM DEBT OBLIGATION (CONTINUED)

The annual debt service requirements for the hospital including principal and interest at December 31, 2012 are as follows:

<u>Year Ended December 31,</u>		<u>Principal</u>		<u>Interest</u>
2013	\$	335,000	\$	96,288
2014		340,000		86,674
2015		355,000		76,916
2016		365,000		66,728
2017		375,000		56,252
2018-2021		<u>1,585,000</u>		<u>114,513</u>
Totals	\$	<u><u>3,355,000</u></u>	\$	<u><u>497,371</u></u>

# CASEY-BEARD-BOEHMER PC



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October 21, 2013

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the County Commission  
and Officeholders of  
Pike County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the various county funds of Pike County, Missouri, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Pike County, Missouri's basic financial statements and have issued our report thereon dated October 21, 2013.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Pike County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pike County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Pike County, Missouri's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses as items 12-01 and 12-02.

MEMBER  
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American  
Institute of  
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Missouri  
Society of  
Certified  
Public  
Accountants  
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS (CONTINUED)**

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A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency as item 12-03.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Pike County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards, and which is described in the accompanying schedule of findings and responses as item 12-04.

**Pike County, Missouri's Responses to Findings**

Pike County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Pike County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, County Commission, others within the entity, and the Missouri State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

**Casey-Beard-Boehmer PC**

Casey-Beard-Boehmer PC  
Certified Public Accountants

PIKE COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2012

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**FINANCIAL STATEMENT FINDINGS**

This section includes the audit findings that Government Auditing Standards require to be reported for an audit of financial statements.

**MATERIAL WEAKNESSES IN INTERNAL CONTROL**

**12-01 County Budget Documents and Treasurer's Reconciled Cash Misstated**

Condition: The County's budget documents for the year ended December 31, 2012 materially misstated the cash balances at December 31, 2012 causing the cash balance presented to be materially different than the actual audited cash balances in several county funds. The cash balances presented on the budget document also did not agree to the reconciled balances of the County Treasurer mainly in the disbursement area for not agreeing the amounts and for not properly balancing the fund. The major funds' cash balances that were not properly presented and which required audit adjustments are as follows:

Fund	Per Budget Document	Per Treasurer	Per Audited Financial Statements
General Revenue	\$ 1,430,539	\$ 1,097,621	\$ 1,041,293
Special Road and Bridge	87,769	81,271	71,797
Law Enforcement Sales Tax	75,518	70,056	59,601
911	154,831	154,642	154,069
Tax Maintenance	90,724	91,053	91,053

The reconciled balance at December 31, 2012 per the budget document and the Treasurer were in agreement for the Assessment Fund, Law Enforcement Training Fund, Special Election Fund, and Sheriff's Revolving Fund; however, an audit adjustment was made to each of these funds due to the differences in the cash balances on the budget document presented at December 31, 2011.

Criteria: Strong internal controls over financial information require that cash and disbursements be properly reconciled within the respective funds and an independent review performed of the budget documents to ensure that the classification and total of disbursements along with the cash balances in all funds are properly stated.

Cause: The County had a lack of controls over the preparation of the budget documents and a lack of independent verification of amounts recorded on the budget documents. It also appeared that the County's software system was creating problems for which the County updated in August 2012.

Effect: The budget documents presented to the public and submitted to the State Auditor's Office contained material misstatements of cash balances and disbursements in various county funds.

Recommendation:

The County Commission and respective officials take more care in preparation of the budget document each year to ensure that the disbursements and cash balances of all county funds are properly stated.

**PIKE COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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Auditee Response: The present County Clerk responded as follows:

The County Clerk at the period the audit covered was not the County Clerk at the time the audit was performed. The new financial software was not put into place until August 2012 and the County had many issues with the previous software. The vast majority of issues will be corrected with the new software. Now that the Treasurer's office and County Clerk's office have different software verification of figures reconciliations can easily be compared and differences reconciled. As the former Deputy Clerk, I was not allowed to balance the books per the previous County Clerk's orders.

**12-02      Treasurer's Settlements and Reconciliations Not Accurately Stated**

Condition: The Treasurer maintains a separate ledger for each fund that consists of monthly receipts and deposits and total disbursements for the month that represents total bank disbursements and not actual book disbursements. Consequently, the Treasurer's ledgers for each fund and settlements do not agree with the ending cash balances reported on the budget documents for county funds. The bank reconciliation was prepared through the use of the computer system but the audit noted that the listing of outstanding checks contained voided checks or cleared checks in error and also did not include all checks written at the end of the year. Therefore, the actual bank reconciliations were not accurate and could not be properly reconciled to the amount by fund presented on the budget documents.

Criteria: Strong internal controls and good business practices dictate that financial records should be accurately prepared and properly balanced to ensure that the financial statements prepared by the County are presented fairly.

Cause: The Treasurer did not properly include all checks written on the bank reconciliations or did not ensure that the listings of outstanding checks were accurately prepared for all county funds. This was also probably caused by the County's software system, which the County replaced in August 2012.

Effect: The settlements prepared and presented to the County Commission for review did not properly reflect the actual cash balances in the various county funds.

Recommendation:

The County Treasurer ensure that the settlements are properly prepared and presented for all county funds to agree with the actual reconciled cash balances and also to the County's budget documents.

Response: The County Treasurer responded as follows:

My Treasurer's ledgers are like checkbooks for each of the funds. During fiscal year 2012, I was balancing each fund to the best of my ability. The former County Clerk told me often that all funds "balanced to the penny". Had I realized that there were mistakes with outstanding checks and voided items I would have cleared those up immediately, but my figures were not reconciled with the County Clerk and the office staff was told "not to balance" that it "wasn't their job". There was no way I could reconcile without their input. I fully agree that all financial records should be accurately prepared and balanced. I could only work with information that I was given. I did not have access to reports as I do now with the new system.

The Treasurer's office already had new procedures in place to ensure that all settlements are accurate and all bank statements are balanced and presented to the County Clerk's office for verification. This will ensure that all balances are properly reflected on budget documents. With the new software system in place I am very confident that these issues have all been taken care of.

PIKE COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012

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SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL

**12-03      Budgetary Procedures Not in Compliance With State Law**

Condition: We noted the following issues with the County's budgeting process during our audit:

- A. The County Commission, County Clerk, and other county officials did not exercise adequate budgetary control over several funds during the audit period. Expenditures were approved for payment that exceeded the approved budget for the following funds as shown below:

<u>Fund</u>	<u>Amount</u>
General Revenue	\$ 46,846
Special Road and Bridge	168,734
Law Enforcement Sales Tax	42,799
Law Enforcement Training	1,258
Prosecuting Attorney Training	260
5% Statute Cost Election	1,313
Special Election	5,553
Domestic Violence	8,232
Help America Vote Act (HAVA)	620

This same condition was also noted in the prior independent audit report for the two years ended December 31, 2011.

- B. The County Commission and County Clerk did not prepare budget documents for the Law Enforcement Restitution Fund for the year ended December 31, 2012. This same condition was also noted in the prior independent audit report for the two years ended December 31, 2011.

In addition, the County Collector and Prosecuting Attorney did not prepare a budget document for the 2012 year for the Tax Maintenance Fund controlled by the County Collector and the Prosecuting Attorney Bad Check Fund maintained by the Prosecuting Attorney. These officials did not present a budget to the County Commission or County Clerk to include in the overall County budget document.

- C. In October 2012, the County Commission minutes included notations of a budget amendment for the General Revenue Fund and the Special Road and Bridge Fund; however, no formal amendment was made with any changes to the original budget document for either fund and no budget amendment was submitted to the State Auditor's Office.
- D. The County budget document did not properly show the transfers in and out between the various county funds. The budget document showed total transfers in of \$436,112 and transfers out of \$463,487 or a difference of \$27,375. It was noted that some disbursements were coded in error to transfers out that should have been under other disbursement areas. Adjustments to the General Revenue Fund and the Law Enforcement Sales Tax Fund have been made to the financial statements to correctly show the actual amount of transfers in and out.

Criteria: Section 50.540 RSMo, requires that a budget be prepared for all county funds that receive monies from the General Fund in whole or in part, and that the budget be revised prior to authorizing expenditures in excess of the budget. Transfers in should balance with the amount of transfers out in the budget document.

**PIKE COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012**

---

Cause: County officials did not consider the importance of preparing proper amended budgets and preparing budget documents in 2012 for all applicable County operating funds. County officials also did not properly balance out the amount of transfers in with transfers out.

Effect: The County Commission, County Clerk, and other county officials did not follow state law and budgetary guidelines on the preparation of budget documents.

Recommendation:

- A. The County Commission should not approve expenditures in excess of budgeted amounts. The County Commission should properly amend the budgets in a public meeting when unforeseen circumstances arise that necessitate increased expenditures in any fund.
- B. The County Commission, County Clerk, and other county officials properly prepare annual budgets for all County funds in accordance with state law.
- C. The County Commission and County Clerk ensure that any budget amendments discussed are properly approved with appropriate changes to the budget document and filed with the State Auditor's Office.
- D. County officials ensure that the total amount of transfers in and transfers out are properly balanced between all County funds. This would include the budgeted amounts as well as the actual amounts disbursed.

Auditee Response: The present County Clerk responded as follows:

As the current County Clerk, I cannot speak for the former County Clerk. Going forward all accounts will at the very least have requested information from the respective officials in order to provide a budget for those accounts. Budgets will be properly amended before expenses occur and forwarded to the State Auditor's Office and transfers in and out will be properly balanced.

**ITEM OF NONCOMPLIANCE AND OTHER MATTERS**

**12-04 All County Funds not Presented in Annual Published Financial Statements**

Condition: Not all applicable County funds were published in the newspaper as required by state law. For 2012, the Law Enforcement Restitution Fund was not shown. This condition was also noted in the prior independent audit report for the two years ended December 31, 2011.

Criteria: Under Section 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the County. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

Cause: The County Commission did not ensure that all financial information for all County funds was included in the annual published financial statements.

Effect: The County Commission did not follow state law on publishing the annual financial statements each year.

Recommendation:

The County Commission ensure that all funds of the County are included in the annual published financial statements.

PIKE COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012

---

Auditee Response: The present County Clerk responded as follows:

The County will ensure that all efforts are used to obtain information necessary to include all funds in the annual financial statements.

**PIKE COUNTY, MISSOURI**  
**FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN**  
**AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE**  
**WITH GOVERNMENT AUDITING STANDARDS**

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In accordance with Government Auditing Standards, this section reports the auditor's follow-up on the action taken by Pike County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2011.

**11-01 County Budget Documents Materially Misstated County's Financial Statements**

Condition: The County's budget documents for the years ended December 31, 2011 and 2010 materially misstated the various receipt classifications for the General Revenue Fund and 911 Fund. The Special Road and Bridge Fund, Hospital Fund, and other funds also had misclassifications of receipts recorded on the budget documents.

Status: Partially implemented. Receipt classifications have been properly classified for the year ended December 31, 2012 but the disbursements and ending cash balances for several County funds have been misstated requiring audit adjustments to the financial statements. See current finding 12-01.

**11-02 Treasurer's Annual Settlements Not Accurately Stated**

Condition: The Treasurer's annual settlements contain material differences in several County funds between the reconciled bank balance amounts and the amount recorded on the settlements at December 31, 2011 and 2010.

Status: Not implemented for cash reconciliations in various County funds. See current finding 12-02.

**11-03 Budgetary Procedures Not in Compliance With State Law**

Condition:

- A. Expenditures were approved for payment that exceeded the approved budget for various County funds.
- B. The County Commission, County Clerk, and other elected officials did not prepare budgets for all county funds.
- C. The County Commission budgeted a deficit balance for the Hospital Fund in 2011 and 2010.
- D. The County Commission approved expenditures from the Emergency Fund that were not considered emergency according to state law.

Status: A. and B. Not implemented. See current finding 12-03. C. and D. Implemented.

**11-04 All County Funds not Presented in Annual Published Financial Statements**

Condition: Not all applicable County funds were published in the newspaper as required by state law.

Status: Not implemented. See current finding 12-04.



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Maries County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Maries County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Casey-Beard-Boehmer PC, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich".

Thomas A. Schweich  
State Auditor

November 2013  
Report No. 2013-130



## AUDITED FINANCIAL STATEMENTS

**MARIES COUNTY, MISSOURI**

**FOR THE YEARS ENDED  
DECEMBER 31, 2012 AND 2011**

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**CASEY-BEARD-BOEHMER PC  
CERTIFIED PUBLIC ACCOUNTANTS  
COLUMBIA, MISSOURI**

**MARIES COUNTY, MISSOURI  
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November 4, 2013

## INDEPENDENT AUDITORS' REPORT

To the County Commission  
and Officeholders of  
Maries County, Missouri

We have audited the accompanying financial statements of Maries County, Missouri, which comprise the statement of receipts, disbursements, and changes in cash – regulatory basis of each governmental fund as of December 31, 2012 and 2011, and the related statements of receipts, disbursements and changes in cash - budget and actual – regulatory basis for each governmental fund, for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri Law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## MARIES COUNTY, MISSOURI INDEPENDENT AUDITORS' REPORT (CONTINUED)

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### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1, the financial statements are prepared by Maries County, Missouri, using accounting practices prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Maries County, Missouri, as of December 31, 2012 and 2011, and the changes in its financial position.

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each governmental fund of Maries County, Missouri, as of December 31, 2012 and 2011, and their respective cash receipts and disbursements, and budgetary results for the years then ended, on the basis of the financial reporting provisions of Missouri Law as described in Note 1.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2013, on our consideration of the Maries County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Maries County, Missouri's internal control over financial reporting and compliance.

This report is intended solely for the information and use of management, County Commission, others within the entity, and the Missouri State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Casey-Beard-Boehmer PC*

Casey-Beard-Boehmer PC  
Certified Public Accountants

**MARIES COUNTY, MISSOURI**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

Fund	Cash January 1, 2011	Receipts	Disbursements	Cash December 31, 2011	Receipts	Disbursements	Cash December 31, 2012
General Revenue	\$ 158,966	1,044,317	989,516	213,767	1,108,490	1,158,257	164,000
Road and Bridge (Road #1)	3,563	817,322	809,379	11,506	452,715	460,413	3,808
Assessment	19,482	127,442	127,729	19,195	120,330	124,969	14,556
Road and Bridge (Road #2)	37,702	402,328	403,649	36,381	375,536	370,638	41,279
Law Enforcement Training	4,180	3,343	3,645	3,878	3,785	2,427	5,236
Prosecuting Attorney Training	791	295	807	279	24	115	188
Bad Check	1,668	2,493	1,096	3,065	2,488	1,155	4,398
Children's Trust	453	1,660	1,697	416	1,668	1,473	611
Record Storage	30,613	6,878	5,917	31,574	7,996	16,112	23,458
911	68,392	78,749	50,308	96,833	202,626	173,894	125,565
Special Sheriff	361	5,059	88	5,332	5,139	2,800	7,671
Election Service	1,387	1,443	1,199	1,631	3,402	2,429	2,604
Citizen Safety	(13,330)	544,904	510,690	20,884	537,423	536,570	21,737
Prosecuting Attorney Delinquent Tax	741	391	-	1,132	5	-	1,137
Over Under	266	22	-	288	91	-	379
Inmate Security	1,722	1,199	-	2,921	1,281	-	4,202
Sheriff Revolving	6,678	3,383	2,025	8,036	3,946	-	11,982
Law Enforcement - Restricted	4,577	2,546	1,280	5,843	6,878	4,415	8,306
Tax Maintenance	51,753	12,274	19,750	44,277	12,057	7,190	49,144
Civil Summons - Deputy Sheriff Supplement	2,177	2,704	4,400	481	2,774	1,972	1,283
Commissary	11,776	-	8,920	2,856	720	2,237	1,339
Totals	\$ 393,918	3,058,752	2,942,095	510,575	2,849,374	2,867,066	492,883

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**MARIES COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>General Revenue Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Property taxes	\$ 396,989	408,620	11,631	\$ 391,427	410,900	19,473
Sales tax	349,000	357,728	8,728	358,746	351,194	(7,552)
Intergovernmental	85,755	126,445	40,690	72,476	88,733	16,257
Charges for services	186,001	200,556	14,555	189,895	173,873	(16,022)
Interest	1,000	1,724	724	773	2,383	1,610
Other	9,600	13,417	3,817	11,775	17,234	5,459
Transfers in	1,411	-	(1,411)	-	-	-
Total Receipts	\$ 1,029,756	1,108,490	78,734	\$ 1,025,092	1,044,317	19,225
<b>DISBURSEMENTS</b>						
General County Government-						
County Commission	\$ 77,904	77,473	(431)	\$ 76,152	76,100	(52)
County Clerk	77,771	79,900	2,129	79,507	80,832	1,325
Elections	95,234	83,595	(11,639)	33,400	33,526	126
Buildings and grounds	78,084	148,937	70,853	69,467	70,309	842
Employee fringe benefits	79,440	63,597	(15,843)	84,141	56,929	(27,212)
County Treasurer	40,761	40,553	(208)	40,706	41,058	352
County Collector	74,282	73,050	(1,232)	73,759	73,810	51
Circuit Clerk	40,440	38,418	(2,022)	43,940	36,273	(7,667)
Court Administration	12,571	7,167	(5,404)	14,884	12,910	(1,974)
Public Administrator	35,473	32,927	(2,546)	32,683	30,696	(1,987)
Public Safety-						
Sheriff	40,267	40,267	-	40,267	40,267	-
Prosecuting Attorney	87,720	88,642	922	88,477	85,679	(2,798)
Juvenile Officer	25,286	25,535	249	28,833	27,968	(865)
County Coroner	16,961	19,626	2,665	15,085	17,701	2,616
Other-						
Trash patrol	9,809	10,767	958	9,696	9,948	252
License office	50,122	46,674	(3,448)	48,567	47,770	(797)
Emergency management	-	6,296	6,296	3,445	3,790	345
Other government	64,683	112,233	47,550	79,134	63,250	(15,884)
Health and welfare	16,200	16,153	(47)	17,500	15,781	(1,719)
Transfers out	193,940	146,447	(47,493)	180,071	164,919	(15,152)
Total Disbursements	\$ 1,116,948	1,158,257	41,309	\$ 1,059,714	989,516	(70,198)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (87,192)	(49,767)	37,425	\$ (34,622)	54,801	89,423
CASH, JANUARY 1	213,767	213,767	-	158,966	158,966	-
CASH, DECEMBER 31	\$ 126,575	164,000	37,425	\$ 124,344	213,767	89,423

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**MARIES COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Road and Bridge (Road #1) Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Property taxes	\$ 133,024	132,673	(351)	\$ 130,799	145,446	14,647
Sales tax	65,500	65,374	(126)	68,000	64,222	(3,778)
Intergovernmental	220,431	230,636	10,205	565,500	575,359	9,859
Interest	400	228	(172)	600	319	(281)
Other	1,140,000	23,804	(1,116,196)	15,125	21,976	6,851
Transfers in	-	-	-	-	10,000	10,000
Total Receipts	\$ 1,559,355	452,715	(1,106,640)	\$ 780,024	817,322	37,298
<b>DISBURSEMENTS</b>						
Salaries	\$ 148,240	129,534	(18,706)	\$ 146,920	142,499	(4,421)
Employee fringe benefits	27,290	26,465	(825)	26,162	26,113	(49)
Supplies	130,000	115,057	(14,943)	115,000	122,711	7,711
Insurance	6,656	7,077	421	7,500	6,016	(1,484)
Road and bridge materials	90,000	141,196	51,196	70,000	79,753	9,753
Equipment repairs	7,000	8,836	1,836	6,000	8,628	2,628
Equipment purchases	1,135,500	25,510	(1,109,990)	68,000	68,497	497
Bridge project	-	-	-	330,000	348,893	18,893
Other	12,480	6,738	(5,742)	7,600	6,269	(1,331)
Total Disbursements	\$ 1,557,166	460,413	(1,096,753)	\$ 777,182	809,379	32,197
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2,189	(7,698)	(9,887)	\$ 2,842	7,943	5,101
CASH, JANUARY 1	11,506	11,506	-	3,563	3,563	-
CASH, DECEMBER 31	\$ 13,695	3,808	(9,887)	\$ 6,405	11,506	5,101

<b>Assessment Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Intergovernmental	\$ 115,560	113,337	(2,223)	\$ 115,296	116,040	744
Charges for services	-	269	269	100	212	112
Interest	150	153	3	150	198	48
Other	-	2,600	2,600	100	542	442
Transfers in	14,421	3,971	(10,450)	25,602	10,450	(15,152)
Total Receipts	\$ 130,131	120,330	(9,801)	\$ 141,248	127,442	(13,806)
<b>DISBURSEMENTS</b>						
Assessor	\$ 136,793	124,969	(11,824)	\$ 139,435	127,729	(11,706)
Total Disbursements	\$ 136,793	124,969	(11,824)	\$ 139,435	127,729	(11,706)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,662)	(4,639)	2,023	\$ 1,813	(287)	(2,100)
CASH, JANUARY 1	19,195	19,195	-	19,482	19,482	-
CASH, DECEMBER 31	\$ 12,533	14,556	2,023	\$ 21,295	19,195	(2,100)

**MARIES COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Road and Bridge (Road #2) Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Property taxes	\$ 113,578	113,144	(434)	\$ 110,335	110,415	80
Sales tax	52,546	53,488	942	53,701	52,546	(1,155)
Intergovernmental	180,353	188,641	8,288	182,700	216,472	33,772
Interest	400	231	(169)	784	394	(390)
Other	4,980	20,032	15,052	36,551	22,501	(14,050)
Total Receipts	\$ 351,857	375,536	23,679	\$ 384,071	402,328	18,257
<b>DISBURSEMENTS</b>						
Salaries	\$ 134,000	88,830	(45,170)	\$ 135,000	125,375	(9,625)
Employee fringe benefits	23,306	19,968	(3,338)	25,700	22,168	(3,532)
Supplies	129,862	99,427	(30,435)	128,000	131,533	3,533
Insurance	6,300	6,739	439	7,500	5,793	(1,707)
Road and bridge materials	4,000	73,897	69,897	5,000	62,330	57,330
Equipment repairs	1,000	-	(1,000)	1,500	1,705	205
Equipment purchases	46,494	41,876	(4,618)	41,000	10,494	(30,506)
Bridge project	-	36,855	36,855	-	30,925	30,925
Other	3,050	3,046	(4)	8,500	3,326	(5,174)
Transfers out	-	-	-	-	10,000	10,000
Total Disbursements	\$ 348,012	370,638	22,626	\$ 352,200	403,649	51,449
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 3,845	4,898	1,053	\$ 31,871	(1,321)	(33,192)
CASH, JANUARY 1	36,381	36,381	-	37,702	37,702	-
CASH, DECEMBER 31	\$ 40,226	41,279	1,053	\$ 69,573	36,381	(33,192)

<b>Law Enforcement Training Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 1,200	2,014	814	\$ 3,600	1,184	(2,416)
Interest	25	19	(6)	30	23	(7)
Other	2,000	1,752	(248)	500	2,136	1,636
Total Receipts	\$ 3,225	3,785	(248)	\$ 4,130	3,343	(787)
<b>DISBURSEMENTS</b>						
Mileage and training	\$ 3,200	2,427	(773)	\$ 3,600	3,491	(109)
Other	-	-	-	500	154	(346)
Total Disbursements	\$ 3,200	2,427	(773)	\$ 4,100	3,645	(455)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 25	1,358	1,333	\$ 30	(302)	(332)
CASH, JANUARY 1	3,878	3,878	-	4,180	4,180	-
CASH, DECEMBER 31	\$ 3,903	5,236	1,333	\$ 4,210	3,878	(332)

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS



**MARIES COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Prosecuting Attorney Training Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ -	23	23	\$ 300	293	(7)
Interest	-	1	1	7	2	(5)
Total Receipts	\$ -	24	24	\$ 307	295	(12)
DISBURSEMENTS						
Mileage and training	\$ -	115	115	\$ 850	807	(43)
Transfers out	279	-	(279)	-	-	-
Total Disbursements	\$ 279	115	(164)	\$ 850	807	(43)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (279)	(91)	188	\$ (543)	(512)	31
CASH, JANUARY 1	279	279	-	791	791	-
CASH, DECEMBER 31	\$ -	188	188	\$ 248	279	31

<b>Bad Check Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 2,400	2,472	72	\$ 1,994	2,481	487
Interest	-	16	16	6	12	6
Total Receipts	\$ 2,400	2,488	88	\$ 2,000	2,493	493
DISBURSEMENTS						
Salaries and wages	\$ -	-	-	\$ 2,000	-	(2,000)
Other	1,980	1,155	(825)	600	1,096	496
Total Disbursements	\$ 1,980	1,155	(825)	\$ 2,600	1,096	(1,504)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 420	1,333	913	\$ (600)	1,397	1,997
CASH, JANUARY 1	3,065	3,065	-	1,668	1,668	-
CASH, DECEMBER 31	\$ 3,485	4,398	913	\$ 1,068	3,065	1,997

<b>Children's Trust Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 1,000	1,666	666	\$ 2,829	1,655	(1,174)
Interest	5	2	(3)	6	5	(1)
Total Receipts	\$ 1,005	1,668	663	\$ 2,835	1,660	(1,175)
DISBURSEMENTS						
Other	\$ 1,000	1,473	473	\$ 1,705	1,697	(8)
Total Disbursements	\$ 1,000	1,473	473	\$ 1,705	1,697	(8)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 5	195	190	\$ 1,130	(37)	(1,167)
CASH, JANUARY 1	416	416	-	453	453	-
CASH, DECEMBER 31	\$ 421	611	190	\$ 1,583	416	(1,167)

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**MARIES COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Record Storage Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Intergovernmental	\$ 7,000	7,879	879	\$ 7,500	6,716	(784)
Interest	-	117	117	200	162	(38)
Total Receipts	\$ 7,000	7,996	996	\$ 7,700	6,878	(822)
<b>DISBURSEMENTS</b>						
Storage maintenance	\$ 6,000	16,112	10,112	\$ 6,000	5,917	(83)
Total Disbursements	\$ 6,000	16,112	10,112	\$ 6,000	5,917	(83)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,000	(8,116)	(9,116)	\$ 1,700	961	(739)
CASH, JANUARY 1	31,574	31,574	-	30,613	30,613	-
CASH, DECEMBER 31	\$ 32,574	23,458	(9,116)	\$ 32,313	31,574	(739)

<b>911 Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Intergovernmental	\$ -	119,276	119,276	\$ -	-	-
Charges for services	80,250	82,929	2,679	70,050	78,241	8,191
Interest	325	421	96	400	508	108
Total Receipts	\$ 80,575	202,626	122,051	\$ 70,450	78,749	8,299
<b>DISBURSEMENTS</b>						
Salaries	\$ 10,450	-	(10,450)	\$ 10,450	-	(10,450)
Office	215	841	626	250	211	(39)
Equipment	75,000	172,714	97,714	66,000	39,442	(26,558)
Mileage and training	5,950	-	(5,950)	1,500	-	(1,500)
Other	205	339	134	250	205	(45)
Transfers out	-	-	-	-	10,450	10,450
Total Disbursements	\$ 91,820	173,894	82,074	\$ 78,450	50,308	(28,142)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (11,245)	28,732	39,977	\$ (8,000)	28,441	36,441
CASH, JANUARY 1	96,833	96,833	-	68,392	68,392	-
CASH, DECEMBER 31	\$ 85,588	125,565	39,977	\$ 60,392	96,833	36,441

<b>Special Sheriff Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Intergovernmental	\$ 3,800	3,149	(651)	\$ 11,000	3,860	(7,140)
Charges for services	1,200	1,955	755	3,000	1,185	(1,815)
Interest	-	35	35	50	14	(36)
Total Receipts	\$ 5,000	5,139	139	\$ 14,050	5,059	(8,991)
<b>DISBURSEMENTS</b>						
Equipment	\$ 5,000	-	(5,000)	\$ 11,500	-	(11,500)
Other	-	2,800	2,800	2,000	88	(1,912)
Total Disbursements	\$ 5,000	2,800	(2,200)	\$ 13,500	88	(13,412)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	2,339	2,339	\$ 550	4,971	4,421
CASH, JANUARY 1	5,332	5,332	-	361	361	-
CASH, DECEMBER 31	\$ 5,332	7,671	2,339	\$ 911	5,332	4,421

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**MARIES COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Election Service Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services	\$ 2,000	3,394	1,394	\$ 1,115	1,435	320
Interest	10	8	(2)	7	8	1
Total Receipts	\$ 2,010	3,402	1,392	\$ 1,122	1,443	321
<b>DISBURSEMENTS</b>						
Salaries	\$ 1,627	1,605	(22)	\$ -	528	528
Other	-	544	544	-	16	16
Equipment	300	280	(20)	700	655	(45)
Total Disbursements	\$ 1,927	2,429	502	\$ 700	1,199	499
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 83	973	890	\$ 422	244	(178)
CASH, JANUARY 1	1,631	1,631	-	1,387	1,387	-
CASH, DECEMBER 31	\$ 1,714	2,604	890	\$ 1,809	1,631	(178)

<b>Citizen Safety Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Sales tax	\$ 310,433	316,285	5,852	\$ 301,392	310,433	9,041
Intergovernmental	16,901	33,032	16,131	60,544	39,593	(20,951)
Charges for services	17,500	20,861	3,361	21,500	18,524	(2,976)
Interest	100	177	77	69	132	63
Other	18,668	24,592	5,924	8,151	11,303	3,152
Transfers in	189,969	142,476	(47,493)	164,919	164,919	-
Total Receipts	\$ 553,571	537,423	(16,148)	\$ 556,575	544,904	(11,671)
<b>DISBURSEMENTS</b>						
Salaries	\$ 326,390	317,260	(9,130)	\$ 336,429	299,534	(36,895)
Office	12,000	8,518	(3,482)	8,600	9,760	1,160
Equipment	130,700	113,345	(17,355)	83,500	117,603	34,103
Other	101,565	97,447	(4,118)	90,950	83,793	(7,157)
Total Disbursements	\$ 570,655	536,570	(34,085)	\$ 519,479	510,690	(8,789)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (17,084)	853	17,937	\$ 37,096	34,214	(2,882)
CASH, JANUARY 1	20,884	20,884	-	(13,330)	(13,330)	-
CASH, DECEMBER 31	\$ 3,800	21,737	17,937	\$ 23,766	20,884	(2,882)

<b>Prosecuting Attorney Delinquent Tax Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Intergovernmental	\$ -	-	-	\$ 400	385	(15)
Interest	-	5	5	5	6	1
Total Receipts	\$ -	5	5	\$ 405	391	(14)
<b>DISBURSEMENTS</b>						
Transfers out	\$ 1,132	-	(1,132)	\$ -	-	-
Total Disbursements	\$ 1,132	-	(1,132)	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,132)	5	1,137	\$ 405	391	(14)
CASH, JANUARY 1	1,132	1,132	-	741	741	-
CASH, DECEMBER 31	\$ -	1,137	1,137	\$ 1,146	1,132	(14)

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**MARIES COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Over Under Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 20	90	70	\$ 20	21	1
Interest	2	1	(1)	-	1	1
Total Receipts	\$ 22	91	69	\$ 20	22	2
DISBURSEMENTS						
Other	\$ -	-	-	\$ -	-	-
Total Disbursements	\$ -	-	-	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 22	91	69	\$ 20	22	2
CASH, JANUARY 1	288	288	-	266	266	-
CASH, DECEMBER 31	\$ 310	379	69	\$ 286	288	2

<b>Inmate Security Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 1,200	456	(744)	\$ 1,250	492	(758)
Charges for services	-	808	808	-	694	694
Interest	12	17	5	-	13	13
Total Receipts	\$ 1,212	1,281	69	\$ 1,250	1,199	(51)
DISBURSEMENTS						
Equipment	\$ 1,200	-	(1,200)	\$ 2,500	-	(2,500)
Total Disbursements	\$ 1,200	-	(1,200)	\$ 2,500	-	(2,500)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 12	1,281	1,269	\$ (1,250)	1,199	2,449
CASH, JANUARY 1	2,921	2,921	-	1,722	1,722	-
CASH, DECEMBER 31	\$ 2,933	4,202	1,269	\$ 472	2,921	2,449

<b>Sheriff Revolving Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 3,400	3,900	500	\$ 5,000	3,346	(1,654)
Interest	35	46	11	30	37	7
Total Receipts	\$ 3,435	3,946	511	\$ 5,030	3,383	(1,647)
DISBURSEMENTS						
Equipment	\$ -	-	-	\$ 2,000	2,025	25
Other	500	-	(500)	1,500	-	(1,500)
Mileage and training	2,500	-	(2,500)	-	-	-
Total Disbursements	\$ 3,000	-	(3,000)	\$ 3,500	2,025	(1,475)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 435	3,946	3,511	\$ 1,530	1,358	(172)
CASH, JANUARY 1	8,036	8,036	-	6,678	6,678	-
CASH, DECEMBER 31	\$ 8,471	11,982	3,511	\$ 8,208	8,036	(172)

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**MARIES COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Law Enforcement - Restricted Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 3,000	6,845	3,845	\$ 4,000	2,516	(1,484)
Interest	-	33	33	40	30	(10)
Total Receipts	\$ 3,000	6,878	3,878	\$ 4,040	2,546	(1,494)
DISBURSEMENTS						
Other	\$ 5,000	4,415	(585)	\$ 8,600	1,280	(7,320)
Total Disbursements	\$ 5,000	4,415	(585)	\$ 8,600	1,280	(7,320)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,000)	2,463	4,463	\$ (4,560)	1,266	5,826
CASH, JANUARY 1	5,843	5,843	-	4,577	4,577	-
CASH, DECEMBER 31	\$ 3,843	8,306	4,463	\$ 17	5,843	5,826

<b>Tax Maintenance Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 12,500	11,891	(609)	\$ 13,000	12,079	(921)
Interest	200	166	(34)	250	195	(55)
Total Receipts	\$ 12,700	12,057	(643)	\$ 13,250	12,274	(976)
DISBURSEMENTS						
Office	\$ 1,412	2,323	911	\$ 1,312	424	(888)
Equipment	2,550	60	(2,490)	14,000	10,762	(3,238)
Mileage and training	100	50	(50)	300	50	(250)
Other	3,120	4,757	1,637	5,200	8,514	3,314
Total Disbursements	\$ 7,182	7,190	8	\$ 20,812	19,750	(1,062)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 5,518	4,867	(651)	\$ (7,562)	(7,476)	86
CASH, JANUARY 1	44,277	44,277	-	51,753	51,753	-
CASH, DECEMBER 31	\$ 49,795	49,144	(651)	\$ 44,191	44,277	86

<b>Civil Summons - Deputy Sheriff Supplement Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 2,500	2,770	270	\$ 1,100	2,698	1,598
Interest	5	4	(1)	10	6	(4)
Total Receipts	\$ 2,505	2,774	269	\$ 1,110	2,704	1,594
DISBURSEMENTS						
Deputy Sheriff	\$ 2,500	1,972	(528)	\$ -	4,400	4,400
Total Disbursements	\$ 2,500	1,972	(528)	\$ -	4,400	4,400
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 5	802	797	\$ 1,110	(1,696)	(2,806)
CASH, JANUARY 1	481	481	-	2,177	2,177	-
CASH, DECEMBER 31	\$ 486	1,283	797	\$ 3,287	481	(2,806)

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**MARIES COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Commissary Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Other	\$ 1,000	720	(280)	\$ 500	-	(500)
Total Receipts	\$ 1,000	720	(280)	\$ 500	-	(500)
DISBURSEMENTS						
Office	\$ 300	-	(300)	\$ -	157	157
Equipment	600	-	(600)	400	6,263	5,863
Other	100	1,937	1,837	100	2,500	2,400
Mileage and training	-	300	300	-	-	-
Total Disbursements	\$ 1,000	2,237	1,237	\$ 500	8,920	8,420
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	(1,517)	(1,517)	\$ -	(8,920)	(8,920)
CASH, JANUARY 1	2,856	2,856	-	11,776	11,776	-
CASH, DECEMBER 31	\$ 2,856	1,339	(1,517)	\$ 11,776	2,856	(8,920)

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**MARIES COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

Maries County, Missouri is governed by a three-member board of commissioners. In addition to the three County Commissioners, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk/Ex Officio Recorder of Deeds, Collector, Treasurer, Coroner, Prosecuting Attorney, Public Administrator, and Sheriff.

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which practices differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

**1. A. REPORTING ENTITY**

The County's operations include property tax assessments and collections, state/county courts administration, recording of deeds and other instruments, public safety, economic development, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The Tax Maintenance Fund is under the control of the County Collector and the Commissary Fund is under the control of the Sheriff. The General Revenue Fund also consists of the Money Market Demand Account held by the County for investment purposes budgeted as a separate Fund by the County. Interfund transfers to and from this separate Fund established by the County have been eliminated.

The financial statements referred to above include the primary government of Maries County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity. The financial statements do not include the Law Library Fund, Circuit Clerk Interest Fund, Circuit Court Maintenance Fund, and the Family Court Fund since they are controlled by the Circuit Clerk.

**1. B. BASIS OF PRESENTATION**

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts, and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary (Agency) Funds - Certain county officials may collect fees from services, remit the monies to the county, state, or to other parties or hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

**1. C. BASIS OF ACCOUNTING**

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

**MARIES COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

**1. D. BUDGETS AND BUDGETARY ACCOUNTING**

The County follows these procedures in establishing the budget information:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission, the budget documents are available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Budgets are prepared and adopted on the cash basis of accounting.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission during the year. The County Commission amended budgets in November 2011 for the following funds:

General Revenue	911
Prosecuting Attorney Training	Election Service
Civil Summons – Deputy Sheriff Supplement	Prosecuting Attorney Delinquent Tax

The County Collector amended the 2011 budget for the Tax Maintenance Fund.

8. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds for 2012 and 2011.

<u>Fund</u>	<u>Year(s) Ended December 31,</u>
Road and Bridge (Road #2)	2012 and 2011
Election Service	2012 and 2011
Commissary	2012 and 2011
General Revenue	2012
Children's Trust	2012
Record Storage	2012
911	2012
Tax Maintenance	2012
Road and Bridge (Road #1)	2011
Civil Summons – Deputy Sheriff Supplement	2011

**1. E. PROPERTY TAXES**

Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and



**MARIES COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

subject to penalties. The County bills and collects its own property taxes and also taxes for most other local governments in the County.

The assessed valuation of the tangible property for the year 2012 and 2011 for purposes of local taxation was:

	2012	2011
Real Estate	\$ 69,308,060	\$ 68,011,420
Personal Property	32,517,230	31,115,790
Railroad and Utilities	12,653,934	12,667,137
Total Assessed Valuation	\$ <u>114,479,224</u>	\$ <u>111,794,347</u>

The county-wide levy per \$100 of the assessed valuation of tangible property for the year 2012 and 2011 for purposes of local taxation was:

	2012	2011
General Revenue Fund	\$ 0.3697	\$ 0.3628
Road and Bridge (Road #1) Fund	0.2769	0.2753
Road and Bridge (Road #2) Fund	0.2406	0.2406

**1. F. CASH DEPOSITS**

Cash deposits are stated at cost, which approximates market. Cash balances for the County Treasurer funds are invested in interest-bearing bank accounts to the extent possible. Interest earned from such investments is recorded in each of the funds as appropriate. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents.

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

**1. G. INTERFUND ACTIVITY**

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. Transfers between funds of the County for the years ended December 31, 2012 and 2011 were as follows:

	Year Ended December 31, 2012	
	Transfers In	Transfers Out
<b>FUNDS:</b>		
General Revenue	\$ -	\$ 146,447
Assessment	3,971	-
Citizen Safety	142,476	-
Totals	\$ <u>146,447</u>	\$ <u>146,447</u>

**MARIES COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

	Year Ended December 31, 2011	
	Transfers In	Transfers Out
<b>FUNDS:</b>		
General Revenue	\$ -	\$ 164,919
Road and Bridge (Road #1)	10,000	-
Assessment	10,450	-
Road and Bridge (Road #2)	-	10,000
911	-	10,450
Citizen Safety	164,919	-
Totals	\$ <u>185,369</u>	\$ <u>185,369</u>

**1. H. PUBLISHED FINANCIAL STATEMENTS**

Under Section 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the County. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the years ended December 31, 2012 and 2011, the published financial statements included all funds as required.

**NOTE 2. CASH AND INVESTMENTS**

Deposits

The County has determined through experience that business checking accounts, super NOW checking accounts, and money market accounts are appropriate types of accounts or instruments for its needs. The County invests each fund's cash balance in an interest-bearing super NOW bank account to the extent possible at one depository bank. Each fund is included on the financial statements as "Cash" under each fund's caption. Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreements, in U.S. Treasury and agency obligations. At December 31, 2012 and 2011, the County had no such investments.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand accounts, including negotiable order of withdrawal accounts in banks. The County did not invest in any nonnegotiable certificates of deposit or other investment vehicles during the two years ended December 31, 2012.

Insured and Collateralized Deposits

In accordance with state law, all uninsured deposits in financial institutions must be secured with acceptable collateral. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain state or political subdivision debt obligations, surety bonds, or certain letters of credit. Missouri statutes also require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

At December 31, 2012 and 2011, the County's deposits held at the respective depository bank were adequately covered by Federal Depository Insurance Coverage and with additional collateral held by an independent bank in the County's name or by its agent in the County's name. The County's deposits were not subject to custodial or investment credit risk at year end.

**MARIES COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 2. CASH AND INVESTMENTS (CONTINUED)**

In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County has not adopted a written investment policy in accordance with applicable state law.

The County's investment in a Money Market Demand Account has been consolidated with the General Revenue Fund and the balance in this account at December 31, 2012 and 2011 was \$105,186 and \$104,522, respectively.

**NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS**

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

**A. County Employees' Retirement Fund (CERF)**

The County Employees' Retirement Fund (CERF) was established by the state of Missouri to provide pension benefits for county officials and employees.

**1) Plan Description**

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties of not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under sections 56.800 to 56.840, RSMo; circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System; county sheriffs covered under sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

**2) Pension Benefits**

CERF first paid benefits beginning January 1, 1997. At that time a member could not retire until age 62. Beginning January 1, 2000, a member could retire with full benefits at age 62 or reduced benefits as early as age 55. The monthly benefit for county employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). An eligible death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

**MARIES COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)**

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling toll-free 1-877-632-2373.

3) Funding Policy

In accordance with state statutes, the Fund is partially funded through various fees collected by counties and remitted to the CERF. A contribution to CERF of 2% of annual salary is required for eligible employees hired before February 25, 2002 and not in LAGERS, and a contribution of 6% of annual salary is required of employees hired after February 25, 2002, effective January 1, 2003, in order to participate in CERF. During 2012 and 2011, the County collected and remitted to CERF \$84,604 and \$88,469, respectively, for the years then ended.

**B. Prosecuting Attorney Retirement Fund**

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the state of Missouri is responsible for administration of this plan. The County contributed \$2,244 and \$2,244, respectively, for the years ended December 31, 2012 and 2011.

**NOTE 4. POST- EMPLOYMENT BENEFITS**

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

**NOTE 5. CLAIMS, COMMITMENTS, AND CONTINGENCIES**

1) Compensated Absences Commitments

Annual Leave

Regular full-time employees who have completed the introductory period (a minimum of three months) are eligible to receive vacation time up to a 30 day maximum based on the number of years of continuing service. Upon termination of employment, an employee may receive up to thirty days of accumulated vacation time taken either in compensation or as early separation from the County.

Sick Leave

Regular full-time employees earn sick leave from the date of initial employment but cannot take sick leave during the probationary period. Sick leave is earned at the rate of six days per year and is cumulative with no maximum. Upon termination of employment, an employee may receive compensation for accrued sick leave with a one month maximum and may be taken in the form of compensation or as early separation from the County.

**MARIES COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 5. CLAIMS, COMMITMENTS, AND CONTINGENCIES (CONTINUED)**

2) Federal and State Assisted Programs Contingencies

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

3) Litigation

The County has threatening litigation matters at which time the probable outcome is not readily obtainable. The County's management and legal counsel do not know the probable outcome of the matters and the affect on the financial condition of the County at the present time.

**NOTE 6. RISK MANAGEMENT**

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool (MoPERM), which is a corporate and political body created pursuant to Chapter 537.700 RSMo. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established to provide insurance coverage to Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and reinsured up to the statutory limit through excess insurance.

**NOTE 7. LONG-TERM DEBT**

The County has entered into several long-term lease purchase agreements with its depository bank for the purchase of road and bridge equipment, motor vehicles, and computer hardware and software. The loan amounts vary along with the payment terms and the dates ranging from August 2007 through March 2020. The interest rates on the loans vary from 3.750% to 4.002%. The remaining principal balance on all loans as of December 31, 2012 is \$887,698 and the schedule of long-term debt as of December 31, 2012 for all loans is as follows:

**MARIES COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 7. LONG-TERM DEBT (CONTINUED)**

<u>Year</u>		<u>Payment</u>		<u>Principal</u>		<u>Interest</u>
2013	\$	117,818	\$	83,663	\$	34,155
2014		149,620		118,797		30,823
2015		109,818		83,972		25,846
2016		231,056		208,447		22,609
2017		351,660		336,930		14,730
2018-2020		<u>59,917</u>		<u>55,889</u>		<u>4,028</u>
TOTALS	\$	<u>1,019,889</u>	\$	<u>887,698</u>	\$	<u>132,191</u>

**NOTE 8. CHANGE IN BASIS OF ACCOUNTING**

Maries County, Missouri, has changed its basis of accounting from presenting its financial statements in accordance with GASB 34 for 2008 and 2007 on the cash basis of accounting to the regulatory basis of accounting as prescribed or permitted in accordance with state law. The accounting change had no effect on the beginning cash balances of the various county funds. The County did not have an audit for the years ended December 31, 2010 and 2009.

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November 4, 2013

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the County Commission  
and Officeholders  
of Maries County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the various county funds of Maries County, Missouri, as of and for the two years ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Maries County, Missouri's basic financial statements and have issued our report thereon dated November 4, 2013.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Maries County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Maries County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Maries County, Missouri's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness as item 12-01.

MEMBER  
•  
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Institute of  
Certified  
Public  
Accountants  
•  
Missouri  
Society of  
Certified  
Public  
Accountants  
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS (CONTINUED)**

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A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies as items 12-02 and 12-03.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Maries County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

**Maries County, Missouri's Responses to Findings**

Maries County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Maries County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, County Commission, others within the entity, and the Missouri State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Casey-Beard-Boehmer PC*

Casey-Beard-Boehmer PC  
Certified Public Accountants



**MARIES COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**FINANCIAL STATEMENT FINDINGS**

This section includes the audit findings that *Government Auditing Standards* require to be reported for an audit of financial statements.

**MATERIAL WEAKNESS IN INTERNAL CONTROL**

**12-01 County Budget Documents Materially Misstated County's Financial Statements**

Condition: The County's budget documents for the years ended December 31, 2012 and 2011 materially misstated the various receipt classifications for the Road and Bridge (Road #1) Fund, Road and Bridge (Road #2) Fund, and 911 Fund. The budget documents had misclassified bridge program and disaster relief monies in Other Receipts instead of Intergovernmental receipts and a public safety grant as Other Receipts instead of as Intergovernmental receipts also.

The General Revenue Fund, Special Sheriff Fund, Citizen Safety Fund, and Tax Maintenance Fund also had misclassifications of receipts recorded on the budget documents.

Reclassification adjustments were made during the audit to more fairly and materially state the receipts of the various funds.

Criteria: Strong internal controls over financial information require that receipts be properly classified within the respective funds and an independent review performed of the budget documents to ensure that the classifications of receipts are proper.

Cause: The County had a lack of controls over the preparation of the budget documents and a lack of independent verification of amounts recorded on the budget documents.

Effect: The budget documents presented to the public and submitted to the State Auditor's Office contained material misstatements of financial amounts in various classifications of receipts within various county funds.

**Recommendation:**

The County Commission and respective officials take more care in preparation of the budget document each year to ensure that the classifications of receipts within the various funds are properly stated.

*Auditee response:*

*The County Commission and County Clerk will implement.*

**SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL**

**12-02 Accounting for Transfers Need Improvement**

Condition: The financial statements of the County as represented in the annual budget document do not present the proper amount of transfers between the various county funds. Total amounts reflected on the budget documents for actual transfers in do not agree with total actual transfers out for the year ended December 31, 2011. The total actual transfers in and out per the budget documents for the year ended December 31, 2011 were \$175,369 and \$174,919 respectively, for a difference of \$450. A \$10,000 transfer in to

**MARIES COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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the Road and Bridge (Road #1) Fund from the Road and Bridge (Road #2) Fund was included under Miscellaneous Receipts instead of a transfer in and a \$10,450 transfer out from the 911 Fund to the Assessment Fund was shown as an expense to Salaries and Wages instead of to transfers out.

Audit adjustments have been made to several county funds in the financial statements for the incorrect classifications to properly state the actual amount of transfers made by the County as restated on page 16 of the Notes to Financial Statements.

Criteria: Strong internal controls over financial statements require that transfers in and out are properly reported in the various funds and are in balance.

Cause: The County Commission and County Clerk did not consider the importance of balancing the budgeted and actual amounts of transfers in and out between the various funds.

Effect: The transfers in and out between various county funds are not in balance on the budget documents filed with the state and misstate the financial statements presented by the County.

Recommendation:

The County Commission and County Clerk should ensure both budgeted and actual transfers to and from other funds are in agreement each year.

*Auditee's Response:*

*The County Commission and County Clerk will implement.*

**12-03 Budgetary Procedures Not in Compliance With State Law**

Condition: We noted the following issues with the County's budgeting process during our audit:

- A. The County Commission, County Clerk, County Collector, and Sheriff did not exercise adequate budgetary control over certain funds during the audit period. Expenditures were approved for payment that exceeded the approved budget for the following funds as shown below:

<u>Fund</u>	<u>Year</u>	<u>Amount</u>
Road and Bridge (Road #2)	2012	\$ 22,626
	2011	51,449
Election Service	2012	502
	2011	499
Commissary	2012	1,237
	2011	8,420
General Revenue	2012	41,309
Children's Trust	2012	473
Record Storage	2012	10,112
911	2012	82,074
Tax Maintenance	2012	8
Road and Bridge (Road #1)	2011	32,197
Civil Summons – Deputy Sheriff Supplement	2011	4,400

**MARIES COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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- B. The County Commission and County Clerk did not budget any amounts in 2012 or 2011 for the emergency fund within the General Revenue Fund of the County. The County Commission indicated that the monies set aside in the money market demand account maintained by the County would be sufficient to cover any county emergencies.
- C. The budgets for the Tax Maintenance Fund for the years ended December 31, 2012 and 2011 inappropriately misclassified the tax fee receipts into the fund under Intergovernmental instead of as Charges for Services. This has been adjusted on the financial statements to properly state the receipts for each year.

Criteria: Section 50.540 RSMo, requires that the budget be revised prior to authorizing expenditures in excess of the budget. Section 50.540.4 RSMo, states that the budget officer shall provide in his recommendations, and the county commission shall provide in its appropriation order, that an amount equal to not less than three percent of the total estimated general fund revenues shall be appropriated each year as an emergency fund. Proper accounting requires that receipts be properly classified on the budget documents.

Cause: County officials did not consider the importance of preparing proper amended budgets. The County Commission did not consider the statutory guidance regarding budgeting amounts for the emergency fund within the General Revenue Fund. The County Collector did not ensure that the budget was properly stated for the receipts collected for the Tax Maintenance Fund.

Effect: The County Commission, County Clerk, and other County officials did not follow state law on the preparation of budget documents and expenditures of funds.

Recommendation:

- A. The County Commission should not approve expenditures in excess of budgeted amounts. The County Commission should properly amend the budgets in a public meeting when unforeseen circumstances arise that necessitate increased expenditures in any fund.
- B. The County Commission and County Clerk should provide a budgeted amount for emergency fund expenditures in accordance with the provisions of state law.
- C. The County Collector and County Clerk should ensure that receipts are properly classified on the budget document.

*Auditee's Response:*

- A. *The County Commission and County Clerk will implement.*
- B. *Maries County has maintained an MMDA account for emergency purposes. Due to having this account, the 3% that is to be included within the budget will not be added in.*
- C. *The County Commission, County Clerk, and County Collector will implement.*

**MARIES COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

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The previous financial audit performed for Maries County, Missouri, was for the two years ended December 31, 2008. Because Maries County, Missouri, did not obtain an audit of its financial statements for the two years ended December 31, 2010, this section does not report the status of any prior audit findings.



# Thomas A. Schweich

Missouri State Auditor

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## Gentry County



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November 2013  
Report No. 2013-131

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of Gentry County

Property Tax System	The County Collector-Treasurer and her deputy have unlimited access to all information in the property tax system, which allows them the ability to make changes to the individual tax records and creates a significant control weakness. The County Clerk does not reconcile the initial addition and abatement information prepared by the County Assessor with the actual changes made by the County Collector-Treasurer, so there is no assurance that all additions and abatements posted are approved.
County Commission Minutes	As noted in our prior audit report, the County Commission does not always comply with the Sunshine Law. The County Commission did not cite the correct reasons for closing meetings and did not prepare minutes for one closed meeting.
County Procedures	The County Clerk does not maintain overall county property records, and none of the county officials or departments perform and submit an annual inventory list. The county does not track the purchase and disposition of assets throughout the year, and some assets are not tagged. In addition, the county has not developed formal policies and procedures for selling culverts, the County Clerk's list of culvert sales was not kept current and accurate, and the county does not collect retail sales tax on culverts sold for private purposes.
Sheriff's Seized Property Records	The Sheriff's office has not conducted a physical inventory of seized property and does not maintain a summary control log.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Gentry County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Gentry County

We have audited certain operations of Gentry County in fulfillment of our duties under Section 29.230, RSMo. In addition, Davis, Lynn & Moots, Certified Public Accountants, was engaged to audit the financial statements of Gentry County for the year ended December 31, 2012. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.



For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Gentry County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditors:	Kenneth Erfurth
	Corey McComas, M. Acct., CPA
Audit Staff:	Richard Mosha, MBA
	Colby Dollens

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# Gentry County

## Management Advisory Report

### State Auditor's Findings

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#### **1. Property Tax System**

Controls and procedures over the property tax system need improvement. The County Collector-Treasurer's office processed collections totaling approximately \$6.9 million for the year ended February 28, 2013.

##### **1.1 Computer access**

Access to the property tax system is not adequately restricted. The County Collector-Treasurer and her deputy have administrative access rights in the property tax system, which provides them with unlimited access to all information in the system and allows them the ability to make changes to the individual tax records. While the County Clerk and the County Collector-Treasurer use the same computerized tax system, the two offices computers are not networked together. As a result, changes or updates to the tax records, such as additions and abatements (see section 1.2) which are required to be made by the County Clerk's office, have to be made by the County Collector-Treasurer. The County Collector-Treasurer's ability to alter or delete tax rates, assessed values, and property tax billings represents a significant control weakness because the County Collector-Treasurer is responsible for collecting tax monies.

Properly limiting access to the property tax system will help prevent unauthorized changes to property tax records. Access should be limited based on user needs. Unrestricted access can also result in the deletion or alteration of data files and programs.

##### **1.2 Additions and abatements**

The County Clerk does not reconcile the initial addition and abatement information prepared by the County Assessor and the actual changes made in the property tax system by the County Collector-Treasurer and her deputy. The County Clerk's office only compares a manually prepared listing of additions and abatements prepared by the County Collector-Treasurer monthly to the court ordered changes approved by the County Commission. There is no assurance that all additions and abatements posted to the system are included on the listing.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission. If it is not feasible for the County Clerk to make corrections to the tax books, periodic reviews, along with a comparison of approved additions and abatements to actual changes made to the property tax system, would help ensure changes are proper.

#### **Recommendations**

The County Commission:

- 1.1 Ensure property tax system access rights are limited to only what is needed for the users to perform their job duties and responsibilities.



Gentry County  
Management Advisory Report - State Auditor's Findings

- 1.2 Work with the County Clerk to ensure a comparison of approved additions and abatements to actual changes made to the property tax system is performed.

## Auditee's Response

*The County Commission provided the following responses:*

- 1.1 *We will talk with the applicable officials and software provider about how to best resolve this concern.*
- 1.2 *We have discussed this recommendation with both the County Collector-Treasurer and County Clerk and will ensure verification of any additions, abatements, or changes to the tax system is performed in the future. Both officials indicated they are willing to implement this recommendation.*

## 2. County Commission Minutes

As noted in our prior report, the County Commission does not ensure procedures related to closed meetings are in compliance with the Sunshine Law. Topics discussed in closed meetings, including the independent auditor's draft financial statement audit and litigation, were not cited in an open meeting as a reason for closing the meeting. The County Commission incorrectly cited personnel issues as the reason for all 12 closed meetings held during 2012. In addition, the County Commission did not prepare minutes for one of the closed meetings.

The Sunshine Law, Chapter 610, RSMo, requires minutes be prepared for all closed meetings and the reason for the closed meeting be voted on in an open meeting. In addition, this law provides the Board shall not discuss any other business in a closed meeting which does not directly relate to the specific reason announced and documented to justify the closed meeting.

## Recommendation

The County Commission properly cite reasons for closed meetings and limit discussion during closed meetings to the reasons cited in the open meeting. In addition, minutes for each closed meeting should be prepared and maintained.

## Auditee's Response

*The County Commission provided the following response:*

*We will make every effort to ensure compliance with the Sunshine Law in the future.*

## 3. County Procedures

Procedures to account for capital assets need improvement. In addition, policies for the sale of culverts to townships, cities, and residents have not been adopted and improvement is needed for current procedures in place.

### 3.1 Capital assets

The County Clerk does not maintain overall county property records, and none of the county officials or departments perform and submit an annual inventory list. Neither the County Clerk nor other county officials track



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## Gentry County Management Advisory Report - State Auditor's Findings

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property purchases and dispositions of assets throughout the year. The County Clerk did not send out requests for inventory lists to the various county departments during 2012. In addition, property tags are not being issued to the departments and some assets are not tagged, identifying them as county property.

Adequate county property records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Procedures to track property purchases and dispositions throughout the year, along with periodic physical inventories and comparisons of the results to overall county property records are necessary to evaluate the accuracy of the records, and deter and detect theft. Proper tagging of county property items is necessary to facilitate the record-keeping process. Section 49.093, RSMo, requires counties to account for personal property costing \$1,000 or more, assigns responsibilities to the officer or applicable designee of each county department, and describes details to be provided in the inventory records.

A similar condition was noted in our prior report.

### 3.2 Culvert sales

The county does not maintain adequate records of culvert sales to townships, cities, and residents of the county, has not developed formal procedures to adequately account for the sale of culverts, and does not collect retail sales tax on sales for private purposes. The County Clerk indicated culverts have been sold to townships, cities, and residents for many years to potentially reduce the workload of the road and bridge department. The County Clerk prepares bills and receives payments from culvert sales. Total receipts from culvert sales were approximately \$24,000 for the year ended December 31, 2012. Our review noted the following concerns:

- The county has not developed formal policies and procedures related to culvert sales. Townships, cities, and residents contact the road and bridge department or County Clerk when purchasing a culvert. Culverts are sold at cost, but an additional \$50 fee is charged if the culvert is delivered. The county should evaluate the practice of selling culverts and develop a formal policy regarding performing these services. In addition, selling culverts may compete with private businesses, which perform this service. Formal written policies should be developed to document the county-related purpose, ensure all county residents are treated equally, and prevent misunderstandings.
- The County Clerk's log of culvert sales was not kept current, invoice numbers were out of order, and there were some discrepancies between invoices and what was recorded on the log. To ensure all culverts sold are properly charged, billed, and collected, a log of culverts sold should be maintained and kept current. The County Clerk should prepare bills



## Gentry County Management Advisory Report - State Auditor's Findings

based upon the information on the log and should reconcile payments received to bills issued.

- The county does not collect retail sales tax on culverts sold for private purposes. As a result, county residents avoided paying sales tax on these purchases. The county may have circumvented sales tax law by selling culverts for private purposes and not collecting and remitting retail sales tax.

## Recommendations

The County Commission:

- 3.1 And County Clerk work with other county officials to ensure complete and accurate inventory records are maintained, purchases and dispositions of assets are tracked, annual physical inventories are conducted, and assets are tagged as county property.
- 3.2 Reevaluate the practice of selling culverts to residents. If the county continues to provide this service, the County Commission should develop formal policies and procedures regarding culvert sales and ensure an adequate log of culverts sold is maintained and reconcile all billings to receipts on a periodic basis to ensure outstanding receivables are collected. The county should contact the Department of Revenue regarding the collection and remittance of retail sales tax on sales intended for private purposes.

## Auditee's Response

*The County Commission and County Clerk provided the following response:*

- 3.1 *We will work together with the other elected officials and department heads to establish asset procedures to ensure inventories are performed annually, assets are tagged, and purchases and dispositions are tracked throughout the year. We plan to have this recommendation fully implemented by the end of 2014.*

*The County Commission provided the following response:*

- 3.2 *We immediately stopped selling culverts to individuals when this issue was mentioned by the auditors. We will develop a policy by March 1, 2014 regarding sales to cities and townships in the county. We will ensure the County Clerk and road and bridge supervisor work together to account for culvert sales in accordance with the established policy. Documentation will be maintained for the disposition of each culvert purchased in the future.*



Gentry County  
Management Advisory Report - State Auditor's Findings

#### 4. Sheriff's Seized Property Records

The Sheriff's office does not maintain a summary control log documenting all seized property on hand. In addition, the Sheriff's office has not conducted a physical inventory of all seized property.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft or misuse of the items. Summary inventory records of all seized property items, including information such as description, current location, case number, date of seizure, and disposition of such property, along with the performance of periodic physical inventories, are necessary to ensure items are accounted for properly.

#### Recommendation

The Sheriff ensure a seized property inventory control log is maintained and a periodic physical inventory is conducted and reconciled to the log.

#### Auditee's Response

*The Sheriff provided the following response:*

*I have implemented this recommendation.*

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# Gentry County

## Organization and Statistical Information

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Gentry County is a township-organized, third-class county. The county seat is Albany.

Gentry County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 26 full-time employees and 5 part-time employees on December 31, 2012. The townships maintain county roads.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2013	2012
Rod Dollars, Presiding Commissioner	\$	28,193
Larry B. Wilson, Associate Commissioner		26,193
Gary Carlson, Associate Commissioner		26,193
Carol Reidlinger, County Clerk		39,686
Jerome Y. Biggs Jr., Prosecuting Attorney		47,150
Tim Davis, Sheriff		45,523
Noah Mays, County Coroner		11,089
Joy L. Novak, Public Administrator		28,068
Linda Combs, County Collector-Treasurer, year ended March 31,	39,885	
Sheryl Coburn, County Assessor, year ended August 31,		39,301



**Thomas A. Schweich**  
Missouri State Auditor

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# Fifteenth Judicial Circuit

## Lafayette County



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November 2013  
Report No. 2013-132

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<http://auditor.mo.gov>





**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Fifteenth Judicial Circuit, Lafayette County

Timeliness of Receipts	The Circuit Clerk's office did not properly receipt and deposit all monies received. Four checks in the safe had not been receipted, entered into the Justice Information System (JIS), or deposited for various reasons including dismissal of charges, inadequate case information, and unmet plea agreement terms. Two of the four checks were from 2006. Eight checks were not entered into the JIS until one or two business days after receipt, and three of the 140 manual receipt slips written during 2012 were not timely entered into the JIS.
Contract Employee	The Probate Deputy Circuit Clerk was paid \$1,800 in 2012 for additional duties as Law Library Trustee, but the court had no documentation to support classifying this position as an independent contractor and did not report these earning to the Internal Revenue Service.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Fifteenth Judicial Circuit

## Lafayette County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Presiding Judge and Court en banc  
and  
Circuit Clerk of the  
Fifteenth Judicial Circuit  
Lafayette County, Missouri

We have audited certain operations of the Fifteenth Judicial Circuit, Lafayette County in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the court's internal controls over significant financial functions.
2. Evaluate the court's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the court, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the court's management, the Office of State Courts Administrator, and Lafayette County and was not subjected to the procedures applied in our audit of the court.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the Fifteenth Judicial Circuit, Lafayette County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Kenneth Erfurth
Audit Staff:	Toryana Vestal

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# Fifteenth Judicial Circuit

## Lafayette County

### Management Advisory Report - State Auditor's Findings

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#### **1. Timeliness of Receipts**

The Circuit Clerk's office does not properly receipt and deposit all court receipts. Receipt slips are not issued for some monies immediately upon receipt and manual receipt slips are not always entered into the Justice Information System (JIS), the Missouri Courts automated case management system, in a timely manner.

According to court records, receipts processed during the year ended December 31, 2012, totaled approximately \$1,838,000. Fines, bonds, and court costs are collected, recorded in the JIS, and deposited into the Circuit Clerk's general bank account by personnel of the Circuit Clerk's office.

The Circuit Clerk's office did not properly receipt the following monies in a timely manner:

- Four checks in the safe had not been receipted, entered into the JIS, or deposited as of a cash count on June 5, 2013. The Circuit Clerk indicated two checks from 2006 were not receipted because charges were dismissed on the individual prior to receiving the monies in the mail and the individual could not be located to return the money. For one check, a case did not exist in the JIS when the check was received on June 3, 2013, and the Circuit Clerk is waiting for the case to be filed before processing this receipt. The fourth check received on May 6, 2013, was not receipted or deposited because certain terms of the plea agreement with the Prosecuting Attorney had not been met. This receipt will be processed once all terms of the plea agreement are met.
- Eight checks identified during the June 5, 2013, cash count were not entered in the JIS when received. Seven of these receipts were entered in the JIS the next business day and the eighth receipt was entered in the JIS 2 business days later. The Circuit Clerk indicated if all information to create a new case is not entered in the JIS by the end of the day, the court's procedure is to discard the receipt in progress and complete the receipting process the next day.
- Manual receipt slips are not always entered into the JIS in a timely manner. Of the 140 manual receipt slips written during 2012, three were not entered into the JIS in a timely manner, with delays up to 9 business days. The Circuit Clerk did not know why these manual receipt slips had not been entered in the JIS in a timelier manner.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, it is necessary to ensure all monies are promptly receipted, entered into the JIS, and deposited timely.



Fifteenth Judicial Circuit  
Lafayette County  
Management Advisory Report - State Auditor's Findings

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## Recommendation

The Circuit Clerk immediately issue receipt slips for all monies received, including monies without an assigned case or pending additional requirements for processing, and deposit the receipts in a timely manner. In addition, the Circuit Clerk should ensure monies receipted using manual receipt slips are timely recorded in the JIS and deposited.

## Auditee's Response

*The Circuit Clerk provided the following written response:*

*As a result of the audit, the monies cited for not being timely receipted were given individual attention by the Circuit Clerk and financial supervisor to determine the circumstances under which the auditing guidelines were not met. While we are confident that the circumstances for the delays are fully justified by standard court business practices, the recommendations for procedural change to avoid similar delays in the future have now been implemented as a result of the audit. Further, pursuant to Supreme Court Rule 4, the Circuit Clerk's Office has discontinued the use of manual receipts except during any period that the automated system is unavailable. We welcome any and all suggestions that help improve our daily practices, especially in terms of financial management.*

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## 2. Contract Employee

Reasons for the Law Library Trustee classification as an independent contractor have not been documented and earnings were not reported to the Internal Revenue Service (IRS). The Probate Deputy Circuit Clerk received payments totaling \$1,800, during 2012, for additional duties as Law Library Trustee. Though the Circuit Judge indicated the duties related to administration of the Law Library are contract duties, documentation of the reasoning behind classifying the duties as an independent contractor was not maintained.

Proper classification of employees and contractors is necessary to ensure compliance with various state and federal laws and regulations. The failure to withhold and properly report payroll and income taxes for workers makes the court potentially subject to additional tax liabilities along with penalties and interest. The Internal Revenue Code requires both W-9 and 1099 reports be filed for independent contractors and IRS Publication 15 requires a W-2 report be filed for employees.

## Recommendation

The Circuit Judge and Circuit Clerk determine the proper classification for the Law Library Trustee and document the decision made. After the classification of the Law Library Trustee is determined, ensure compensation and any withholdings are handled properly and reported to the Internal Revenue Service.



Fifteenth Judicial Circuit  
Lafayette County  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The Circuit Judge provided the following response:*

*We understand the concerns raised by this finding. We feel the Law Library Trustee is a contract employee as she is able to work her own hours, without supervision. As such, we will treat her as a contract employee and prepare a 1099 this year and in subsequent years.*

*The Circuit Clerk provided the following written response:*

*As the Deputy Clerk appointed as Law Library Trustee is under the direct supervision of the Circuit Judge, I do not have access to the details of their current working arrangement. I acknowledge, however, the recommendation that the Circuit Clerk assist in determining the proper classification of a Law Library Trustee and document the decision made; and further, ensure compensation to the trustee and any withholdings are handled properly and reported to the IRS.*

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# Fifteenth Judicial Circuit

## Lafayette County

### Organization and Statistical Information

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The Fifteenth Judicial Circuit consists of Lafayette County as well as Saline County.

The Fifteenth Judicial Circuit consists of one circuit judge and four associate circuit judges. The circuit judge hears cases in Lafayette and Saline Counties. Of the four associate circuit judges, two are located in Lafayette County and preside over Associate Circuit Divisions II and III. The two other associate circuit judges are located in Saline County. Circuit personnel located in Saline County are not included in the scope of this audit.

#### Personnel

At December 31, 2012, the judges, Circuit Clerk, and Juvenile Officer of the Fifteenth Judicial Circuit, Lafayette County, were as follows:

Title	Name
Circuit Judge, Division I	Dennis A. Rolf
Associate Circuit Judge, Division II	John Frerking
Associate Circuit Judge, Division III	Randall Shackelford
Circuit Clerk	Deana Aversman
Juvenile Officer	Amy Meyers

#### Financial Information

Receipts of the Fifteenth Judicial Circuit, Lafayette County, were as follows:

	Year Ended December 31, 2012
Court deposits, fee, bonds, and other	\$1,837,757
Interest Income	1,080
Total	\$1,838,837

#### Caseload Information

From the Office of State Courts Administrator Missouri Judicial Reports, case filings of the Fifteenth Judicial Circuit, Lafayette County, were as follows:

	Year Ended June 30, 2012
Civil	1,622
Criminal	4,739
Juvenile	69
Probate	169
Total	6,599





Thomas A. Schweich  
Missouri State Auditor

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# INSURANCE, FINANCIAL INSTITUTIONS, AND PROFESSIONAL REGISTRATION

## Division of Professional Registration

### State Board of Embalmers and Funeral Directors



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December 2013  
Report No. 2013-133

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the Division of Professional Registration, State Board of Embalmers and Funeral Directors

Background	The State Board of Embalmers and Funeral Directors was established in 1895 to adopt and enforce rules and regulations for standards of service and practice to be followed in the professions of embalming and funeral directing. The Board also licenses funeral establishments and preneed sellers and providers. Five of the six board members possess a license to practice embalming and/or funeral directing, and board members are appointed by the governor with the advice and consent of the senate.
Findings	The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures. No findings resulted from our audit.

In the areas audited, the overall performance of this entity was **Excellent**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Division of Professional Registration

## State Board of Embalmers and Funeral Directors

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
John M. Huff, Director  
Department of Insurance, Financial Institutions, and Professional Registration  
and  
Jane A. Rackers, Director  
Division of Professional Registration  
and  
State Board of Embalmers and Funeral Directors  
Jefferson City, Missouri

We have audited certain operations of the Department of Insurance, Financial Institutions, and Professional Registration, Division of Professional Registration, State Board of Embalmers and Funeral Directors, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2013 and 2012. The objectives of our audit were to:

1. Evaluate the board's internal controls over significant management and financial functions.
2. Evaluate the board's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the board; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the board's management and was not subjected to the procedures applied in our audit of the board.

For the areas audited, we identified (1) no significant deficiencies in internal control, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. No findings resulted from our audit of the Department of Insurance, Financial Institutions, and Professional Registration, Division of Professional Registration, State Board of Embalmers and Funeral Directors.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditors:	Robert McArthur II Joyce Thomson
Audit Staff:	Mariam Ahmedbani

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# Division of Professional Registration

## State Board of Embalmers and Funeral Directors

### Organization and Statistical Information

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The State Board of Embalmers and Funeral Directors was established in 1895 by an act of the Missouri General Assembly. The Omnibus State Reorganization Act of 1974 transferred the Board to the Division of Professional Registration. By Executive Order 06-04, the division moved from the Department of Economic Development to the reorganized Department of Insurance, Financial Institutions, and Professional Registration on August 28, 2006.

The Board is responsible for the adoption and enforcement of rules and regulations for the transaction of its business and for standards of service and practice to be followed in the professions of embalming and funeral directing. The board's rules and regulations require licensure for individuals engaged in the practice of embalming, funeral directing, and preneed agent/funeral director agent, and licensure of funeral establishments, preneed sellers, and preneed providers. At June 30, 2013, there were 6,314 licensed professionals and establishments. Embalmer and funeral director biennial license fees are \$200, funeral establishment biennial license fees are \$250, and preneed annual license fees range from \$0 to \$200.

The Board consists of six members, with five members possessing a license to practice embalming and/or funeral directing and one voting public member. Board members are appointed by the governor with the advice and consent of the senate and serve a term of 5 years. Members whose terms expire may continue to serve until a replacement is appointed. The board members at June 30, 2013, were:

<b>Member</b>	<b>Term Expires</b>
James Reinhard, Chairman	April 1, 2014
Archie Camden, Vice Chairman	September 1, 2016
Collin Follis, Secretary	April 1, 2017
Gary Fraker, Member	April 1, 2011
Jerald Dickey, Member	April 1, 2018
Eric Pitman, Member	April 1, 2016

Board members receive a \$50 per diem compensation and expenses while performing their duties. The Board appoints an executive director to perform the board's administrative duties. Sandy Sebastian serves as Executive Director. Eight other employees perform various administrative duties.

## Appendix A

### Division of Professional Registration

### State Board of Embalmers and Funeral Directors

### Board of Embalmers and Funeral Directors Fund

### Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

	Year Ended June 30,	
	2013	2012
<b>RECEIPTS</b>		
License fees	\$ 705,363	1,494,642
Other fees	7,490	10,986
Miscellaneous	1,382	3,223
Total Receipts	714,235	1,508,851
<b>DISBURSEMENTS</b>		
Appropriated expense and equipment costs	74,423	70,130
Transfer to Professional Registration Fees Fund (1)	636,450	667,896
Transfer to General Revenue Fund (2)	11,637	23,129
State Central Services cost allocation	7,692	7,514
Total Disbursements	730,202	768,669
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	(15,967)	740,182
<b>CASH AND INVESTMENTS, JULY 1</b>	2,335,820	1,595,638
<b>CASH AND INVESTMENTS, JUNE 30</b>	\$ 2,319,853	2,335,820

- (1) For reimbursement of personal services, employee benefits, and operating costs paid from the Professional Registration Fees Fund.
- (2) For reimbursement of services provided by the Administrative Hearing Commission and Attorney General's office paid from the General Revenue Fund.

Appendix B

Division Of Professional Registration  
 State Board of Embalmers and Funeral Directors  
 Comparative Statement of Appropriations and Expenditures

			Year Ended June 30,						
			2013		2012				
			Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances	
BOARD OF EMBALMERS AND FUNERAL DIRECTORS FUND									
Embalmers and Funeral Directors - Expense and Equipment			\$	204,033	74,423	129,610	209,781	70,130	139,651
Total Board of Embalmers and Funeral Directors Fund			\$	204,033	74,423	129,610	209,781	70,130	139,651



## Appendix C

Division of Professional Registration  
State Board of Embalmers and Funeral Directors  
Comparative Statement of Expenditures (From Appropriations)

		Year Ended June 30,				
		2013	2012	2011	2010	2009
Travel, in-state	\$	22,803	24,320	15,503	20,974	24,638
Travel, out-of-state		1,313	2,348	0	0	2,657
Supplies		18,741	16,681	14,243	18,420	12,454
Professional development		1,460	1,579	487	250	1,250
Communication service and supplies		6,514	6,564	4,517	2,219	2,749
Professional services		18,268	15,042	13,886	52,535	50,378
Maintenance and repair services		865	123	293	1,322	1,354
Motorized equipment		0	0	17,356	0	0
Office equipment		1,541	509	2,935	78	0
Other equipment		0	337	0	0	0
Property and improvements		0	0	17,446	2,077	0
Building lease payments		856	305	0	746	1,546
Equipment rental and leases		65	91	62	0	100
Miscellaneous expenses		1,997	2,231	2,569	4,925	6,228
Total Expenditures	\$	74,423	70,130	89,297	103,546	103,354



# Thomas A. Schweich

Missouri State Auditor

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## Stoddard County



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December 2013  
Report No. 2013-134

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of Stoddard County

Property Tax System	As noted in our prior audit report, property tax system controls and procedures need improvement. The County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes, and neither the County Clerk nor the County Commission adequately verifies the accuracy of the County Collector-Treasurer's annual settlements. The County Clerk does not prepare or verify the accuracy of the current or delinquent tax books.
County Collector-Treasurer Oversight	The County Collector-Treasurer does not adequately oversee the accounting activities performed by the Deputy Collector.
Prosecuting Attorney Controls and Procedures	The Prosecuting Attorney's office does not provide adequate oversight to ensure it transmits all monies received to the County Collector-Treasurer and victims. The Prosecuting Attorney's office does not maintain a complete list of accounts receivables and currently stores data in three different accounting systems. The systems could not produce a complete report of accounts receivables, and for three of ten cases reviewed the accounting system showed an inaccurate balance owed. The Prosecuting Attorney's office does not have procedures to follow up on accounts receivables and does not periodically review outstanding balances to determine if any are uncollectible and could be written off.
Additional Comments	<p>Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.</p> <p>The Stoddard County Sheriff's office is the subject of a separate audit report, No. 2013-112, <i>Stoddard County Sheriff</i>, which was issued in November 2013.</p>

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Stoddard County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Stoddard County

We have audited certain operations of Stoddard County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones & Associates, Certified Public Accountants, was engaged to audit the financial statements of Stoddard County for the 2 years ended December 31, 2012. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Stoddard County.

An additional report, No. 2013-112, *Stoddard County Sheriff*, was issued in November 2013.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is written in a cursive style with a large, stylized "S" at the end.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Keriann Wright, MBA, CPA
In-Charge Auditor:	Matthew Schulenberg, CFE
Audit Staff:	Rachelle Thompson
	Andrew Ferguson, M.Acct.

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# Stoddard County Management Advisory Report State Auditor's Findings

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## **1. Property Tax System**

As noted in our prior audit report, property tax system controls and procedures need improvement. During the year ended February 28, 2013, property taxes charged to the County Collector-Treasurer totaled approximately \$22.8 million.

### **1.1 Account book**

The County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes. In addition, the County Clerk and the County Commission do not perform adequate procedures to verify the accuracy of the County Collector-Treasurer's annual settlements. As a result, errors and irregularities on the annual settlement could go undetected. The County Clerk reviews the monthly and annual settlements for mathematical accuracy and the County Commission scans the annual settlements; however, a detailed review is not performed.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records which summarize all taxes charged to the County Collector-Treasurer, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector-Treasurer each year are accounted for properly and could also be used by the County Clerk and County Commission to verify the County Collector-Treasurer's annual settlements.

### **1.2 Tax books**

The County Clerk does not prepare or verify the accuracy of the current or delinquent tax books. The county's computer programmer enters the property tax levies into the property tax system, as provided by the County Clerk, and the County Collector-Treasurer extends and prints the current and delinquent tax books and tax statements and verifies the accuracy of amounts to be collected. The County Clerk does not test or verify the accuracy of the tax books. Because the County Collector-Treasurer is responsible for collecting property tax monies, good internal controls require that someone independent of that process be responsible for generating and testing the accuracy of the property tax books. A review of tax books should include verification of individual entries in the tax books and recalculating tax book totals and charges. Failure to perform adequate reviews of the tax books by an independent person may result in errors or irregularities going undetected.

Sections 137.290 and 140.050, RSMo, require the County Clerk to extend the current and delinquent tax books and charge the County Collector-Treasurer with the amount of taxes to be collected. If it is not feasible for the County Clerk to prepare the tax books, at a minimum, the accuracy of the tax books should be verified and approval of the tax book amounts to be charged to the County Collector-Treasurer should be documented.



Stoddard County  
Management Advisory Report - State Auditor's Findings

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## Recommendations

- 1.1 The County Clerk maintain a complete and accurate account book with the County Collector-Treasurer. In addition, the County Commission and the County Clerk should use the account book to review the accuracy and completeness of the County Collector-Treasurer's annual settlements.
- 1.2 The County Clerk prepare the current and delinquent tax books, or at a minimum, verify the accuracy of the tax books prior to charging the County Collector-Treasurer with the property tax amounts to be collected. Procedures performed should be documented.

## Auditee's Response

*The County Commission and County Clerk provided the following response:*

- 1.1 *An account book was established in February 2013. This account book will be used to review the County Collector-Treasurer's annual settlement for accuracy and completeness.*

*The County Clerk provided the following response:*

- 1.2 *I will test and verify the accuracy of the tax books and document these tests.*

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## 2. County Collector-Treasurer Oversight

The County Collector-Treasurer does not provide adequate oversight of accounting activities. During the year ended February 28, 2013, the County Collector-Treasurer collected approximately \$19.9 million.

The Deputy Collector is responsible for making disbursements and preparing monthly and annual settlements, in addition to collecting and recording some receipts. However, the County Collector-Treasurer only occasionally reviews disbursements and compares monthly/annual settlements to supporting documentation, and these reviews are not documented.

Proper oversight is necessary to provide more assurance accounting records are complete and accurate, transactions are proper, and assets are adequately safeguarded.

## Recommendation

The County Collector-Treasurer perform and document supervisory reviews of all accounting duties.

## Auditee's Response

*The County Collector-Treasurer provided the following response:*

*I will begin documenting my review of all accounting records. In addition, procedures have been developed to help review monthly and annual settlements.*





Stoddard County  
Management Advisory Report - State Auditor's Findings

### 3. Prosecuting Attorney Controls and Procedures

Controls and procedures need improvement. During the year ended December 31, 2012, the Prosecuting Attorney's office collected approximately \$133,500 in bad check fees and restitution and court-ordered restitution.

#### 3.1 Oversight

The Prosecuting Attorney's office does not provide adequate oversight to ensure all monies received are properly transmitted to the County Collector-Treasurer and victims. Two employees are primarily responsible for collecting and recording monies received, while one of these employees is also responsible for turning bad check fees over to the County Collector-Treasurer and transmitting bad check and court-ordered restitution payments to victims.

Proper oversight is necessary to provide more assurance all monies received are properly and timely turned over to County Collector-Treasurer or transmitted to the victims.

#### 3.2 Accounts receivable

The Prosecuting Attorney's office does not maintain a complete list of accounts receivables and the accounting systems used to track fees and restitution payments are not complete and accurate. In addition, the Prosecuting Attorney's office does not adequately monitor bad check fees and restitution, and court-ordered restitution payments due from defendants. According to records, accounts receivables totaled at least \$675,000 as of December 31, 2012.

##### Accounts receivable list

A complete list of accounts receivables is not maintained and the accounting systems used for tracking payments are not complete and accurate. The Prosecuting Attorney's office currently uses three different accounting systems to monitor amounts owed and payments received. According to personnel, systems were upgraded over the years; however, they have not had the personnel to move data from the old systems into one complete system.

- An accounts receivable report could not be prepared from one of the systems, and the other two systems could only prepare a listing of accounts receivables for either bad checks or court-ordered restitution owed, but not both. As a result, the Prosecuting Attorney's office was unable to determine a complete and accurate accounts receivable balance.
- The accounting systems do not include an accurate balance of amounts owed. For three of ten cases reviewed, the system showed an outstanding accounts receivable balance; however, case files indicated the case had been paid in full. According to personnel, one of the



## Stoddard County Management Advisory Report - State Auditor's Findings

systems crashed and they have not had time to go back into the system to ensure the outstanding balances are accurate.

### Follow-up procedures

The Prosecuting Attorney's office does not reconcile accounts receivable records with court records to ensure all outstanding balances are considered for follow up, and no other procedures are in place to follow up on accounts receivables. Additionally, outstanding balances are not periodically reviewed to determine if any amounts are uncollectible and could be written off.

The Prosecuting Attorney's office relies on the Circuit Court to monitor and follow up on account receivables for bad check fees and bad check and court-ordered restitution due. On a monthly basis, the Circuit Court prepares a listing of all individuals who have an outstanding balance with the Prosecuting Attorney's office, based on court records. At the court's request, the Prosecuting Attorney's office will provide information about whether individuals made any payments during the last month. If payment had not been made and an extension had not been granted, the court issues an arrest warrant for non-payment. Without ensuring the court's records are complete and accurate, the Prosecuting Attorney's office cannot ensure all outstanding balances are considered for follow up.

Proper and timely monitoring of accounts receivables is necessary to help ensure unpaid restitution is collected and distributed to the victims and proper follow-up action is taken for non-payment. In addition, proper monitoring is necessary to provide information to the Circuit Judge when amounts are deemed uncollectible and should be written off.

### Recommendations

The Prosecuting Attorney:

- 3.1 Ensure periodic independent or supervisory reviews of monies transmitted are performed and documented.
- 3.2 Improve monitoring of unpaid bad check fees and restitution, and court-ordered restitution. In addition, the Prosecuting Attorney should maintain a complete list of accounts receivables and ensure accounting systems are complete and accurate.

### Auditee's Response

*The Prosecuting Attorney provided the following written responses:*

- 3.1 *The Prosecuting Attorney's Office has in place procedures that adequately ensure against fraud or mismanagement in that 1) this office does not accept any form of payment other than money orders made payable to either the victim or Stoddard County; 2) if a money order is received made payable to a victim for restitution it is immediately forwarded to the victim; 3) if a money order is received made payable to Stoddard County for fees associated with*



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Stoddard County  
Management Advisory Report - State Auditor's Findings

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*prosecution it is transferred to the County Collector/Treasurer immediately when the total of all money orders in the office possession exceeds \$150.00; 4) that adequate segregation of duties are and have been in place in that one person is not solely responsible for the receipt of moneys, our bad check clerk is primarily responsible for receiving money from Defendants, her receiving of money orders is supervised, monitored and reviewed by our office manager on a regular basis, there exists no standard for auditing or governmental organizations, programs, activities and functions established by the comptroller general of the United States that requires any additional level of oversight; 5) additional procedures are now in place to ensure that documentation of regular oversight of the forwarding of money order to the county or victims can be provided to auditors in the future.*

- 3.2 *The Prosecuting Attorney of Stoddard County, Russell D. Oliver, took office January 1st of 2011. Since that time our office, with much success, has put forth a great deal of effort to collect old to very old restitution debts for victims. That said, \$606,023.81 of the \$675,000.00 figure included in the Auditor's report as accounts receivables are old to very old restitution amounts which are, for various reasons, very difficult or impossible to collect. A great many of these very old restitution amounts are greater than 10 years old.*

*The Stoddard County Prosecuting Attorney's Office has begun to keep a manually entered records system in a Microsoft Excel Spreadsheet to allow us to track accounts receivables.*

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# Stoddard County

## Organization and Statistical Information

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Stoddard County is a township-organized, third-class county. The county seat is Bloomfield.

Stoddard County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 57 full-time employees and 25 part-time employees on December 31, 2012. The townships maintain county roads.

In addition, county operations include the Senate Bill 40 Board and the 911 Board.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2013	2012
Greg Mathis, Presiding Commissioner	\$	32,450
Frank Sifford, Associate Commissioner		30,450
Carol Jarrell, Associate Commissioner		30,450
Kay Asbell, Recorder of Deeds		45,750
Joe Watson, County Clerk		45,750
Russell Oliver, Prosecuting Attorney		55,750
Carl Hefner, Sheriff		50,750
Aaron Mathis, County Coroner		16,750
Pamela Lape, Public Administrator		45,750
Carla Moore, County Collector-Treasurer, year ended March 31,	57,928	
Jody Lemmon, County Assessor, year ended August 31,		45,500
Dan Fisher, County Surveyor (1)		

(1) Compensation on a fee basis.



Thomas A. Schweich  
Missouri State Auditor

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## PUBLIC SAFETY

### Office of the Director



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December 2013  
Report No. 2013-135

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Department of Public Safety, Office of the Director

Missouri Statewide Interoperability Network (MOSWIN)	The Department of Public Safety (DPS), Office of the Director (OD) has not provided adequate planning and oversight of the MOSWIN. The OD did not prepare a comprehensive analysis of the estimated cost of various system types, did not prepare a budget of estimated project costs or adequate estimates of the future costs of maintaining the MOSWIN system, and did not adequately track, budget or monitor project costs. The OD could not support project deliverables had been received prior to payment, and the OD paid \$1.3 million at the end of fiscal year 2012 for goods that had not been received to prevent these funds from lapsing. The OD cannot support its allocation of the MOSWIN costs and has not accounted for or tracked some equipment purchased. The State Interoperable Executive Committee did not always follow Sunshine Law requirements.
Disbursements	The OD did not maintain adequate documentation of personnel costs charged to federal and state funding. Between July 2010 and May 2012, neither the employee nor the supervisor approved time entered and charged, and the OD had no other documentation to support the allocation of time charged. Four of the 47 (9 percent) disbursements tested, totaling \$224,500, lacked adequate supporting documentation, increasing the risk amounts paid are inappropriate, inaccurate or not in compliance with contract terms.
Accounting Controls	OD personnel do not issue pre-numbered receipt slips and do not always promptly record or deposit monies. Duties are not adequately segregated, and supervisory reviews are not sufficient. On a few occasions, an employee has taken Peace Officer Standards and Training program monies home to process when the employee got behind at work. The OD has eight employees with access to both enter and approve their own revenue transactions and three employees with access to both enter and approve their own expenditure transactions. There is little or no oversight to ensure such transactions are complete, accurate, and appropriate. The OD does not properly control user access; two former employees still had access to certain systems, and two users had inappropriate access based upon their job responsibilities.
Peace Officer Standards and Training (POST) Program	The OD lacks adequate procedures to ensure local law enforcement agencies comply with notification requirements and does not use information in the officer database to scan for potential problems with licensed law enforcement officers. The OD does not adequately track and monitor complaints against peace officers and has not established written guidance for determining disciplinary action. In addition, the OD has not documented written guidelines specifying the offenses typically allowed or unallowed from an applicant's criminal background check.
Capital Assets	The OD does not maintain complete and accurate records for capital assets and does not reconcile internal capital asset records to the SAM II capital asset system. The OD did not perform an annual physical inventory of capital assets and does not always obtain written approval prior to disposing of capital assets or remove disposed assets from the SAM II capital asset

system timely. The OD does not maintain mileage logs for the vehicle assigned to the DPS director, so the OD is unable to determine the amount of personal use, if any, required to be reported to the IRS as a fringe benefit.

**Excess Property Program and  
Donated Asset Program  
Inventory**

The OD did not perform an annual physical inventory of the equipment maintained at a warehouse managed for the Department of Defense Excess Property Program and the Donated Asset Program. Audit staff attempted to locate five items and one item, night vision goggles, could not be located, and another item, a laptop, did not match the inventory tag number.

**Use of Appropriations**

The OD paid approximately \$67,800 for salaries and travel costs of the Governor's office. The OD paid \$45,100 for a portion of the salaries of seven Governor's office staff and paid \$22,700 related to air travel costs of the Governor's office. Seven of the 9 (78 percent) flights paid in fiscal year 2012 and 35 of the 38 (92 percent) flights paid in fiscal year 2011 did not include an OD representative. The Missouri State Highway Patrol paid at least \$19,200 for the purchase and maintenance of the vehicle assigned to the DPS director, which circumvents the appropriation process and distorts the actual OD operating costs.

**Crime Victims' Compensation  
(CVC) Program**

The OD lacks adequate controls and procedures to ensure disbursements for the CVC program meet program requirements. The OD reimbursed two claims totaling \$2,800 that were filed too late and paid one claim totaling \$11,000 without ensuring a background check had been performed and the victim had cooperated with law enforcement, as required by the program. The OD has not pursued access to employment data that could help ensure claimants meet program requirements and does not ensure CVC refunds are credited back to the appropriate funding source (state or federal).

**Sexual Assault Forensic Exam  
(SAFE) Program**

The SAFE program reimburses medical providers for charges incurred in collecting evidence during forensic examination resulting from a sexual assault or sexual abuse, but the OD has not established monitoring procedures to ensure the charges are reasonable, and amounts submitted for reimbursement varied from \$183 to \$1,656. The OD does not require supervisory reviews to ensure reimbursements paid are accurate and in compliance with program requirements, and, upon review of 25 claims, audit staff found the OD overpaid two providers a total of \$324 and underpaid one provider \$200.

In the areas audited, the overall performance of this entity was **Fair**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Department of Public Safety - Office of the Director

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Jerry Lee, Director  
Department of Public Safety  
Jefferson City, Missouri

We have audited certain operations of the Department of Public Safety, Office of the Director, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2012 and 2011. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, reviewing contracts or reports that are specific to the auditee's operations and significant within the context of the audit objectives, and other pertinent documents; interviewing various personnel of the office, as well as external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the agency's management and was not subjected to the procedures applied in our audit of the agency.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Public Safety, Office of the Director.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with a large, stylized "S" at the end.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
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	Colby Dollens

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# Department of Public Safety

## Office of the Director

### Management Advisory Report - State Auditor's Findings

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#### **1. Missouri Statewide Interoperability Network**

The Department of Public Safety (DPS), Office of the Director (OD) has not provided adequate planning and oversight of the Missouri Statewide Interoperability Network (MOSWIN), a statewide public safety interoperable communications system. As of June 30, 2012, the OD has spent at least \$76 million on the development, implementation, and maintenance of the MOSWIN system since project inception in 2008. As of July 2013, the project is still ongoing.

The MOSWIN system is a network of communication towers, base stations, and communication software that allow for statewide interoperable communications to both state public safety agencies and any local jurisdictions that wish to use the system. The purpose of the system is to help ensure neighboring jurisdictions and multiple disciplines throughout the state can communicate with each other to improve emergency and disaster response.

In December 2008, the state awarded a contract totaling \$81.7 million for the development and maintenance of the MOSWIN system and issued a notice to proceed in June 2009.

#### **1.1 Cost management**

The OD did not adequately manage the costs of developing, implementing, and maintaining the MOSWIN system. The OD did not consider various cost options, and did not adequately track, budget, and monitor project costs. In addition, the OD has not fully determined the funding needed to maintain the system in the future.

##### **Analysis of costs**

The OD did not prepare a comprehensive analysis of the estimated costs of various system types before proceeding with the MOSWIN project.

The state hired a consultant to help determine what type of system would be most beneficial to the state. In 2007, this consultant provided the state with a technical analysis of different types of radio frequency spectrums that could be used for an interoperability system and outlined various ownership options (i.e. state-owned or vendor partnerships). The consultant provided a recommendation on the system that would provide the most beneficial statewide communications system in the shortest amount of time; however, the analysis did not fully consider the estimated cost of the various other options. The OD obtained a cost estimate from another consultant for the recommended system. The cost estimates provided by both consultants ranged from \$100 million to \$300 million to implement the system and at least \$14 million to \$23 million in annual equipment and maintenance costs. Although the cost of the MOSWIN system to date is less than the estimates provided, the OD did not obtain sufficient information to determine if other systems or ownership options would have provided as much benefit to the state at a lower cost.



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According to OD personnel, the MOSWIN system is one of the more technologically advanced interoperability communication systems currently available. In addition, OD personnel said the MOSWIN system has cost significantly less than other state built interoperability communication systems.

According to accepted standards,<sup>1</sup> organizations should define and execute a feasibility analysis that clearly and concisely describes the alternative solutions that will satisfy the business and functional requirements. An evaluation of technological and economic feasibility of the available options should be included in the analysis. The alternative solutions should be reviewed with all stakeholders and the system selected should be the most appropriate one based on feasibility criteria, including risk and cost.

Without performing a comprehensive analysis that includes cost options of available systems, the OD does not have assurance that significant cost outlays are cost effective.

#### Project costs

The OD did not prepare a project budget or an estimate of project costs for the development, implementation, and maintenance of the MOSWIN system. In addition, the OD has not properly accounted for project costs.

OD records indicate at least \$76 million has been spent through June 30, 2012 on MOSWIN. However, the OD has not included costs incurred by other state agencies (including other DPS divisions) involved in the project. In addition, OD records did not include project costs not part of the main contracts, such as the purchase of radio frequencies and other equipment, and internal personnel costs. Our review identified at least \$2.3 million in untracked costs related to radio frequencies, equipment, and services provided, and an undetermined amount of personnel time was also not recorded as project costs.

OD personnel indicated the vendor contracted costs are sufficient to estimate and track project costs. However, the OD did not track these costs as an overall project budget, outline the costs by expenditure type or phase of the project, or consider other project costs, such as personnel costs, outside the contracts.

According to accepted standards,<sup>2</sup> organizations should prepare a project budget that reflects the full economic life cycle costs and the related

<sup>1</sup> COBIT 5 Enabling Processes, BAI02.02 Perform a feasibility study and formulate alternative solutions. © 2012 ISACA. All rights reserved. Used with permission.

<sup>2</sup> COBIT 5 Enabling Processes, BAI01.04 Develop and maintain the program plan. © 2012 ISACA. All rights reserved. Used with permission.



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financial benefits. In addition, organizations should manage project performance against key criteria, such as costs and schedule, to identify deviations from the plan and take remedial action when required.

A complete and well planned budget can serve as a useful management tool by establishing specific cost expectations for each area, providing a means to effectively monitor actual costs, and assisting in keeping cost overruns to a minimum. In addition, an adequate system to track actual costs of developing, implementing, and maintaining such a large communications system is necessary to properly monitor project costs and should be used to compare against project estimates and budgets. This information is necessary for making key project management decisions.

Future maintenance costs

The OD did not prepare adequate estimates of the future costs of maintaining the MOSWIN system. The OD did not periodically review and update the estimated annual cost to maintain the MOSWIN system until fiscal year 2013 when the system was originally expected to become operational. In addition, the OD has not estimated the costs necessary to maintain the MOSWIN system after the contract with the current communications vendor expires.

During the majority of the 4 years of development, the OD did not estimate the costs necessary to maintain the MOSWIN system after implementation. According to OD personnel, in April 2010, an estimate was prepared; however, personnel indicated the estimate was incomplete because several factors were unknown at that time. The OD did not periodically review or update this estimate as information became available. In February 2013, OD personnel estimated the OD needed approximately \$3.8 million annually to maintain the MOSWIN system while under current contracts. The OD has not yet estimated the cost to maintain the MOSWIN system after 2017 when the current communications contract expires. According to personnel, once the MOSWIN system is operational, the OD plans to examine the contractor's maintenance procedures, determine staffing resources needed to maintain the system in-house and compare those costs to the costs of outsourcing maintenance services. Until the system is operational, OD personnel do not believe they can fully estimate future maintenance costs or negotiate future maintenance contracts.

According to accepted standards,<sup>3</sup> organizations should develop and execute a plan for the maintenance of systems and infrastructure components that includes periodic reviews against business needs and operational requirements. In addition, organizations need to consider resource

<sup>3</sup> COBIT 5 Enabling Processes. BAI03.10 Maintain solutions. © 2012 ISACA. All rights reserved. Used with permission.



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availability by assessing the significance of maintenance activities on current solution design, functionality, and/or business process.

Without adequately planning for and estimating the future costs of maintaining the MOSWIN system, the OD does not have sufficient information to determine the level of resources needed to maintain the functionality of the system.

## 1.2 Disbursements

The OD could not support project deliverables had been received or whether invoices agreed to contract terms prior to making payment. We tested 12 disbursements, totaling \$25.8 million, relating to the development and implementation of the MOSWIN system.

We identified various concerns relating to four of the disbursements tested, totaling \$23.6 million. The OD could not support deliverables were actually received prior to making payment. The OD did not always require or receive packing slips or other support to verify the receipt of deliverables, and the OD did not verify the equipment shipped directly to tower sites across the state was actually received prior to making payment. In addition, the OD could not provide documentation showing they had agreed invoices to contract terms prior to payment. Although the OD eventually provided support for how invoices paid agreed to contract terms, there is no documentation to support staff did this or verified receipt of deliverables prior to payment.

Without adequate payment processing procedures, such as ensuring goods and services are received prior to payment and ensuring amounts billed agree to contract terms, the OD cannot ensure all payments made represent valid and appropriate costs to the state.

### Significant year-end disbursements

The OD paid approximately \$1.3 million at the end of fiscal year 2012 for goods that had not been received to prevent these funds from lapsing.

The OD entered into contracts in June 2012 for the purchase of radio frequencies from three vendors. In accordance with the contracts, the OD paid escrow agents who then paid the vendors after the Federal Communications Commission (FCC) approved the frequencies. The OD paid the escrow agents on June 28, 2012; however, the escrow agents did not pay the vendors until August and October 2012.

According to OD personnel, they were unsure how long it would take the FCC to approve the frequencies, a requirement of making payment. Since the funds were available at the time, the escrow agent arrangement was established.



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The Missouri General Assembly and the Governor grant legal authorization to make expenditures. Expenditures are not permitted unless spending authority is granted by an appropriation. Regular appropriations not spent by year-end lapse on June 30. Section 33.065, RSMo, states that no appropriation shall confer authority to incur an obligation after the termination of the fiscal year to which it relates.

As noted in a previous audit report,<sup>4</sup> the state has not established specific guidelines related to year-end spending practices. We recommended the OA consider legislation, regulations, policies or procedures to provide guidance to state agencies on the proper use of appropriations at year end. Such a policy is necessary to establish the criteria for expending funds from the current operating budget on future obligations and to establish documentation requirements to ensure processing transparency.

### 1.3 Allocation of costs

The OD cannot support the methodology used to allocate the costs of the MOSWIN system.

OD personnel indicated the DPS - Missouri State Highway Patrol (MSHP) is allocated MOSWIN costs when the costs directly relate to that division. The remaining costs are then split with 25 percent charged to the MSHP and 75 percent charged to OD funding sources. According to OD personnel, an informal analysis was completed to determine how to allocate the costs of the MOSWIN system. This process included talking with other states, state agencies, and DPS divisions; however, the OD did not retain documentation of this analysis.

According to accepted standards,<sup>5</sup> organizations should establish and maintain a method to account for all project related costs. A classification method should be defined to identify all cost elements, how costs are captured, and how costs are allocated across budgets and services.

Without adequate support for the allocation of MOSWIN costs, there is less assurance the use of the various state and federal funding sources was reasonable and appropriate.

### 1.4 Asset management

The OD has not accounted for or tracked some equipment purchased and received for the MOSWIN system since project development began. As a result, the OD has limited assurance that assets are accounted for properly and safeguarded from theft or misuse.

<sup>4</sup> Report No. 2012-44, *Year-End Spending Practices*, issued in June 2012.

<sup>5</sup> COBIT 5 Enabling Processes. APO06.01 Manage finance and accounting. © 2012 ISACA. All rights reserved. Used with permission.



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As of March 2013, the OD had not tagged, tracked, or accounted for some equipment received. This has occurred, in part, due to the equipment for the MOSWIN system not being delivered in a consistent manner. The OD received some equipment directly, while vendors shipped other equipment directly to communication tower sites across the state. According to personnel, the OD tracked equipment received in-house, but did not track equipment shipped off-site. After our audit inquiries, the OD requested a detailed listing of all equipment purchased from the main contractor and started conducting an inventory of statewide MOSWIN assets in March 2013. However, without having tracked the inventory themselves, OD personnel cannot determine whether the listing received from the contractor is complete and accurate. Personnel indicated they would know all equipment paid for was received based on whether the system was working when they showed up on-site at each tower; however, without a complete listing of equipment purchased and its location, the OD does not have assurance all equipment paid for is properly accounted for at the project sites.

According to OD personnel, the OD did not have sufficient personnel to inventory all assets when received. In addition, the OD chose to wait until system development was complete to inventory all assets in case some equipment had to be replaced or did not work with the system once installed. Personnel further indicated the primary goal during development was ensuring the contractual goal of obtaining 95 percent coverage across the state was met.

According to accepted standards,<sup>6</sup> assets should be managed from procurement to disposal to ensure equipment is utilized as effectively and efficiently as possible and is accounted for and physically protected. The failure to track and maintain a complete and accurate listing of equipment reduces the control and accountability over assets and increases the risk that loss, theft, or misuse will go undetected.

## 1.5 Sunshine Law

The State Interoperable Executive Committee (SIEC) did not always follow Sunshine Law requirements relating to meeting minutes as required by Chapter 610, RSMo. The SIEC did not always prepare and approve meeting minutes, and minutes prepared did not always include sufficient detail, such as the date, time, place, and members present.

The OD has been designated to provide the day-to-day operation and oversight of the SIEC. The SIEC was established under an Executive Order

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<sup>6</sup> COBIT 5 Enabling Processes. BAI09.03 Manage the asset life cycle. © 2012 ISACA. All rights reserved. Used with permission.





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and is responsible for developing a statewide communications strategic plan as it relates to implementing the MOSWIN system.

Chapter 610, RSMo, requires minutes of open meetings be taken and retained by the public governmental body. In addition, meetings should include the date, time, place, members present, members absent, and a record of votes taken.

## Recommendations

The OD:

- 1.1 Ensure future projects are supported by a comprehensive analysis of the estimated costs of various options and a formal project budget. In addition, the OD should properly account for and compare project costs to budgeted amounts.
- 1.2 Require acknowledgement of the receipt of goods and services and compare invoiced amounts to contract terms prior to making payment. In addition, work with the OA to obtain guidance on the proper use of appropriations at fiscal year end.
- 1.3 Develop and document a reasonable and appropriate methodology for allocating system costs.
- 1.4 Maintain complete and accurate asset records.
- 1.5 Ensure meeting minutes are properly prepared and approved and include sufficient detail.

## Auditee's Response

- 1.1 *The MOSWIN system became operational on January 1, 2013, within the scheduled time period for public safety agencies to meet the FCC narrow banding deadline. The system is a public safety land-mobile radio system designed to provide interoperable radio communications for law enforcement and other first responders. To date, approximately 600 local and state agencies use the system, and new agencies are joining the system at an average rate of 15 agencies per month. Overall, the contracted deliverable was for the system to provide 95% mobile radio coverage throughout Missouri, meaning that the system must provide user agencies coverage on their mobile radios in at least 95% of the accessible areas in each county. Two separate consultants were hired to advise the state regarding the various types and costs of interoperable radio systems. The current system configuration was selected through a competitive process, and as the auditor notes, cost less than the estimates provided for comparable statewide interoperable radio systems.*



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*Costs for construction of the MOSWIN system were tracked at project inception through a quarterly budget matrix and then throughout the project to ensure that annual appropriations were not exceeded and that contract deliverables were met. Overall, contract oversight and system inspections have resulted in approximately \$5.6 million in credits applied to the original contract amount based on ongoing assessments of the original contract deliverables and subsequent modifications. Charges were reviewed by staff, along with consultants hired specifically for contract oversight, to ensure that the items charged were necessary and actually received. Through this process, credits were applied to the contract through change orders starting in 2011 and throughout the project.*

*The Office of Director (OD) applied traditional project management methods to track costs and project milestones and, through this process, the system became operational within the target date of January 1, 2013, and within the appropriated amounts. While the MOSWIN system includes IT components, the COBIT 5 model cited by the auditor as applicable to IT projects does not address land-mobile radio systems. The OD will review the COBIT 5 standards to determine if any are applicable to future maintenance of MOSWIN.*

*Costs estimates to maintain the physical infrastructure of the system were completed in 2010 and the OD has periodically updated those estimates as needed. The system is currently under warranty and, during the warranty period, the vendor provides technical personnel to ensure the infrastructure is functioning as intended. The department is currently assessing the technical oversight provided by the vendor to determine whether it is more cost efficient to extend the warranty services or use state personnel for technical oversight.*

- 1.2 *Invoices were reviewed to confirm delivery of the services and the appropriate funding source prior to payment. Audits of the individual tower sites and other infrastructure components were conducted once it was determined that the system engineering had met the contract deliverable to provide 95% mobile coverage in each county. This timeline allowed for more efficient use of resources since confirmation of the delivery of the component parts would not ensure that the engineers had appropriately configured those components to meet the overall contract deliverable of 95% mobile coverage. Since the system became operational in January 2013, the department has been conducting audits and physical inspections of each of the 73 tower sites and master sites to ensure*



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*that the system meets applicable codes and other contract deliverables. Overall, contract oversight and system inspections have resulted in approximately \$5.6 million in credits applied to the original contract amount based on ongoing assessments of the original contract deliverables and subsequent modifications.*

- 1.3 Costs to construct the system were assessed to the available funding sources based on the allowable uses for those funds and the designated appropriation authority.*
- 1.4 The OD is in the process of completing an asset inventory of the MOSWIN infrastructure.*
- 1.5 The OD has assigned personnel to ensure that future SIEC meeting minutes are properly prepared and approved and include sufficient detail.*

## Auditor's Comment

The OD response does not address several audit recommendations. For example, the OD does not address recommendations to prepare a comprehensive budget for future projects, to compare invoiced amounts to contract terms prior to making payment, or to develop reasonable methodologies to allocate system costs.

Also, contrary to the OD response, COBIT 5 standards are not limited to IT systems. COBIT 5 covers all functions and processes within an organization by addressing the governance and management of information and related technology from an organization-wide, end-to-end perspective. COBIT 5 does not only focus on the information technology (IT) function but treats information and related technologies as assets that need to be dealt with just like any other asset by everyone in the organization. Given this extended scope, COBIT 5 can be used by organizations to address all relevant internal and external IT services, as well as internal and external business processes, including the activities and responsibilities of both the IT functions and the non-IT business functions, according to ISACA.

## 2. Disbursements

The OD needs to improve disbursement procedures. Our review noted various disbursements, including personnel costs, were not adequately supported or in agreement with contract terms.

### 2.1 Personnel costs

OD personnel did not maintain adequate documentation to support personnel costs charged to funding sources, did not always approve supporting documentation, and did not always ensure allocations agreed with supporting documentation. As a result, the OD cannot substantiate some personnel costs charged to federal and state funding sources. For the 2 years ended June 30, 2012, the OD paid personnel costs (excluding benefits) totaling \$6.2 million, and charged \$3.1 million of these costs to various federal programs.



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Each pay period, OD employees enter the time spent on each federal or state activity into an internal time tracking system. The data is then used to determine the allocation of personnel costs to the various funding sources. However, the employee or the employee's direct supervisor did not approve the time entered and charged for the period of July 2010 through May 2012. In addition, the OD did not have any other documentation (such as timesheets, personnel activity forms, or salary certifications) to support the allocation of time charged during this period. Between April 2012 and June 2012, the OD established procedures requiring the employee or the employee's supervisor to approve the time charged to the various programs and activities.

Our review of personnel costs allocated to both state and federal funds during June 2012 identified 4 of the 13 employees tested either did not have properly approved documentation, such as activity forms or timesheets, or the allocations made did not agree to the approved form or other supporting documentation. Personnel costs (excluding benefits) allocated for these four employees during June 2012 totaled approximately \$11,249 and included both state and federal funding sources. Some of the state funding sources charged included appropriations from other DPS divisions.

Adequate documentation to support personnel costs allocated to various funding sources is necessary to ensure costs are appropriate and accurate.

Similar conditions relating to the federal Homeland Security Grant Program and the federal Justice Assistance Grant Program Cluster were noted in our two prior Statewide Single Audit reports for fiscal years 2012 and 2011.<sup>7</sup>

## 2.2 Supporting documentation

The OD did not always maintain adequate documentation to support disbursements. We identified 4 of the 47 (9 percent) disbursements tested, totaling \$224,500, that lacked adequate supporting documentation.

- For two disbursements, totaling \$132,700, for the development of system interfaces for the Missouri Data Exchange system, the OD did not require the vendor to provide documentation to support how the amount invoiced agreed to the pricing established in the contract. The pricing established in the contract outlined hourly rates; however, the actual invoice was on a per project basis on a fixed rate. The OD could not provide support to show how the fixed rate was derived and or in compliance with contract terms.

<sup>7</sup> Report No. 2013-024, *State of Missouri Single Audit Year Ended June 30, 2012*, issued in March 2013; and Report No. 2012-26, *State of Missouri Single Audit Year Ended June 30, 2011*, issued in March 2012.



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- For one disbursement, totaling approximately \$65,000, the OD did not obtain adequate documentation from the vendor to support the hours worked and hourly rate billed. The OD agreed to pay a vendor, based on an hourly rate and a certain number of hours worked, for an emergency management function exercise. However, the OD paid an invoice based only on the requested payment and could not provide support to show how the amount billed agreed to the terms of the agreement.
- For one disbursement, the OD reimbursed a subrecipient approximately \$27,000 for services provided to juveniles through the federal Juvenile Accountability Block Grant program without obtaining documentation to support that the subrecipient had actually incurred expenses.

Without adequate documentation, there is an increased risk that amounts paid are inappropriate, inaccurate, or not in agreement in contract terms.

## Recommendations

The OD:

- 2.1 Ensure adequate records of time worked are prepared and approved by the employee and/or applicable supervisor to support the salary costs allocated to federal and state funding sources.
- 2.2 Maintain adequate documentation to ensure all disbursements are properly supported and in compliance with contract terms.

## Auditee's Response

- 2.1 *OD currently requires that all employees' time is approved by someone in their chain of command, normally their immediate supervisor. OD has developed a new report within the Time and Accounting system. Time entered by the employee now shows as allocated to federal and/or state funding sources when the employee signs the time sheet and when the time sheet is approved by their supervisor.*
- 2.2 *Corrective action has been taken to ensure that all supporting documentation on all disbursement requests are properly supported in compliance with contract terms by obtaining time and effort reporting, agreed to pricing establishment, and documentation supporting expenses incurred.*

## 3. Accounting Controls

Procedures related to accounting controls are in need of improvement.

### 3.1 Accounting procedures

The OD needs to improve accounting procedures over various receipt and disbursement types, including the Peace Officer Standards and Training



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(POST) program, Crime Victim Compensation (CVC) program, various federal programs, and other miscellaneous monies, such as refunds.

- OD personnel do not always record monies immediately upon receipt and do not issue pre-numbered receipt slips. In addition, receipts are not always deposited timely or restrictively endorsed "for deposit only" immediately upon receipt. During our cash count of POST monies, we noted 93 checks, totaling \$22,197 that had not been recorded on receipt slips or other accounting records, and had not been restrictively endorsed. Although the prior deposit was made two business days prior to our cash count, most of the receipts had not yet been opened and there was no date stamp to indicate the date of receipt.
- Receipts are not always adequately safeguarded. Generally, personnel maintain receipts in a locked file drawer at the OD until deposit. However, an OD employee indicated POST receipts have occasionally been taken home to process when staff got behind at work. According to this individual, this happened only once or twice in the last several years.
- For the POST program, one individual is primarily responsible for the duties of receipting, recording, depositing, making adjusting entries to receipt records, and performing reconciliations between OD records and the statewide accounting system (SAM II). In addition, the same individual is also responsible for preparing POST disbursements, which rely on the receipt data. According to personnel, another individual reviews supporting documentation for disbursements and typically approves receipt and disbursement transactions entered in SAM II; however, this review is not documented and there is no supervisory review performed to ensure monies received were properly deposited and recorded.
- For the CVC program, a supervisory review is not performed to compare the original record of receipt to deposits made to ensure all receipts are properly deposited. One individual records monies received in a mail log. The log and receipts are forwarded to another individual who creates a secondary receipt log and enters the receipts into the CVC system. Finally, a third individual prepares and makes the deposit. However, the initial record of receipt is not reconciled to amounts deposited.
- For the CVC program, one individual is primarily responsible for write-offs and adjustments of restitution receivables and there is no independent or supervisory review or approval of these transactions.
- For most federal programs, a fiscal staff member is responsible for drawing down federal funds for the programs based on the needs of the



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program. However, there is no independent or supervisory review or approval of these transactions by a program manager to ensure the transactions are accurate.

- OD officials responsible for the CVC program have not performed reconciliations between OD records, including the CVC system, and SAM II to ensure the total revenue and expenditures per SAM II are complete and accurate. As a result, errors could go undetected. During our review, we identified discrepancies totaling \$4,400 between the CVC system and SAM II because 2 disbursement transactions had not been correctly recorded in the CVC system.

Failure to implement adequate cash procedures, including properly securing receipts, increases the risk that loss or misuse of monies received will go undetected. In addition, proper segregation of duties and/or an independent or supervisory review is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. Also, reconciliations are necessary to ensure transactions are proper, and to detect and correct errors on a timely basis.

### 3.2 User account access

The OD has not established adequate user account procedures to ensure segregation of duties and to control user access to various systems.

A periodic review of user access rights ensures the appropriate level of access has been provided. Without a review of user access rights, there is an increased risk that unauthorized alterations of these rights would go undetected or that access rights would not be aligned with current job duties.

#### Segregation of duties

User account access for revenue and expenditure processing and approval duties are not adequately segregated for some systems.

The OD has eight employees with access to both enter and approve their own revenue transactions in SAM II without an additional level of approval required. Under normal circumstances, other employees are involved in the revenue approval process; however, a CVC program employee indicated she regularly enters and approves her own revenue transactions in SAM II.

In addition, for the internal OD WebGrants system, which processes transactions related to various federal programs, the OD has three employees with access to both enter and approve their own expenditure transactions. Furthermore, when these transactions are batched to SAM II for payment, these users also have the ability to approve the same expenditure transaction without an additional level of approval. There is limited or no oversight to ensure the user has entered and approved complete, accurate, and appropriate transactions.



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Adequate segregation of duties is necessary to reduce the risk of erroneous or fraudulent transactions.

User access

The OD has not established adequate procedures for granting user access to the internal WebGrants system, and some current and former employees had inappropriate access to OD systems.

The OD does not document access authorizations, and users with access to the WebGrants system can grant another user access or modify another user's access rights. Our review of user accounts in the WebGrants and the CVC systems identified (1) a former employee still had access to the WebGrants system; (2) another former employee still had access to the CVC system, and (3) OD personnel indicated two users had inappropriate access to the CVC system based on their job responsibilities.

Without properly controlling user access, users may be granted inappropriate or unauthorized access, which can provide opportunities for fraud, sabotage, and inappropriate disclosures.

Recommendations

The OD:

- 3.1 Record receipts, issue pre-numbered receipt slips, and restrictively endorse receipts immediately upon receipt, deposit receipts timely, establish adequate segregation of duties, and establish procedures to perform reconciliations between OD records and SAM II.
- 3.2 Review user access to both internal and statewide systems to ensure incompatible functions are identified and properly segregated, and access rights are commensurate with user's job duties and responsibilities. In addition, the OD remove access privileges timely upon employee termination, and establish procedures for granting user access.

Auditee's Response

- 3.1 *Additional measures have been implemented to track receipts and segregate duties.*

*Receipts (checks) for the POST fund are marked to ensure fund amounts are entered to the appropriate agency and endorsed as "for deposit only" to the State of Missouri. Receipts are also tracked through the POST fund database by check number, date entered, and amount. Deposits are prepared with copies of checks and listing of receipts from the database included with the completed deposit ticket. Deposits are approved by administrative staff other than the individual preparing the deposit. Monthly deposit reports from the data warehouse are reconciled with the agency summary*





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*report from the fund database to ensure deposits reconcile each month and also when preparing the annual POST distribution.*

*The CVC program has changed the deposit procedure to include a supervisory review of the initial record of receipt in the mail log to ensure that it reconciles with the amounts being deposited. After review, the supervisor now initials the record of receipt in the mail log as well as approving the amount deposited in the SAM II payment system.*

*The CVC program has also changed the write-off and adjustment procedures of restitution receivables to include not only verbal approval from the supervisor, but also written approval from the supervisor when the program's subrogation interest is reduced or when restitution or settlements from civil litigations are not collectable.*

- 3.2 *The SAM II system has changed and an employee who creates a revenue transaction cannot also approve the same transaction. The CVC program has changed the revenue transaction procedure to include a separate individual to approve the transaction in SAM II.*

*The CVC program will conduct a yearly review to ensure that employee access to the CVC system is based upon their job duties and responsibilities and will work with Human Resources when an employee is terminated to ensure their name and access privileges are removed from the CVC and SAM II database in a timely manner.*

## **4. Peace Officer Standards and Training Program**

Improvements are needed in the management and administration of the Peace Officer Standards and Training (POST) program. The Missouri's Peace Officer Standards and Training Commission establishes the rules and regulations for the POST program as specified in Chapter 590, RSMo. The OD is responsible for licensing and regulating peace officers, continuing education providers, training instructors, and training centers; establishing a classification system for licenses; establishing minimum standards for peace officers and for admittance into basic training; and developing the Missouri Peace Officer License Exam. The OD issued 1,147 peace officer licenses during 2012 and 1,371 peace officer licenses during 2011.

### **4.1 Statutory compliance**

The OD has not established adequate monitoring procedures to ensure local law enforcement agencies comply with notification requirements of state law. Section 590.070, RSMo, requires the chief executive officer (CEO) of local law enforcement agencies to notify the OD within 30 days of the hire or termination of commissioned officers. In addition, CEOs are required to



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notify the OD whenever they have reasonable grounds to believe an officer commissioned by their agency is subject to discipline.

The OD does not require the CEOs of local law enforcement agencies to periodically verify the accuracy and completeness of licensed officers employment records. The OD discontinued procedures requiring CEOs to annually confirm employment records of commissioned officers. Instead, the OD established a website for local law enforcement agencies to review a listing of commissioned officers working for their agency. However, the OD does not require CEOs to periodically confirm the listing is accurate and does not follow up with CEOs to ensure the listing has been confirmed. Without periodic confirmations of employment records, the OD cannot ensure employment records are complete and accurate or ensure CEOs are properly notifying the OD of changes in employed officers.

In addition, the OD does not effectively utilize the information contained in the officer database to ensure compliance with state laws. This database contains information regarding each licensee's employment records. The OD could use information in this database to prepare reports that would allow OD officials to scan for potential problems. For example, by identifying officers with frequent turnover, OD officials could locate unreported discipline problems; or by identifying officers that appear to be working at multiple law enforcement agencies, OD officials might locate hire/termination forms not properly submitted.

Without effective monitoring, OD officials cannot ensure hire and departure forms have been submitted timely, ensure employed officers have valid licenses, or initiate disciplinary investigations when needed. Periodic confirmations of employment records and periodic reviews of officer database information would help monitor law enforcement agencies' compliance with state laws relating to the POST program.

## 4.2 Complaints and disciplinary action

The OD needs to improve controls and procedures for tracking and monitoring complaints. In addition, the OD has not established guidance for determining disciplinary action. OD personnel initiate investigations when they learn of alleged actions of peace officers that could lead to discipline. OD personnel learn of these actions through (1) phone calls from private citizens and law enforcement officials, (2) media reports, and (3) departure forms submitted by the law enforcement agencies. Our review noted the following concerns:

- OD personnel do not document the receipt of some complaints. In addition, a tracking number is not assigned to each complaint received. Instead, personnel only log complaints they believe may result in disciplinary action. Without documentation of all complaints received, some complaints are not subject to management oversight to ensure



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proper handling. In addition, without tracking numbers to track all complaints, there is less assurance personnel took appropriate action for each complaint. Documenting the receipt of all complaints is necessary to provide accountability for complaints and to ensure complaints are appropriately investigated.

- The OD does not adequately track the status of complaints or produce periodic reports informing management of the timeliness of complaint investigations. As a result, there is less assurance complaints are investigated and resolved in a timely manner. The OD periodically generates a report to identify cases to be reviewed based on the follow-up date entered into the database by OD staff. However, OD personnel do not periodically generate or review reports showing the aging of investigations.
- OD personnel do not have adequate procedures in place to prioritize complaints and has not established timeframes to ensure high-priority complaints are addressed in a timely manner. Although the OD has established a timeframe for initial follow up on all complaints and dates are entered to generate reminders for following up on complaints, higher priority complaints are not considered for earlier follow up. Adequate procedures over prioritizing and following up on high-priority complaints is necessary to ensure resources are effectively allocated and high-priority complaints are addressed in a timely manner.
- The OD does not have written guidelines regarding discipline. Currently, once the Administrative Hearing Commission (AHC) decides a case is subject to discipline,<sup>8</sup> the DPS director or designee has complete discretion over the type of discipline administered. Although decisions are made on a case-by-case basis, written guidelines would provide suggestions to help ensure disciplinary actions are handled consistently.

#### 4.3 Adverse backgrounds

The OD has not documented written guidelines for identifying criminal offenses applicants may commit and still be licensed. The OD receives the results of each criminal background check prior to licensing peace officers to determine if an applicant has an adverse background. If an adverse background is identified, each application is reviewed on a case-by-case basis to determine whether the applicant will be licensed.

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<sup>8</sup> According to Section 590.080, RSMo, when the director has knowledge of cause to discipline a peace officer license, the director may file a complaint with the AHC, which conducts a hearing to determine whether the director has cause for discipline. Upon a finding by the AHC, the director determines the form of discipline to be imposed.



Although adverse backgrounds should be reviewed on a case-by-case basis, documenting the specific offenses typically allowed or unallowed for an applicant to be licensed would provide a set of guidelines to use as a basis in making licensing decisions and would provide added assurance that applications are handled consistently.

## Recommendations

- 4.1 Establish monitoring procedures to ensure local law enforcement agencies verify OD employment records of licensed peace officers are complete and accurate. In addition, establish procedures to review information contained in the officer database to help ensure local law enforcement agencies are in compliance with state requirements.
- 4.2 Centrally log all complaints received and assign individual tracking numbers, and develop standardized management reports to help ensure complaint investigations are initiated and completed timely. In addition, establish procedures to prioritize complaints to ensure high-priority complaints are addressed in a timely manner. Also, adopt written guidelines to help ensure disciplinary actions are consistently determined.
- 4.3 Establish written guidelines of criminal offenses applicants may commit and still be licensed.

## Auditee's Response

- 4.1 *Pursuant to the POST statutory provisions, the chief executive officer (CEO) of a law enforcement agency is required to notify the director of the Department of Public Safety within 30 days of the hiring or termination of a commissioned officer and is subject to criminal prosecution for purposeful violations (class B misdemeanor Section 590.070 and 590.195.2, RSMo). Agency CEOs are periodically asked to verify the accuracy of their employment roster during the continuing education reporting period, and the POST program provides an on-line roster of commissioned officers for verification by local agencies. The program will continue to emphasize with CEOs the requirement for timely notification and the potential statutory penalties.*
- 4.2 *The POST program logs and tracks complaints that allege actionable grounds for discipline under the statutory provisions. Cases are then prioritized according to the seriousness of the violation, whether the officer is an actively commissioned and working officer, and whether a criminal investigation has been initiated. The program will implement the recommendation to generate a periodic report of pending investigations for review by management and to monitor the progress of those investigations.*



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4.3 *Disciplinary action against a peace officer's license encompasses both mitigating and aggravating circumstances, and thus decisions based solely on the charged criminal violation may not be appropriate. Serious offenses may be reduced to minor criminal charges and aggravating circumstances may elevate the seriousness of minor offenses. As a result, the program believes that providing a list of offenses a peace officer may commit and still retain their licensure would not promote adherence to the goals of the overall disciplinary scheme.*

## 5. Capital Assets

The OD needs to improve capital assets records. In addition, the OD does not maintain a mileage log for the vehicle assigned to the DPS Director. As of June 30, 2012, the SAM II capital asset system indicated total assets of approximately \$4.9 million for the OD.

### 5.1 Asset management

The OD capital asset records and procedures are inadequate. We noted the following concerns:

- The OD does not maintain complete and accurate records for capital assets. The OD relies on multiple property records to track the OD assets, such as the separate listings maintained for the assets of the various OD programs. However, these lists contain duplicate or incomplete information and are not reconciled. In addition, the property records did not always include information required by state regulations, such as the estimated useful life at the date of acquisition.
- Internal capital asset records are not reconciled to the SAM II capital asset system. OD personnel indicated the SAM II capital asset system might be overstated; however, the OD was unable to determine the total reconciling difference between its internal capital asset records and SAM II. Personnel indicated this problem has occurred because SAM II records include property totaling over \$1.2 million that relates to other state agencies or divisions and may include assets that have been disposed.
- The OD did not perform an annual physical inventory of capital assets as required by state regulations. OD personnel indicated the last full inventory was performed for the period ending June 30, 2010.
- The OD does not always obtain written approval prior to disposing of capital assets or remove disposed assets from the SAM II capital asset system timely. Due to our audit inquiries, an OD official identified 7 vehicles totaling approximately \$468,500 that remained on the SAM II capital asset system even though the vehicles had been disposed of prior to June 30, 2012. The OD subsequently removed these vehicles from the SAM II capital asset system.



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State regulation 15 CSR 40-2.031 requires each department to account for all acquisitions and dispositions, and to maintain adequate capital asset records that contain identification number; description of the item including name, make, model and serial number, where appropriate; acquisition cost; date of acquisition; estimated useful life at the date of acquisition; physical location in sufficient detail to readily locate the item; and method and date of disposition. In addition, an annual physical inventory of capital assets is required, and should be reconciled to capital asset records and the prior annual physical inventory.

The failure to maintain a complete and accurate inventory listing reduces the control and accountability over capital assets and increases the potential that loss, theft, or misuse will go undetected. In addition, annual inventories are necessary to establish proper accountability over capital assets, and documentation of the physical inventory should be retained to show compliance with state regulations.

## 5.2 Director's vehicle

The OD does not maintain mileage logs for the vehicle assigned to the DPS director and has not ensured the use of the vehicle complies with state law or Internal Revenue Service (IRS) reporting requirements. According to OD personnel, the DPS director uses an assigned state-owned vehicle 24 hours a day, 7 days a week. The director's home is in St. Louis and as a result, there is the potential for personal use of this vehicle. According to odometer readings, the director drove this vehicle approximately 35,200 miles in fiscal year 2012.

A mileage log, indicating the date of travel, beginning and ending odometer readings, and the purpose and destination of the trip was not maintained for the director's vehicle, as required by state policy. Without mileage logs, the OD is unable to determine whether, and the amount of personal use, if any, required to be reported to the IRS as a reportable fringe benefit. Mileage logs are necessary to provide assurance that vehicles are used for state purposes only and to provide an audit trail. In addition, Section 301.260, RSMo, states that no officer or employee or other person shall use such a state motor vehicle for other than official use.

## Recommendations

The OD:

- 5.1 Maintain complete and accurate capital asset records. Internal records should be reconciled to the SAM II capital asset system, and an annual physical inventory should be conducted, reconciled to capital asset records and the prior annual physical inventory, and documented. In addition, written approval should be obtained prior to disposing of assets and disposed assets should be removed from the capital asset records in a timely manner.



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Auditee's Response	5.2	Implement the use of mileage logs for the director's vehicle to ensure proper use of state-owned vehicles and compliance with state law and IRS requirements.
	5.1	<i>A physical inventory has been completed of fixed assets in the Director's Office and a full reconciliation of assets is in process to ensure that all fixed asset items that should be capitalized are accounted for in SAM II.</i>
	5.2	<i>The OD follows state laws with regard to using state property for official use only.</i>

## 6. Excess Property Program and Donated Asset Program Inventory

Inventory management of equipment maintained at a warehouse managed by the OD for the Department of Defense (DOD) Excess Property Program (1033 program) and the Donated Asset Program needs improvement. These programs provide surplus military equipment and donated assets to state and local law enforcement agencies, through the OD, to enhance officer safety and for use in counter-narcotics and counter-terrorism operations.

The OD did not perform an annual physical inventory of the equipment maintained at the warehouse during the 2 years ended June 30, 2012, and according to personnel, a full inventory of the equipment maintained at the warehouse has never been completed. For the 1033 program, the OD primarily relies on DOD personnel, who conduct inventories of a sample of equipment based on DOD records; however, this review is not comprehensive of all equipment stored at the warehouse. During our review, we attempted to locate five equipment items listed on OD records at the warehouse; however, one item, night vision goggles, could not be located. Another item, a laptop, did not match the inventory tag number. According to personnel, this problem was likely due to OD personnel entering an incorrect inventory tag number into the system.

Documented annual physical inventories are necessary to establish proper accountability over the inventory and ensure errors are detected and corrected in a timely manner. Additionally, the failure to maintain a complete and accurate inventory listing increases the potential that loss, theft, or misuse will go undetected or not be detected timely.

## Recommendation

The OD perform an annual physical inventory and reconcile the results to the OD inventory records.

## Auditee's Response

*The OD is in the process of completing a physical inventory that will reconcile all equipment.*

*Note: The Defense Logistics Agency Disposition Services conducted a 1033 Program Compliance Review June 18 -22, 2013. The Program Compliance*



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*Review for the State of Missouri has been completed. The DLA Law Enforcement Support Office found the state to be compliant with the current terms and conditions as set forth in the Defense Logistics Agency to State Memorandum of Agreement.*

## 7. Use of Appropriations

### 7.1 Payment of operating costs of the Governor's office

The OD paid salaries and other costs related to operations of the Governor's office and used appropriations from another DPS division for OD operations.

During the 2 years ended June 30, 2012, the OD paid approximately \$67,800 related to salaries and travel costs of the Governor's office.

#### Personnel costs

In fiscal years 2011 and 2012, the OD paid approximately \$45,100 for a portion of the salaries of seven Governor's office staff. These employees were physically located in and supervised by the Governor's office, and performed duties related to programs and functions of that office. While some of the activities performed by these employees may have related to the OD, it appears their primary job responsibilities were functions associated with the Governor's office.

Documentation was not provided to the OD disclosing how the salary costs charged to the OD were determined. Therefore, it is questionable whether the portion of the salaries paid was a reasonable reflection of the work performed by the applicable employees for the OD. If these employees were performing work primarily benefiting the Governor's office, it appears their salaries should be paid from appropriations of that office.

#### Airplane flight costs

During fiscal years 2011 and 2012, the OD paid approximately \$22,700 related to air travel costs of the Governor's office. The flights were for various purposes, such as to view disaster sites or attend disaster recovery meetings; to attend various conferences, such as the National Governor's Association Conference; to make policy announcements; to attend commencement ceremonies; and to promote economic development. Flight documentation showed that the majority of the flights only included members of the Governor's staff or immediate family; OD personnel were not included on most flights. We identified 7 of the 9 flights paid in fiscal year 2012 (78 percent) and 35 of the 38 flights paid in fiscal year 2011 (92 percent) did not include a representative from the OD.

While some of these flights may have related to the DPS, it appears the primary purposes of these flights were for functions associated with the Governor's office. It does not appear appropriate for the OD to bear the cost of flights taken by the Governor's office for purposes that appear to be within the scope of the Governor's duties, especially when the flights do not include a representative from the OD. This practice distorts the actual travel





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costs of the OD and the Governor's office. Further, the Governor's office has an appropriation to which travel costs may be charged.

7.2 Payment of OD costs  
by other DPS divisions

During the 2 years ended June 30, 2012, the MSHP paid at least \$19,200 for the purchase and maintenance of the vehicle assigned to the DPS director. While some of the vehicle use may relate to the MSHP or other DPS divisions, the vehicle is primarily used for programs and functions of the OD. OD personnel indicated the MSHP has historically paid for the state vehicle assigned to the DPS director since the patrol is able to purchase vehicles at a lower cost and because the director's vehicle needs to be equipped with law enforcement equipment. However, other divisions paying costs associated with the OD circumvents the appropriation process established by the General Assembly and distorts the actual costs of operating the OD.

Recommendations

- 7.1 The OD work with the Governor's office to discontinue the practice of using OD appropriations to pay operating costs of the Governor's office.
- 7.2 The OD discontinue the practice of using other DPS division appropriations to pay costs related to the vehicle assigned to the DPS Director.

Auditee's Response

- 7.1 *The OD pays for those costs associated with work performed on behalf of the Department.*
- 7.2 *The MSHP is a division of the Department of Public Safety, which the Director oversees, and the use of the MSHP vehicle program provides cost efficiencies.*

**8. Crime Victims'  
Compensation  
Program**

Improvements are needed over controls and procedures relating to the Crime Victims' Compensation (CVC) program. During the 2 years ended June 30, 2012, the OD expended approximately \$12.4 million in state and federal funds on behalf of crime victims through the CVC program.

The CVC program is authorized through Chapter 595, RSMo, to assist victims who suffer bodily harm as a direct result of a crime. The Crime Victims' Compensation Fund (CVCF) was established to determine and award compensation to, or on behalf of, victims of crimes. Appropriations from this fund authorize payments directly to the service providers for medical or funeral expenses, or expenses for other services as allowed as a last resort for the victim. The CVCF will pay a crime victim's actual losses for medical bills, lost earnings or support, and other miscellaneous expenses up to a maximum of \$25,000, which are not reimbursed by any other means.



## 8.1 Program disbursements

The OD does not have adequate controls and procedures in place to ensure disbursements for the CVC program meet certain program requirements. Procedures, such as a checklist of requirements, are not in place to ensure the various program requirements were considered and met prior to approving the claim for payment. We analyzed CVC payments made during the 2 years ended June 30, 2012 and tested 14 payments. Our review noted the following concerns:

- The OD paid two claims totaling approximately \$2,800 on behalf of a victim; however, since the application was not filed timely, these claims were ineligible. Program requirements require claims to be filed within 2 years of the crime or the discovery of the crime.
- The OD paid one claim totaling approximately \$11,000 on behalf of a victim without obtaining documentation to support that a criminal background check had been performed and that the victim had cooperated with law enforcement personnel, as required by the program.

Adequate controls and procedures are necessary to ensure monies are awarded and paid in compliance with program requirements. A checklist or similar document would assist in ensuring all criteria are met.

## 8.2 Employment data

The OD has not pursued obtaining access to employment data that could assist the OD in ensuring claimants meet CVC program requirements. Personnel indicated the CVC program previously had access to employment data maintained by the Department of Labor and Industrial Relations (DOLIR); however, access was no longer provided when the CVC program was transitioned from the DOLIR to the OD in 2007. OD personnel indicated the employment data was useful to help ensure claims received were valid and some program requirements were met before making payment. For example, the OD could use the DOLIR data to ensure a lost wages claim was supported or to validate information, such as names and social security numbers, provided on the claim form.

Access to the employment data maintained by the DOLIR would help to ensure payments to claimants are appropriate and in compliance with state and federal requirements.

## 8.3 Refunds

The OD does not have procedures in place to ensure refunds of CVC claim payments are credited back to the original funding source.

Refunds relating to the CVC program can occur for a variety of reasons, such as when claims paid are later determined eligible for payment from other funding sources, such as Medicaid or other medical insurance. During the 2 years ended June 30, 2012, the OD received refunds totaling approximately \$135,500 relating to victim claims originally paid by federal



CVC program funds. The OD credited the refunds to state CVC program funding sources instead of the federal CVC program. As a result, the OD lacks assurance that federal fund refunds have been used for allowable costs and activities.

According to federal regulation OMB Circular A-87, credits, such as recoveries and adjustments of overpayments, shall be credited to the Federal award either as a cost reduction or cash refund, as appropriate.

Adequate procedures for handling CVC program refunds are necessary to ensure federal expenditures are appropriate and in compliance with federal requirements.

## Recommendations

The OD:

- 8.1 Establish procedures and maintain supporting documentation to ensure payments meet program requirements.
- 8.2 Work with the DOLIR to obtain access to employment data and use this data to help ensure program requirements are met prior to making payment.
- 8.3 Establish procedures to ensure refunds for victim claims are properly handled.

## Auditee's Response

- 8.1 *In addition to the current process, the CVC program has implemented a checklist to ensure payments meet program requirements.*
- 8.2 *CVC will work with DOLIR to determine whether access to the employment database is allowable.*
- 8.3 *CVC has implemented the recommended change to depositing refunds back into the federal fund where they originated.*

## 9. Sexual Assault Forensic Exam Program

Improvements are needed over controls and procedures relating to the Sexual Assault Forensic Exam (SAFE) program. The SAFE program, authorized through Section 595.220, RSMo, reimburses medical providers for reasonable charges incurred in collecting evidence during a forensic examination resulting from a sexual assault or sexual abuse in Missouri. The OD paid 3,251 claims totaling approximately \$2.2 million during fiscal year 2012 and 3,365 claims totaling approximately \$2.7 million during fiscal year 2011 relating to the SAFE program.

### 9.1 Monitoring

The OD has not established monitoring procedures to ensure the charges submitted for reimbursement are reasonable.



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The OD requires medical providers to submit supporting documentation as part of the claims process for the SAFE program. During fiscal years 2011 and 2012, the OD paid approximately 70 different providers for SAFE claims. The amount providers claimed for these services varied significantly. During fiscal year 2012, the average claim paid per provider ranged from \$183 to \$1,656 depending on the services claimed for reimbursement. During 2012, the OD promulgated a rule establishing a cap limiting the amount that can be reimbursed for each type of service to the lesser of the cap or actual costs claimed. However, according to personnel, the OD does not have statutory authority to ensure claims submitted by providers are reasonable and necessary.

Section 595.220.8, RSMo states the OD has the authority to promulgate rules and regulations necessary to operate the SAFE program. Without adequate claim review procedures, the OD cannot ensure claims paid are reasonable.

## 9.2 Supervisory review

The OD does not require an independent supervisory review be performed to ensure the claim amount approved and paid is accurate and in compliance with program requirements. During our review, we identified 3 of the 25 claims reviewed where the provider was either over or under paid. The OD overpaid two providers by a total of \$324 and underpaid another provider by \$200.

Supervisory reviews would help ensure payments processed are accurate and meet program requirements.

## Recommendations

The OD:

- 9.1 Promulgate a state rule that authorizes the OD to implement procedures to ensure charges submitted by medical providers for reimbursement are reasonable.
- 9.2 Implement necessary procedures to ensure the accuracy of claim payments.

## Auditee's Response

- 9.1 *The OD promulgated a rule in 2011 establishing caps for amounts paid to medical providers for reimbursement under the SAFE program.*
- 9.2 *The CVC program has implemented a claim review process to ensure payments are processed accurately and meet program requirements.*

## Auditor's Comment

- 9.1 The OD response does not address the audit recommendation. The fact that the OD promulgated a rule to establish a cap is a positive



Department of Public Safety  
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Management Advisory Report - State Auditor's Finding

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step and is reflected in the audit finding. However, the recommendation is for the OD to promulgate an additional rule that authorizes the OD to implement procedures to ensure charges submitted by medical providers are reasonable.

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# Department of Public Safety

## Office of the Director

### Organization and Statistical Information

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The Department of Public Safety (DPS) was established by the Omnibus State Reorganization Act of 1974. Section 650.005, RSMo, states the department's role is "to provide overall coordination in the state's public safety and law enforcement program, to provide channels of coordination with local and federal agencies in regard to public safety, law enforcement and with all correctional and judicial agencies in regard to matters pertaining to its responsibilities as they may interrelate with the other agencies or offices of state, local or federal governments."

The DPS is organized into nine separate divisions: Office of the Director (OD), Missouri Gaming Commission, Missouri State Highway Patrol, Missouri Capitol Police, Division of Alcohol and Tobacco Control, Office of the State Fire Marshal, Missouri National Guard (Office of the Adjutant General), State Emergency Management Agency, and the Veterans Commission.

The director of the DPS is responsible for developing public safety programs, police officer training and certification, and providing legislative guidance on criminal justice issues. In addition, the director is responsible for overseeing the distribution of state and federal resources and funds through grants for narcotics control, victims' assistance, and juvenile justice. Jerry Lee has served as director of the department since October 2011 after he was appointed by the Governor following the departure of the prior director, John Britt.

The OD is organized into eight programs: Homeland Security, Interoperable Communications, Crime Victims Services Unit, Juvenile Justice, Criminal Justice/Law Enforcement, Crime Victims' Compensation, Sexual Assault Forensic Examination, and Peace Officer Standards and Training Program. At June 30, 2012, the OD had 83 full time and 14 part time employees.

# Appendix A-1

## Department of Public Safety

### Office of the Director

### Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments

Year Ended June 30, 2012

	DPS - Juvenile Accountability Block Grant Fund	DPS Fund	Labor and Industrial Relations - Crime Victims - Federal Fund	DPS - Federal - Homeland Security Fund	Missouri Crime Prevention Information and Program Fund	Peace Officer Standards and Training Commission Fund	State Forensic Laboratory Fund	Services to Victims Fund
RECEIPTS								
Court fees	\$ 0	0	0	0	0	0	572,651	3,573,886
Federal grants	682,386	11,762,771	0	48,792,931	0	0	0	0
Interest	10,853	0	0	0	0	5,841	0	0
Refunds/rebates	14	106	0	686	0	0	0	0
Miscellaneous receipts	0	0	2,594,901	541,778	0	1,249,700	0	1,163
Total Receipts	693,253	11,762,877	2,594,901	49,335,395	0	1,255,541	572,651	3,575,049
DISBURSEMENTS								
Personal service	50,469	326,194	0	1,248,801	0	0	0	45,106
Employee fringe benefits	22,423	346,995	0	431,951	0	0	0	21,737
Travel	10,880	33,866	0	125,949	0	0	0	353
Expense and equipment	16,148	42,080	0	6,073,999	0	0	256,477	1,153
Program distributions	819,742	11,024,820	2,598,026	41,453,722	0	1,252,978	334,420	4,260,563
Total Disbursements	919,662	11,773,955	2,598,026	49,334,422	0	1,252,978	590,897	4,328,912
RECEIPTS OVER (UNDER) DISBURSEMENTS	(226,409)	(11,078)	(3,125)	973	0	2,563	(18,246)	(753,863)
OTHER FINANCING SOURCES (USES)								
Transfers from:								
Proceeds of Surplus Property Fund	0	0	0	0	0	0	3,054	0
Transfers to:								
General Revenue Fund	0	0	0	0	0	0	(4,627)	(51,243)
Funding sources received by other agencies	0	13,288,659	0	0	0	0	0	0
Appropriations exercised by other agencies	0	(13,393,829)	0	(348)	0	(17,941)	0	0
Total Other Financing Sources (Uses)	0	(105,170)	0	(348)	0	(17,941)	(1,573)	(51,243)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	(226,409)	(116,248)	(3,125)	625	0	(15,378)	(19,819)	(805,106)
CASH AND INVESTMENTS, JULY 1, 2011	1,680,894	1,250,691	3,125	0	14	1,285,915	473,687	2,853,333
CASH AND INVESTMENTS, JUNE 30, 2012	\$ 1,454,485	1,134,443	0	625	14	1,270,537	453,868	2,048,227

# Appendix A-1

## Department of Public Safety

## Office of the Director

## Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments

Year Ended June 30, 2012

	Crime Victims' Compensation Fund	Antiterrorism Fund	Justice Assistance Grant Program Fund	Deputy Sheriff Salary Supplemental Fund	Federal Stimulus - DPS Fund	Federal Stimulus - DPS Justice Assistance Grant Fund	Total All Funds (Memorandum Only)
RECEIPTS							
Court fees	\$ 6,810,774	0	0	4,524,028	0	0	15,481,339
Federal grants	0	0	5,239,854	0	162,959	0	66,640,901
Interest	24,583	169	51,607	74,548	45	11,803	179,449
Refunds/rebates	29	21	64	0	0	1,240	2,160
Miscellaneous receipts	620,310	4,746	17	0	0	0	5,012,615
Total Receipts	7,455,696	4,936	5,291,542	4,598,576	163,004	13,043	87,316,464
DISBURSEMENTS							
Personal service	414,040	0	224,890	0	12,946	26,183	2,348,629
Employee fringe benefits	195,380	0	79,393	0	0	0	1,097,879
Travel	6,525	0	3,503	0	212	2,755	184,043
Expense and equipment	2,199,012	5,899	173,664	0	284	2,031,770	10,800,486
Program distributions	3,588,109	929	6,378,884	1,058,733	144,947	4,904,316	77,820,189
Total Disbursements	6,403,066	6,828	6,860,334	1,058,733	158,389	6,965,024	92,251,226
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,052,630	(1,892)	(1,568,792)	3,539,843	4,615	(6,951,981)	(4,934,762)
OTHER FINANCING SOURCES (USES)							
Transfers from:							
Proceeds of Surplus Property Fund	0	0	0	0	0	0	3,054
Transfers to:							
General Revenue Fund	(106,227)	0	0	(9,294)	0	0	(171,391)
Funding sources received by other agencies	0	0	0	0	1,890,603	0	15,179,262
Appropriations exercised by other agencies	0	(13)	0	0	(1,948,622)	(660,503)	(16,021,256)
Total Other Financing Sources (Uses)	(106,227)	(13)	0	(9,294)	(58,019)	(660,503)	(1,010,331)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	946,403	(1,905)	(1,568,792)	3,530,549	(53,404)	(7,612,484)	(5,945,093)
CASH AND INVESTMENTS, JULY 1, 2011	3,941,707	27,008	8,099,111	11,661,250	56,212	13,828,428	45,161,375
CASH AND INVESTMENTS, JUNE 30, 2012	\$ 4,888,110	25,103	6,530,319	15,191,799	2,808	6,215,944	39,216,282



## Appendix A-2

### Department of Public Safety

### Office of the Director

### Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments

Year Ended June 30, 2011

	DPS - Juvenile Accountability Block Grant Fund	DPS Fund	Labor and Industrial Relations - Crime Victims - Federal Fund	DPS - Federal - Homeland Security Fund	Missouri Crime Prevention Information and Program Fund	Peace Officer Standards and Training Commission Fund	State Forensic Laboratory Fund	Services to Victims Fund
RECEIPTS								
Court fees	\$ 0	0	0	0	0	0	605,112	3,730,381
Federal grants	870,300	10,906,507	0	38,979,476	0	0	0	0
Interest	14,988	0	0	0	0	8,000	0	0
Refunds/rebates	11	37	0	995	0	0	0	1
Miscellaneous receipts	0	0	3,406,385	0	0	1,276,100	0	64
Total Receipts	885,299	10,906,544	3,406,385	38,980,471	0	1,284,100	605,112	3,730,446
DISBURSEMENTS								
Personal service	32,531	269,717	0	1,222,809	0	0	0	76,896
Employee fringe benefits	14,334	1,520,384	0	481,757	0	0	0	37,315
Travel	23,029	46,321	0	207,146	0	0	0	1,239
Expense and equipment	54,033	125,819	0	5,789,616	961	0	251,782	12,776
Program distributions	734,460	10,281,456	3,403,506	31,279,143	0	1,319,733	348,407	4,889,637
Total Disbursements	858,387	12,243,697	3,403,506	38,980,471	961	1,319,733	600,189	5,017,863
RECEIPTS OVER (UNDER) DISBURSEMENTS	26,912	(1,337,153)	2,879	0	(961)	(35,633)	4,923	(1,287,417)
OTHER FINANCING SOURCES (USES)								
Transfers from:								
Crime Victims' Compensation Fund	0	0	0	0	0	0	0	0
Proceeds of Surplus Property Fund	0	0	0	0	0	0	124	0
Transfers to:								
General Revenue Fund	0	0	0	0	(25)	0	(4,267)	(56,872)
Sexual Assault Forensic Exam Fund	0	0	0	0	0	0	0	0
Funding sources received by other agencies	0	14,045,023	0	0	0	0	0	0
Appropriations exercised by other agencies	0	(12,020,341)	0	0	0	(17,482)	0	0
Total Other Financing Sources (Uses)	0	2,024,682	0	0	(25)	(17,482)	(4,143)	(56,872)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	26,912	687,529	2,879	0	(986)	(53,115)	780	(1,344,289)
CASH AND INVESTMENTS, JULY 1, 2010	1,653,982	563,162	246	0	1,000	1,339,030	472,907	4,197,622
CASH AND INVESTMENTS, JUNE 30, 2011	\$ 1,680,894	1,250,691	3,125	0	14	1,285,915	473,687	2,853,333

## Appendix A-2

### Department of Public Safety

### Office of the Director

### Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments

Year Ended June 30, 2011

	Crime Victims' Compensation Fund	Antiterrorism Fund	Justice Assistance Grant Program Fund	Deputy Sheriff Salary Supplemental Fund	Sexual Assault Forensic Exam Fund	Federal Stimulus - DPS Fund	Federal Stimulus - DPS Justice Assistance Grant Fund	Total All Funds (Memorandum Only)
RECEIPTS								
Court fees	\$ 6,801,022	0	0	6,940,713	0	0	0	18,077,228
Federal grants	0	0	6,419,829	0	0	1,385,151	0	58,561,263
Interest	35,564	182	77,377	44,527	0	87	20,821	201,546
Refunds/rebates	40	0	42	0	0	0	893	2,019
Miscellaneous receipts	625,536	3,300	0	0	0	0	0	5,311,385
Total Receipts	7,462,162	3,482	6,497,248	6,985,240	0	1,385,238	21,714	82,153,441
DISBURSEMENTS								
Personal service	385,147	0	202,595	0	0	19,424	42,089	2,251,208
Employee fringe benefits	189,557	0	72,579	0	0	0	16,643	2,332,569
Travel	6,849	0	6,478	0	0	1,487	1,125	293,674
Expense and equipment	2,186,528	0	182,989	0	0	529	3,275	8,608,308
Program distributions	4,694,410	0	5,758,086	0	752,000	1,352,627	3,076,873	67,890,338
Total Disbursements	7,462,491	0	6,222,727	0	752,000	1,374,067	3,140,005	81,376,097
RECEIPTS OVER (UNDER) DISBURSEMENTS	(329)	3,482	274,521	6,985,240	(752,000)	11,171	(3,118,291)	777,344
OTHER FINANCING SOURCES (USES)								
Transfers from:								
Crime Victims' Compensation Fund	0	0	0	0	752,000	0	0	752,000
Proceeds of Surplus Property Fund	0	0	0	0	0	0	0	124
Transfers to:								
General Revenue Fund	(110,680)	0	0	0	0	0	0	(171,844)
Sexual Assault Forensic Exam Fund	(752,000)	0	0	0	0	0	0	(752,000)
Funding sources received by other agencies	0	0	0	0	0	1,655,612	0	15,700,635
Appropriations exercised by other agencies	0	(14)	0	0	0	(1,620,662)	0	(13,658,499)
Total Other Financing Sources (Uses)	(862,680)	(14)	0	0	752,000	34,950	0	1,870,416
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	(863,009)	3,468	274,521	6,985,240	0	46,121	(3,118,291)	2,647,760
CASH AND INVESTMENTS, JULY 1, 2010	4,804,716	23,540	7,824,590	4,676,010	0	10,091	16,946,719	42,513,615
CASH AND INVESTMENTS, JUNE 30, 2011	\$ 3,941,707	27,008	8,099,111	11,661,250	0	56,212	13,828,428	45,161,375

Appendix B

Department of Public Safety  
Office of the Director  
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2012			2011		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND						
Personal service	\$ 731,584	729,067	2,517	875,088	839,004	36,084
The Missouri Public Safety Officer Medal of Valor Act	508	493	15	625	520	105
Crime Victims' Compensation Program	1,600,000	1,552,000	48,000	800,000	776,000	24,000
Community Intervention Program for youth and families in Kansas City	178,000	0	178,000	0	0	0
Expense and equipment	102,054	65,142	36,912	119,307	68,747	50,560
Total General Revenue Fund	2,612,146	2,346,702	265,444	1,795,020	1,684,271	110,749
DPS - JUVENILE ACCOUNTABILITY INCENTIVE BLOCK GRANT FUND						
Juvenile Accountability Incentive Block Grant Program	1,013,625	841,380	172,245	1,013,625	809,580	204,045
Personal service	60,390	50,469	9,921	60,390	32,532	27,858
Expense and equipment	13,320	5,390	7,930	13,320	1,864	11,456
Total DPS - Juvenile Accountability Incentive Block Grant Fund	1,087,335	897,239	190,096	1,087,335	843,976	243,359
DPS FUND						
Narcotics Control Assistance Program and multi-jurisdictional task forces	165,000	158,309	6,691	1,000,000	126,409	873,591
Victims of Crime Program	7,500,000	6,777,181	722,819	7,500,000	6,738,962	761,038
Juvenile Justice Delinquency Prevention Program	1,377,450	1,369,861	7,589	1,132,450	1,108,797	23,653
Expense and equipment	406,942	46,945	359,997	429,942	114,862	315,080
Violence Against Women Program	2,499,500	2,340,447	159,053	2,499,500	2,009,727	489,773
Residential Substance Abuse Treatment Program	250,000	155,708	94,292	250,000	113,777	136,223
Personal service	331,672	326,194	5,478	369,148	269,717	99,431
National Forensic Sciences Improvement Act Program	257,287	251,781	5,506	257,287	224,301	32,986
Total DPS Fund	12,787,851	11,426,426	1,361,425	13,438,327	10,706,552	2,731,775

Appendix B

Department of Public Safety  
Office of the Director  
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2012			2011		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
LABOR AND INDUSTRIAL RELATIONS - CRIME VICTIMS - FEDERAL FUND						
Crime Victim Compensation Program	2,712,671	2,598,025	114,646	3,407,671	3,403,701	3,970
Total Labor and Industrial Relations - Crime Victims - Federal Fund	2,712,671	2,598,025	114,646	3,407,671	3,403,701	3,970
DPS - FEDERAL - HOMELAND SECURITY FUND						
Personal service	363,297	206,904	156,393	338,225	248,972	89,253
Expense and equipment	52,554,000	48,695,567	3,858,433	41,554,000	38,249,742	3,304,258
Total DPS - Federal - Homeland Security Fund	52,917,297	48,902,471	4,014,826	41,892,225	38,498,714	3,393,511
MISSOURI CRIME PREVENTION INFORMATION AND PROGRAM FUND						
Expense and equipment	50,000	0	50,000	50,000	961	49,039
Total Missouri Crime Prevention Information and Program Fund	50,000	0	50,000	50,000	961	49,039
PEACE OFFICER STANDARDS AND TRAINING COMMISSION FUND						
Peace officer training	1,400,000	1,252,978	147,022	1,400,000	1,319,733	80,267
Total Peace Officer Standards and Training Commission Fund	1,400,000	1,252,978	147,022	1,400,000	1,319,733	80,267
STATE FORENSIC LABORATORY FUND						
State Forensic Laboratory Program	336,000	334,420	1,580	355,000	348,407	6,593
Total State Forensic Laboratory Fund	336,000	334,420	1,580	355,000	348,407	6,593
SERVICES TO VICTIMS FUND						
Personal service	49,277	45,106	4,171	81,348	76,896	4,452
Expense and equipment	4,250	1,506	2,744	17,750	14,015	3,735
Services to Victims Program	4,950,000	4,260,563	689,437	4,950,000	4,889,637	60,363
Total Services to Victims Fund	5,003,527	4,307,175	696,352	5,049,098	4,980,548	68,550
CRIME VICTIMS' COMPENSATION FUND						
Crime Victims' Compensation Program	6,987,329	3,548,314	3,439,015	6,987,329	4,647,995	2,339,334
Expense and equipment	1,456,194	1,300,060	156,134	1,456,194	1,277,582	178,612
Services to Victims Program	50,000	39,795	10,205	50,000	46,576	3,424
Personal service	473,090	414,040	59,050	483,519	385,147	98,372
Total Crime Victims' Compensation Fund	8,966,613	5,302,209	3,664,404	8,977,042	6,357,300	2,619,742

Appendix B

Department of Public Safety  
Office of the Director  
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2012			2011		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
PROGRAM 1122 FUND						
Program 1122 for the purchase of counter-drug equipment through federal procurement channels by state and local law enforcement	500,000	0	500,000	500,000	0	500,000
Total Program 1122 Fund	500,000	0	500,000	500,000	0	500,000
ANTITERRORISM FUND						
Expense and equipment	7,000	6,828	172	5,000	0	5,000
Total Antiterrorism Fund	7,000	6,828	172	5,000	0	5,000
JUSTICE ASSISTANCE GRANT PROGRAM FUND						
Personal service	242,478	224,890	17,588	225,074	202,595	22,479
Expense and equipment	165,800	160,569	5,231	132,860	132,856	4
Narcotics Control Assistance Program and multi-jurisdictional task forces	6,835,000	6,378,884	456,116	6,000,000	5,760,215	239,785
Total Justice Assistance Grant Program Fund	7,243,278	6,764,343	478,935	6,357,934	6,095,666	262,268
DEPUTY SHERIFF SALARY SUPPLEMENTAL FUND						
Missouri Sheriff Methamphetamine Relief Task Force for the purpose of supplementing deputy sheriff's salary and related employee benefits	6,400,000	1,058,733	5,341,267	0	0	0
Total Deputy Sheriff Salary Supplemental Fund	6,400,000	1,058,733	5,341,267	0	0	0
SEXUAL ASSAULT FORENSIC EXAM FUND						
Crime Victims' Compensation Program - sexual assault forensic examinations	0	0	0	752,000	752,000	0
Total Sexual Assault Forensic Exam Fund	0	0	0	752,000	752,000	0
FEDERAL STIMULUS - DPS FUND						
For the purpose of receiving and expending grants for the Violence Against Women Program	400,000	137,752	262,248	1,429,655	1,200,076	229,579
For the purpose of receiving and expending grants for the Crime Victim Assistance Grants Program	24,770	7,923	16,847	225,849	150,437	75,412
For the purpose of receiving and expending grants from the American Recovery and Reinvestment Act for the Rural Law Enforcement Competitive Grant and the Byrne Memorial Competitive Grant	739,999	0	739,999	4,819,170	0	4,819,170
For the purpose of receiving and expending grants for the Violence Against Women Program - personal service	30,000	12,946	17,054	116,153	16,863	99,290

Appendix B

Department of Public Safety  
Office of the Director  
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2012			2011		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
For the purpose of receiving and expending grants for the Violence Against Women Program - expense and equipment	9,457	483	8,974	841	841	0
For the purpose of receiving and expending grants for the Crime Victim Assistance Grants Program - personal service	0	0	0	5,280	2,561	2,719
For the purpose of receiving and expending grants for the Crime Victim Assistance Grants Program - expense and equipment	230	14	216	2,997	1,176	1,821
Total Federal Stimulus - DPS Fund	1,204,456	159,118	1,045,338	6,599,945	1,371,954	5,227,991
FEDERAL STIMULUS - DPS JUSTICE ASSISTANCE GRANT FUND						
For the purpose of receiving and expending grants for the Byrne/Justice Assistance Grants Program	12,938,568	6,925,149	6,013,419	3,443,438	3,076,728	366,710
For the purpose of receiving and expending grants for the Byrne/Justice Assistance Grants Program - personal service	110,000	26,183	83,817	521,895	42,089	479,806
For the purpose of receiving and expending grants for the Byrne/Justice Assistance Grants Program - expense and equipment	15,000	13,836	1,164	1,412,391	4,400	1,407,991
Total Federal Stimulus - DPS Justice Assistance Grant Fund	13,063,568	6,965,168	6,098,400	5,377,724	3,123,217	2,254,507
Total All Funds	\$ 116,291,742	92,321,835	23,969,907	97,044,321	79,487,000	17,557,321

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,	
	2012	2011
General Revenue Fund		
Personal service	\$ 0	26,253
For the Missouri Public Safety Officer Medal of Valor Act	15	105
For the Crime Victims' Compensation Program	48,000	0
For the Community Intervention Program for youth and families in Kansas City	178,000	0
Expense and equipment	3,062	30,000
Total General Revenue Fund	\$ 229,077	56,358

Appendix C

Department of Public Safety  
Office of the Director  
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2012	2011	2010	2009	2008
Salaries and wages	\$ 3,077,697	3,090,212	1,997,040	1,923,785	1,561,797
Travel, in-state	149,943	236,258	63,041	41,885	21,616
Travel, out-of-state	57,312	70,080	39,845	34,810	41,848
Fuel and utilities	0	1,284	0	0	0
Supplies	155,924	151,833	116,593	80,726	46,929
Professional development	64,865	130,268	34,495	29,885	27,786
Communication services and supplies	55,998	46,445	31,360	42,954	34,300
Services:					
Professional	1,320,151	1,747,095	110,397	56,341	31,335
Housekeeping and janitorial	38	577	608	523	493
Maintenance and repair	1,242,922	1,289,534	1,262,270	1,317,750	1,285,650
Equipment:					
Computer	11,177	39,025	2,123	1,303	6,970
Motorized	0	21,856	0	0	28,273
Office	2,501	34,573	1,501	26,336	17,088
Other	2,079,714	481,713	7,555	0	90,000
Property and improvements	4,714,610	3,382,658	0	0	0
Building lease payments	4,470	59,641	240	80	250
Equipment rental and leases	358	297	38	513	1,243
Miscellaneous expenses	11,627	27,861	4,527	8,723	3,156
Program distributions:					
Distributions to state agencies	5,722,050	3,203,309	0	0	0
Aid to local governments	35,682,879	27,004,439	0	0	0
Program reimbursements	1,470,234	2,593,452	1,641,022	1,909,824	1,518,765
Other assistance benefits	28,597,803	26,146,017	27,088,936	21,221,346	23,139,358
Other program distributions	7,899,562	9,728,573	9,006,320	11,219,316	0
Total Expenditures	\$ 92,321,835	79,487,000	41,407,911	37,916,100	27,856,857



Thomas A. Schweich  
Missouri State Auditor

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# CONSERVATION

## Department of Conservation



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December 2013  
Report No. 2013-136

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<http://auditor.mo.gov>





**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Department of Conservation

Salary Increases	The Missouri Department of Conservation (MDC) provided pay raises not provided to other state employees. In July 2012, most state employees earning less than \$70,000 per year were granted a 2 percent cost of living adjustment and were authorized an annual increase of \$500 effective January 1, 2014. The Conservation Commission authorized a 2 percent cost of living adjustment to most employees with 18 or more months of service in July 2012; but then also authorized another 2 percent increase effective July 1, 2013, and an anniversary hire date increase of 2 percent during fiscal year 2013, and another anniversary hire date raise of 2 percent in fiscal year 2014. The MDC also provided a total of \$54,036 in increases to 2 deputy directors and 4 division chiefs (who also received the annual and anniversary increases), and gave the department director (who did not receive the other increases) salary increases totaling \$20,004 (a nearly 17 percent increase).
Conflicts of Interest	Two commissioners did not report serving as board members of not-for-profit organizations on their financial disclosure statements, as required by state law. The MDC contracts with both not-for-profit organizations.
Elk Restoration Update	As reported in our prior audit, the MDC did not prepare a complete and accurate estimate of costs to reintroduce elk in the state. The approved project budget anticipated spending \$411,000 to bring 150 elk into Missouri, but as of June 30, 2011, the MDC had spent \$1,230,000 to reintroduce elk. Two years later, excluding salaried personnel costs, the MDC has now spent \$3,381,615 (including \$1,424,186 from federal grants and private donations) to release 129 elk.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Department of Conservation

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Conservation Commission  
and  
Robert L. Ziehmer, Director  
Department of Conservation  
Jefferson City, Missouri

We have audited certain operations of the Department of Conservation, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2012 and 2011. The objectives of our audit were to:

1. Evaluate the department's internal controls over significant management and financial functions.
2. Evaluate the department's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified (1) no significant deficiencies in internal control, (2) noncompliance with a legal provision and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Conservation.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Dennis Lockwood, CPA
In-Charge Auditor:	Toni Wade
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	Sara Lewis, CPA
	Nicole Meltabarger, M.Acct., CPA
	Sherrye Lesmes

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# Department of Conservation Management Advisory Report State Auditor's Findings

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## **1. Salary Increases**

The Department of Conservation (MDC) provided pay raises not provided to other state employees.

In July 2012, most state employees earning less than \$70,000 per year received a 2 percent cost of living adjustment. The budget approved by the General Assembly authorized an annual increase of \$500 (\$42 per month) for state employees effective January 1, 2014. The Conservation Commission authorized a 2 percent cost of living adjustment to most employees with 18 or more months of service in July 2012. The MDC reported this 2 percent pay raise resulted in a \$1 million increase in personnel service cost annually. However, the Conservation Commission authorized three additional salary increases to most employees not received by state employees, and provided additional increases to some employees:

- During fiscal year 2013, most MDC employees received another 2 percent raise effective during the pay period employees reached their anniversary hire date.
- Effective July 1, 2013, the commission authorized an additional 2 percent increase for most employees.
- During fiscal year 2014, most MDC employees are authorized to receive another 2 percent raise effective during the pay period employees reach their anniversary hire date.
- During fiscal year 2013, the MDC provided market adjustment increases totaling \$74,040 annually to 7 employees. The MDC indicated the market adjustments were made to adjust the salaries of employees to competitive levels.

Included in the market adjustment increases were salary increases of \$10,008 in July 2012 and \$9,996 in January 2013 for the department director, a total increase of nearly 17 percent. Only one of the other 15 state department directors received a salary increase, and that increase was about 2 percent. Two deputy directors and 4 division chiefs received the other market adjustment increases. The department director did not receive the annual and anniversary increases.

Although Article IV, Section 42 of the Missouri Constitution grants the Conservation Commission the authority to establish employee compensation, given the recent state budget constraints and other state employees generally not receiving such pay increases, the Conservation Commission and the MDC should reevaluate the reasonableness and necessity for these salary increases.



Department of Conservation  
Management Advisory Report - State Auditor's Finding

## Recommendation

The Conservation Commission discontinue providing pay increases over and above those provided to other state employees.

## Auditee's Response

*As stated in the State Auditor's findings, Article IV, Section 42 of the Missouri Constitution grants the Conservation Commission (Commission) the authority to establish employee compensation at the Department. The Commission views staff compensation as an important investment in ensuring the Department is a national leader in forest, fish, and wildlife management. The Department and Commission regularly review our Total Rewards philosophy and practices to maintain the ability to attract and retain high-quality staff, while effectively managing personal service expenditures.*

*The Department's Total Rewards philosophy involves looking at all funds directed to personal service (e.g., salary, health care, retirement, annual and sick leave) to ensure a true compensation picture. Looking at only one component and then making comparisons with other organizations can result in misleading information regarding an individual's total compensation package or the agency's total personal service costs. The Department's total personal service cost at the end of fiscal year 2012, even with the national/state climate of rising health care, retirement, etc., was \$7.1 million lower than in fiscal year 2009. The Commission continues to proactively monitor, manage, and implement accountable personal service decisions based on a Total Rewards philosophy.*

*This committed focus of considering all areas of personal service costs allows the Commission and Department to allocate resources in an informed, accountable, and transparent method while also employing staff with the necessary knowledge, skills, and abilities to address conservation challenges. Total Rewards incorporates employee salaries, benefits (e.g., health and life insurance, disability, leave, and retirement contributions), and opportunities for professional growth.*

*As one example of how reviewing only salary and making comparisons might be misleading, Department employees have received no benefit from the many actions taken by state government to support/fund the Missouri Consolidated Health Care Plan (MCHCP). Should the Department choose to participate in MCHCP, the additional cost to the Commission would be approximately \$9 million annually. Rather, as part of the agency's Total Rewards package, the Department participates in a separate health insurance plan administered through the Conservation Employees' Benefits Plan. This choice, along with periodic plan design changes, continues to serve both the Commission and employees in a beneficial way. True, premiums paid by employees are not matched to the level of state employees in MCHCP and the Department's plan calls for more active wellness participation; however, tough decisions to structure a health plan that is*



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Department of Conservation  
Management Advisory Report - State Auditor's Finding

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*more cost effective while providing staff a valued benefit will continue to prove beneficial and free up personal service dollars for other agency priorities.*

*Pay plans and market adjustments referenced in the audit finding were made with extensive communication and decision by the Commission.*

*The Department's employee pay plans in 2012 and 2013 met three important objectives: 1) restoring some of the purchasing power employees lost during the prior four years of no pay raises; 2) recognizing and rewarding staff for being wise consumers of health care services; and 3) allowing individual employees the option to determine where adjustments could be best invested.*

*As in other state agencies, the Department administers reclassifications and market adjustments in order to ensure the Department remains externally competitive and internally equitable. A total of 25 reclassifications and/or market adjustments, not just the 7 selected to be included in the audit report, were approved by the Commission in fiscal year 2013. Market adjustments are approved to ensure salary ranges are competitive with similar positions at other comparable employers competing for similar talent and job duties. Automatic career advancements, such as step or merit increases, are not utilized at the Department as they are in many other state agencies. Instead, the Commission and Department reclassify positions or adjust salary ranges of positions when appropriate.*

*The fiscal year pay plans and individual market adjustments referenced in the audit were approved by the Commission after extensive consideration of all aspects of the Department's Total Rewards program. These actions help ensure the Department is able to attract and retain high-quality staff, while effectively managing personal service expenditures.*

## Auditor's Comment

We did not take exception to the reclassifications noted in MDC's response because these resulted in changes in job responsibilities and job titles. Most other state agencies provided similar salary increases in these situations. However, as noted in the audit finding, the market adjustment increases were not provided by other state agencies.

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## 2. Conflicts of Interest

The MDC did not ensure relationships between commission members and related organizations were reported on financial disclosure statements filed with the Missouri Ethics Commission.

Commission members and various department officials file financial disclosure statements with the Missouri Ethics Commission as required by Section 105.483(4), RSMo. However, one commissioner did not report serving as a non-voting ex-officio board member of a not-for-profit



Department of Conservation  
Management Advisory Report - State Auditor's Finding

foundation, and another commissioner did not report serving on the board of directors of a not-for-profit federation.

The MDC contract with the non-for-profit foundation requires the foundation to provide aid and advance the missions, objectives, and programs of the Commission by seeking financial support from private and philanthropic sources; sponsoring educational and public awareness programs supporting forest, fish, wildlife and habitat issues; managing and administering gifts, grants, bequests, and devises received by the foundation in accordance with their terms and as deemed prudent by the foundation; and establishing criteria for and administering the disbursement of grants from the foundation. In addition, the MDC processes citizen donations made on behalf of the foundation in order to obtain the conservation specialty license plates. The MDC reported approximately 82 percent of the payments issued to the foundation were from citizen donations. The MDC paid this entity \$144,875 during the 2 years ended June 30, 2012.

The MDC contracts with the not-for-profit federation require the federation to administer the Operation Game Thief, Share the Harvest, and the Teaming with Wildlife programs. The MDC reported approximately 75 percent of the payments issued to the federation are related to the Share the Harvest program, which reimburses deer processing facilities for processing venison donated to the program by hunters or were reimbursements to the federation for citizen rewards under the Operation Game Thief program. The MDC paid this entity \$403,995 during the 2 years ended June 30, 2012.

Section 105.485.2(7), RSMo requires officials to report on their financial disclosure statements the name and address of each not-for-profit corporation and each association, organization, or union, whether incorporated or not, except not-for-profit corporations formed to provide church services, fraternal organizations or service clubs from which the officer or employee draws no remuneration, in which such person was an officer, director, employee or trustee at any time during the year covered by the statement, and for each such organization, a general description of the nature and purpose of the organization.

## Recommendation

The MDC should stress to department officials through additional training or other communication the importance of completely and accurately reporting all conflicts of interest and subjective perceptions of conflicts of interest.

## Auditee's Response

*The Department is not legally responsible for ensuring compliance by individuals required to file personal financial interest statements under section 105.483, RSMo. This fact is clearly communicated in 105.492, RSMo. Given this fact, the Department disagrees that this is an appropriate audit finding.*





Department of Conservation  
Management Advisory Report - State Auditor's Finding

*The Department does appreciate the Auditor's Office, during the exit interview, openly communicating this finding does not indicate any serious or actual conflict occurred. The finding only highlights the importance of complete reporting by volunteer citizen commissioners.*

*The Department notified all Commission members when this information was first brought to its attention in April 2013. Individual Commissioners promptly updated their financial disclosure statements with the Missouri Ethics Commission as appropriate. The Department disagrees with the suggestion that the Commissioners' involvement with the organizations identified created a conflict of interest.*

### 3. Elk Restoration Update

Our prior audit, Report No. 2011-120, issued December 2011, noted the MDC did not prepare a complete and accurate estimate of costs to reintroduce elk in the state. The Conservation Commission had approved the elk restoration project and the project budget of about \$411,000 to bring 150 elk into Missouri, but as of June 30, 2011, the MDC had spent \$1,230,000.

As of June 30, 2013, MDC elk restoration project costs, excluding salaried personnel costs, totaled \$3,381,615 since the project's inception and the MDC received federal grants and private donations totaling \$1,424,186 toward the project costs. The MDC has released 129 elk in the elk restoration zone as of June 30, 2013. MDC officials indicated the exact number of free-ranging elk at any specific time is difficult to determine due to mortality and births after release, but estimated about 115 elk were alive as of June 2013. The MDC indicated it has no plans at this time to bring additional elk into Missouri.

### Auditee's Response

*The Department appreciates staff from the State Auditor's office clarifying, during the exit interview, that the "Elk Restoration Update" is not a current audit finding. As a result of this not being an audit finding, your staff indicated a Department response was optional. After consideration, the Department has chosen to provide a response to help ensure the public is informed on the Commission's position.*

*As defined in the Elk Restoration Plan, the estimated operational cost for trapping, holding, relocating, testing, and monitoring elk in fiscal year 2011 was approximately \$411,000 in Department funds. A total of \$363,033 was actually expended by the Department during fiscal year 2011 for operational costs associated with elk restoration. As openly discussed with the Commission, the budget submitted with the Elk Restoration Plan only included Department operational costs for the remainder of fiscal year 2011. The Commission was fully informed of all pertinent and relevant information at the time the elk restoration decision was approved. In addition, the Commission continues to review accomplishments, expenditures, and planning activities each fiscal year.*



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Department of Conservation  
Management Advisory Report - State Auditor's Finding

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*The dollar figures reported by the audit are misleading. For example, the \$1.23 million cost in fiscal year 2011 included all staff time, habitat work that benefits all wildlife, road maintenance to ensure public access, landowner technical assistance, and landowner cost-share services, etc., within the approximate 225,000 acre restoration zone. The majority of those services would be incurred regardless of elk restoration efforts. Staff and visitors to the area have noted wildlife, including turkey, deer, bobcats, coyotes, and bear, in addition to elk, in the area benefiting from the habitat improvements. Habitat work occurred well before elk restoration activities and will occur well after initial restoration steps are completed. The stated dollar amounts include one-time costs for building pens that will be used over the lifetime of the project. Road improvements made in Missouri have and will continue to enhance public access and associated economic benefits to the area for decades.*

## Auditor's Comment

The \$3,381,615 elk restoration project cost, which the MDC response indicates is misleading, was provided by the MDC upon our request. The majority of these costs were captured by an accounting code the MDC specifically established to help track elk restoration costs. The MDC discontinued tracking restoration costs effective September 1, 2013.

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# Department of Conservation

## Organization and Statistical Information

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The Department of Conservation is constitutionally created pursuant to Article IV, Sections 40(a) and 46. The general functions of the department are to control, manage, restore, conserve, and regulate all bird, fish, game, forestry, and wildlife resources of the state. At June 30, 2012, the department owned 791,794 acres and leased or managed another 203,393 acres of land in the state.

The department is headed by a four-member bipartisan commission, appointed by the governor with the advice and consent of the senate. They serve without compensation for staggered 6-year terms.

### Commission Members at June 30, 2012

Commissioner	Term Expires
Don Johnson	July 1, 2013
Becky L. Plattner	July 1, 2013
Don C. Bedell	July 1, 2015
James T. Blair, IV	July 1, 2017

During the 2 years ended June 30, 2012, William F. (Chip) McGeehan also served on the Commission. The Commission appoints a director who serves as the administrative officer of the Department of Conservation. The director appoints other employees and is assisted by 2 deputy directors with programs carried out by the divisions of fisheries, forestry, wildlife, protection, private land services, resource sciences, outreach and education, design and development, administrative services, and human resources.

Robert L. Ziehmer was appointed Director effective January 15, 2010. At June 30, 2012, the department had 1,413 salaried and 462 hourly employees.

Appendix A-1

Department of Conservation  
Combined Statement of Receipts, Disbursements, Other Financing Uses,  
and Changes in Cash and Investments  
Year Ended June 30, 2012

	Conservation Commission Fund	Federal Stimulus Conservation	Total
<b>RECEIPTS</b>			
Sales and use tax	\$ 100,633,226	0	100,633,226
Permit sales	32,849,480	0	32,849,480
Sales, rentals and leases	7,480,667	0	7,480,667
Federal reimbursements	25,141,633	1,262,205	26,403,838
Interest	308,776	16	308,792
Donations, refunds and miscellaneous	3,252,550	0	3,252,550
Total Receipts	169,666,332	1,262,221	170,928,553
<b>DISBURSEMENTS</b>			
Personal service	62,979,467	0	62,979,467
Employee fringe benefits	23,118,805	0	23,118,805
Operations	62,953,316	1,262,205	64,215,521
Capital improvements and acquisitions	12,112,625	0	12,112,625
Total Disbursements	161,164,213	1,262,205	162,426,418
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS BEFORE OTHER FINANCING USES</b>	8,502,119	16	8,502,135
<b>OTHER FINANCING USES</b>			
Appropriations exercised by other state agencies			
OA - Insurance and legal expense	970,334	0	970,334
OA - Worker's compensation	25,710	0	25,710
OA - Unemployment insurance	169,384	0	169,384
Office of the State Auditor	45,635	0	45,635
Department of Revenue	530,850	0	530,850
Total	1,741,913	0	1,741,913
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER USES</b>	6,760,206	16	6,760,222
<b>CASH AND INVESTMENTS, JULY 1</b>	45,058,358	50	45,058,408
<b>CASH AND INVESTMENTS, JUNE 30</b>	\$ 51,818,564	66	51,818,630

Appendix A-2

Department of Conservation  
Combined Statement of Receipts, Disbursements, Other Financing Uses,  
and Changes in Cash and Investments  
Year Ended June 30, 2011

	Conservation Commission Fund	Federal Stimulus Conservation	Total
<b>RECEIPTS</b>			
Sales and use tax	\$ 95,897,721	0	95,897,721
Permit sales	31,587,043	0	31,587,043
Sales, rentals and leases	8,825,875	0	8,825,875
Federal reimbursements	22,653,214	4,832,067	27,485,281
Interest	303,972	49	304,021
Donations, refunds and miscellaneous	2,180,176	0	2,180,176
Total Receipts	161,448,001	4,832,116	166,280,117
<b>DISBURSEMENTS</b>			
Personal service	63,378,178	0	63,378,178
Employee fringe benefits	22,100,929	0	22,100,929
Operations	51,507,216	4,832,067	56,339,283
Capital improvements and acquisitions	12,541,649	0	12,541,649
Total Disbursements	149,527,972	4,832,067	154,360,039
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS BEFORE OTHER FINANCING USES</b>	11,920,029	49	11,920,078
<b>OTHER FINANCING USES</b>			
Appropriations exercised by other state agencies			
OA - Insurance and legal expense	1,174,986	0	1,174,986
OA - Worker's compensation	31,169	0	31,169
OA - Unemployment insurance	117,897	0	117,897
Office of the State Auditor	45,444	0	45,444
Department of Revenue	499,861	0	499,861
Total	1,869,357	0	1,869,357
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER USES</b>	10,050,672	49	10,050,721
<b>CASH AND INVESTMENTS, JULY 1</b>	35,007,686	1	35,007,687
<b>CASH AND INVESTMENTS, JUNE 30</b>	\$ 45,058,358	50	45,058,408

Appendix B

Department of Conservation  
Comparative Statement of Appropriations and Expenditures

	2012			2011		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
CONSERVATION COMMISSION FUND						
Conservation Programs	\$ 145,467,841	131,737,672	13,730,169	145,534,841	122,377,134	23,157,707
MDC Construction	0	0	0	9,230,580	7,510,085	1,720,495
Statewide Construction	83,314,891	16,222,180	67,092,711 *	6,685,109	6,685,108	1
Total Conservation Commission Fund	228,782,732	147,959,852	80,822,880	161,450,530	136,572,327	24,878,203
FEDERAL STIMULUS CONSERVATION FUND						
Conservation Forestry	1,500,000	1,262,205	237,795 *	5,899,372	4,832,067	1,067,305
Total Federal Stimulus Conservation Fund	1,500,000	1,262,205	237,795	5,899,372	4,832,067	1,067,305
Total All Funds	\$ 230,282,732	149,222,057	81,060,675	167,349,902	141,404,394	25,945,508

\* Biennial appropriations set up in fiscal year 2012 are re-appropriations to fiscal year 2013.  
After the fiscal year-end processing has been completed, the unexpended fiscal year 2012  
appropriation balance for a biennial appropriation is established in fiscal year 2013.  
Therefore, there is no lapsed balance for a biennial appropriation at the end of fiscal year 2012.

# Appendix C

## Department of Conservation Comparative Statement of Expenditures (From Appropriations)

		Year Ended June 30,				
		2012	2011	2010	2009	2008
Salaries and wages	\$	62,410,101	62,852,205	67,995,879	70,586,696	69,334,485
Benefits		9,943,744	9,174,857	10,786,377	7,848,136	7,751,371
Travel, in-state		1,337,865	1,171,278	1,355,333	1,322,592	1,344,758
Travel, out-of-state		249,204	177,500	227,026	274,159	228,750
Fuel and utilities		1,888,316	2,028,161	1,882,350	1,911,194	1,841,985
Supplies		21,369,752	18,228,477	17,332,235	19,061,760	19,817,090
Professional development		513,644	587,584	585,176	617,011	574,010
Communication service and supplies		1,533,094	1,484,852	1,459,002	1,338,618	1,352,666
Services:						
Professional		10,508,100	9,253,191	8,173,714	8,648,917	10,578,052
Housekeeping and janitorial		1,020,679	985,109	981,669	1,080,249	1,009,635
Maintenance and repair		2,958,997	2,607,557	2,417,043	2,003,950	1,829,131
Equipment:						
Computer		2,832,650	1,697,738	1,853,299	949,987	3,299,013
Motorized		6,638,607	2,060,546	3,450,951	4,778,442	5,235,419
Office		422,598	131,147	71,459	89,002	217,124
Other		1,133,920	1,052,663	984,005	1,073,019	2,591,388
Property and improvements		12,112,625	12,541,649	12,377,777	15,653,041	9,068,865
Building lease payments		435,921	499,026	534,614	540,137	517,578
Equipment rental and leases		1,672,948	1,488,392	1,847,248	1,860,693	1,979,073
Miscellaneous expenses		1,689,330	1,558,641	1,965,719	1,865,302	1,627,237
Refunds		192,470	180,346	160,188	162,442	194,357
Program distributions		8,357,492	11,643,475	7,361,014	7,944,170	10,948,345
Total Expenditures	\$	<u>149,222,057</u>	<u>141,404,394</u>	<u>143,802,078</u>	<u>149,609,517</u>	<u>151,340,332</u>

Appendix D

Department of Conservation  
Statement of Changes in General Capital Assets

	Equipment	Buildings	Land	Construction in Progress	Software and Misc. Intangible Assets	Total General Capital Assets
BALANCE, July 1, 2010	\$ 83,917,128	112,439,082	327,823,192	3,308,190	2,084,233	529,571,825
Adjustments	0	0	0	5,014 <sup>(2)</sup>	0	5,014
Additions	5,067,690	538,780	4,951,377	6,462,697	0	17,020,544
Dispositions	<u>(4,082,081)</u>	<u>(211,466)</u>	<u>(7,850)</u>	<u>(385,000)</u>	<u>0</u>	<u>(4,686,397)</u>
BALANCE, June 30, 2011	84,902,737	112,766,396	332,766,719	9,390,901	2,084,233	541,910,986
Adjustments	41,051 <sup>(1)</sup>	0	0	(457,276) <sup>(3)</sup>		(416,225)
Additions	9,043,743	8,517,335	5,099,595	3,878,596	386,471	26,925,740
Dispositions	<u>(2,863,530)</u>	<u>(684,236)</u>	<u>(11,577)</u>	<u>(6,431,000)</u>		<u>(9,990,343)</u>
BALANCE, June 30, 2012	\$ <u>91,124,001</u>	<u>120,599,495</u>	<u>337,854,737</u>	<u>6,381,221</u>	<u>2,470,704</u>	<u>558,430,158</u>

(1) Adjustment to correct vehicle preparation costs and additional equipment

(2) Adjustment for infrastructure project resulting in added value

(3) Adjustment for infrastructure repair projects originally included in error





**Thomas A. Schweich**  
Missouri State Auditor

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# Nineteenth Judicial Circuit

## City of Jefferson Municipal Division



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**December 2013**

**Report No. 2013-137**

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of the Nineteenth Judicial Circuit, City of Jefferson Municipal Division

Accounting Controls and Procedures	The municipal division does not adequately segregate accounting duties or perform adequate supervisory reviews of accounting records. The Court Clerk and municipal division staff post adjustments and voided transactions without independent approval, and neither the Court Clerk nor the Municipal Judge periodically reviews reports of adjustments and voided transactions. The municipal division does not account for the numerical sequence of receipt numbers assigned by the court computer system; reconcile the composition of receipts to the composition of transmittals; record bond monies, fines, and court costs immediately upon receipt; or transmit the receipts to the city timely or intact.
Municipal Division Procedures	The municipal division does not document final dispositions of cases paid through the violations bureau on the dockets or backer sheets; the Prosecuting Attorney does not review or sign all tickets processed by the municipal division; and the municipal division, Police Department, and Parking Division do not properly account for the numerical sequence of parking and traffic tickets issued. The municipal division assesses a \$35 warrant fee, but there is neither a city ordinance nor statutory provision authorizing this fee. The Court Clerk does not include the penalty portion of parking ticket receipts on monthly reports submitted to the state and does not prepare and file with the city a monthly list of all cases heard.
Computer Controls	Municipal division employees and the Municipal Judge share user identifications and passwords to log on to computers and the computer system. One system user has inappropriate access, and another user has unnecessary access to the computer system, and, as such, these users were able to perform functions in the computer system that were not relevant or appropriate for their job responsibilities.

In the areas audited, the overall performance of this entity was **Fair**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Nineteenth Judicial Circuit

## City of Jefferson Municipal Division

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Presiding Judge  
Nineteenth Judicial Circuit  
and  
Municipal Judge  
and  
Honorable Mayor  
and  
Members of the City Council  
Jefferson City, Missouri

We have audited certain operations of the City of Jefferson Municipal Division of the Nineteenth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended October 31, 2012. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's compliance with certain legal provisions.
3. Evaluate the city's compliance with Section 302.341.2, RSMo, which restricts the amount of fines and court costs that may be retained from traffic violations.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) no noncompliance with Section 302.341.2, RSMo. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Jefferson Municipal Division of the Nineteenth Judicial Circuit.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Kelly Davis, M.Acct., CPA, CFE
In-Charge Auditor:	Amanda Locke, M.Acct.
Audit Staff:	Terese Summers, MSAS, CPA

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# Nineteenth Judicial Circuit

## City of Jefferson Municipal Division

### Management Advisory Report - State Auditor's Findings

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#### **1. Accounting Controls and Procedures**

Significant weaknesses were identified with accounting controls and procedures.

##### **1.1 Segregation and oversight procedures**

The municipal division does not adequately segregate accounting duties or perform adequate supervisory reviews of accounting records. The Court Clerk and Deputy Clerk collect, record, and transmit fines and court costs. Another staff person collects and records fines and court costs and is allowed to transmit fines and court costs if other court staff are not available. The Court Clerk generally prepares the transmittals. The Court Clerk does not compare the composition of receipt slips to the composition of transmittals or review reports indicating the numerical sequence of receipt slips when preparing the transmittals or reviewing transmittals prepared by the Deputy Clerk. The Court Clerk also does not review manual receipt slips issued by the Deputy Clerk or other court staff to ensure receipts are properly entered in the court computer system and subsequently transmitted to the city. Neither the Municipal Judge nor other personnel independent of the cash custody and record-keeping functions provide adequate supervision or review of the work performed by the Court Clerk, Deputy Clerk, or municipal division staff.

To reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, the Municipal Judge should establish procedures to ensure a documented independent review of accounting records is performed.

##### **1.2 Adjustments and voided transactions**

The Court Clerk and municipal division staff do not obtain independent approval before posting adjustments to fines and court costs and voiding transactions in the computer system and did not retain documentation of some adjustments and voided transactions. In addition, the Court Clerk or Municipal Judge do not periodically review reports of adjustments and voided transactions. After our inquiries, the computer system was modified to allow the reason for voided transactions to be documented in the system.

To ensure all adjustments and voided transactions are valid and reduce the risk of loss, theft, or misuse of funds, proper documentation should be maintained and someone independent of receipting and recording functions should review and approve adjustments and voided transactions. In addition, a report of adjustments and voided transactions should be periodically generated and reviewed to ensure transactions are appropriate.



Nineteenth Judicial Circuit  
City of Jefferson Municipal Division  
Management Advisory Report - State Auditor's Findings

### 1.3 Receipting, recording, and transmitting procedures

Receipting, recording, and transmitting procedures need significant improvement.

- The municipal division does not account for the numerical sequence of receipt numbers assigned by the computer system. The system assigns a receipt number for all monies recorded in the system. Our review noted several receipt slip numbers were skipped or not issued. Subsequently, the municipal division staff discussed this matter with the system programmer and determined the receipt slip numbers were skipped when multiple cashier sessions were opened. Although it appears this issue occurred, in part, because of system functionality issues, the municipal division staff were not aware of the skips in numbering. Reports of receipt slip numbers are available from the computer system. Reviewing available reports would help ensure all receipt slip numbers are accounted for and skips in the numerical sequence are appropriate. Also, the municipal division does not provide a list of receipt slips including voided receipts to the city with the transmittal. As a result, the city is also unable to account for the numerical sequence of receipt slips and ensure all monies are properly included in the transmittal.
- The Court Clerk does not reconcile the composition of receipts (cash, check, and money orders) posted to the computer system to the composition of transmittals. Differences between the composition of the monies received and the composition of the transmittals occurred because court staff did not always change the default method of payment (cash) in the computer system to the appropriate method.
- The Court Clerk and municipal division staff do not always record bond monies, fines, and court costs immediately upon receipt or transmit the receipts to the city intact or on a timely basis. Receipt slips for bond monies are not issued until the corresponding ticket has been entered into the computer system. For example, while other bonds received on October 2, 2012, were transmitted to the city on October 3, 2012, a \$500 bond received on October 2, 2012, was held and not recorded until October 4, 2012, and not transmitted to the city until October 5, 2012, because the defendant's ticket was not in the computer system. In addition, municipal division staff issue manual receipt slips for fines and court costs received when the corresponding ticket has not been entered into the computer system, but do not record the receipt in the computer system until the ticket is entered into the computer system. As a result, there are delays in entering receipts data into the computer system and transmitting fines and court costs. Receipts are only included in daily transmittals if they are recorded in the computer system.



Nineteenth Judicial Circuit  
City of Jefferson Municipal Division  
Management Advisory Report - State Auditor's Findings

Failure to implement adequate receipting, recording, and transmitting procedures increases the risk that loss, theft, or misuse of funds will go undetected.

## Recommendations

The City of Jefferson Municipal Division:

- 1.1 Segregate accounting duties to the extent possible. If it is not possible to segregate duties, documented periodic reviews of municipal division records should be performed by a person independent of accounting functions.
- 1.2 Ensure adequate documentation is maintained to support all adjustments and voided transactions and ensure an independent review and approval of these transactions is performed and documented. In addition, ensure reports of adjustments and voided transactions are periodically generated and reviewed by the Court Clerk or Municipal Judge.
- 1.3 Account for the numerical sequence of receipts; provide a list of receipts and voided receipts to the city with transmittals; reconcile the composition of receipts to the composition of transmittals and retain documentation of these reconciliations; record receipts in the computer system timely; and transmit all monies intact and in a timely manner.

## Auditee's Response

*The City of Jefferson Municipal Division provided the following written responses:*

- 1.1 *The Municipal Court segregates accounting duties to the extent possible considering the caseload of municipal violations handled is over 11,000 per year with another 15,000 annual parking tickets and the staffing provided by the City is 2.5 full-time clerks. The City and the Court will review its supervisory process and implement additional procedures for review of accounting records.*
- 1.2 *The City and the Court will ensure adequate documentation is maintained to support all adjustments and voided transactions. Specifically, working with the Auditor the City and the Court have modified the computer system (software) to allow the reasons for adjustments or voided transactions to be documented in the system at the time of the void. The City and the Court intend to create a process for regular review of voided transactions as suggested in the finding.*
- 1.3 *The City and the Court agree with the Auditor concerning the importance of numerical sequencing in receipts and subsequent*





*reconciliation. The receipt numbers are assigned by the computer system (software) and receipt numbers are skipped when a cashier session is opened then closed without a receipt being issued. No Court staff can manipulate the receipt numbers. The Court has implemented a system which includes a complete receipt report (including voided transactions and the reason for the void) which is provided to the finance department with the transmittal. The Auditor's review included fiscal year 2012, however, in 2013 new case records are electronically downloaded to the Court each morning, thereby eliminating delay in receiving files. Therefore, receipting bonds and other receipts to an individual case will not be delayed. The bond payments discussed in the audit finding were paid by check and maintained in a secure location.*

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## **2. Municipal Division Procedures**

Municipal division procedures need improvement.

### **2.1 Case and ticket dispositions**

The municipal division does not document the final dispositions of cases paid through the violations bureau (VB) on the dockets or backer sheets. The Municipal Judge does not review and sign backer sheets for traffic and ordinance tickets paid at the VB.

Missouri Supreme Court Operating Rule 4 requires municipal divisions to maintain a docket or backer sheet for each case. All information regarding the case should be documented including, but not limited to, a copy of the ticket, case number, defendant name, sentence, bond information, warrant information, and disposition of the case. Accurate recording of the case information is necessary to ensure all fines and court costs have been properly collected and deposited. In addition, to ensure the recorded disposition of all cases is proper, the Municipal Judge should sign the docket or backer sheet to indicate approval of the recorded disposition.

### **2.2 Prosecutor approval**

The Prosecuting Attorney does not sign all tickets processed by the municipal division. Tickets paid through the VB in advance of court are not reviewed by the Prosecuting Attorney. Instead, the Prosecuting Attorney allows the municipal division staff to maintain his signature stamp and stamp his signature on the tickets. In addition, city Operations Division staff who oversee the Parking Division are allowed to void or dismiss appealed parking tickets without the Prosecuting Attorney's approval.

Missouri Supreme Court Rule 37.35 states citations shall be in writing and signed by the prosecutor and filed with the municipal division. In addition, Section 22-35 of the City of Jefferson municipal code states the Prosecuting Attorney is to review appealed parking tickets. The Prosecuting Attorney's



review, documented with his signature, is needed to provide assurance proper cases and charges are filed with the municipal division.

## 2.3 Ticket Accountability

The municipal division, Police Department, and Parking Division do not properly account for the numerical sequence of parking and traffic tickets issued. The Police Department and Parking Division maintain records of tickets assigned and tickets issued or voided and these tickets are posted to the computerized ticket systems. As tickets are issued by the Police Department and Parking Division, they are given to the municipal division for processing. The municipal division also maintains computerized records of tickets issued and submitted by the Police Department and Parking Division. However, there are no procedures to account for the numerical sequence of all tickets issued or ensure all tickets issued have been provided to the municipal division.

Without properly accounting for the numerical sequence and ultimate disposition of tickets issued, the municipal division, Police Department, and Parking Division cannot be assured all tickets issued are properly submitted for processing. A record should be maintained accounting for the ultimate disposition of each ticket issued to decrease the risk of loss, theft, or misuse, of funds.

## 2.4 Warrant fees

The municipal division assesses a potentially improper \$35 warrant fee for each warrant issued. According to municipal division records, warrant fees collected totaled approximately \$60,000 during the year ended October 31, 2012. The city attorney indicated the municipal division began assessing the fee approximately 14 years ago based on a court order. Per Section 479.260, RSMo, a municipality may by ordinance provide for court fees pursuant to sections 488.010 to 488.020, RSMo. However, there is neither a city ordinance nor statutory provision that authorizes the municipal division to assess the warrant fee. There is also no statutory provision expressly prohibiting such a fee.

## 2.5 Monthly reports

The Court Clerk does not include the penalty portion of parking ticket receipts on monthly reports submitted to the state. Penalties are assessed for late payment of parking tickets. The Municipal Division Summary Reporting forms submitted to the Office of State Courts Administrator (OSCA) did not include penalties totaling \$12,171, from parking tickets for the year ended October 31, 2012. Instead, only the parking ticket fine amounts were reported. The Court Clerk indicated she was not aware penalties should also be reported.

Supreme Court Operating Rules 4.28 requires accurate monthly reports of cases filed and fines and court costs collected be verified by the Court Clerk or Municipal Judge and submitted to the OSCA. To ensure monthly reports



Nineteenth Judicial Circuit  
City of Jefferson Municipal Division  
Management Advisory Report - State Auditor's Findings

are accurate, the municipal division should reconcile amounts included on the various reports with amounts posted to city records.

## 2.6 Report of cases heard

A monthly list of all cases heard is not prepared and filed with the city. Without such a report, the city cannot effectively monitor municipal division activity and ensure monies are properly remitted.

Section 479.080.3, RSMo, and Supreme Court Rule 4.29 require the Court Clerk to prepare a monthly list of all cases heard in the municipal division court, including the names of the defendants and fines and court costs imposed, to be verified by the Court Clerk or the Municipal Judge and filed with the city.

## Recommendations

The City of Jefferson Municipal Division:

- 2.1 Ensure the proper disposition of cases is documented on the court dockets or backer sheets, and all court dockets and backer sheets are signed by the Municipal Judge.
- 2.2 Ensure the Prosecuting Attorney signs all tickets.
- 2.3 Work with the Police Department and Parking Division to ensure adequate records are maintained to account for the numerical sequence and ultimate disposition of all tickets issued.
- 2.4 Work with the city and legal counsel to reevaluate the warrant fee and the authority to assess the fee. If determined appropriate, the municipal division should at the very least work with the city and legal counsel to establish an ordinance authorizing the fee.
- 2.5 Ensure the monthly municipal division reports include all required information.
- 2.6 Ensure a monthly list of cases heard in the municipal division is prepared and filed with the city in accordance with state law.

## Auditee's Response

*The City of Jefferson Municipal Division provided the following written responses:*

- 2.1 *The Municipal Court ensures the proper disposition is documented on the court dockets or backer sheets and all court dockets and backer sheets are signed by the Municipal Judge except those cases disposed of through the Violations Bureau, which is in place by Court Order in accordance with the Revised Statutes of Missouri and recommendations of the Office of State Courts Administrator. The court plans to mark the disposition of cases disposed through*



Nineteenth Judicial Circuit  
City of Jefferson Municipal Division  
Management Advisory Report - State Auditor's Findings

*the Violations Bureau on the court dockets or backer sheets. In addition, the court plans to prepare a weekly report of all dispositions paid in advance of the Violations Bureau for Judicial review.*

- 2.2 *The City agrees the Prosecuting Attorney should review and sign all tickets. This is a limitation of a part-time prosecutor, however this will be requested of the prosecutor. As an elected official, no staff has oversight of the prosecutor, but the Clerks and Judge will ask for compliance.*
- 2.3 *It is not the duty of the Court to account for the numerical sequence of tickets issued by the Police Department or the Parking Division. The City has asked its internal IT Department to look for a software solution. Failing that, the Police Department will be tasked with looking for a solution.*
- 2.4 *An ordinance has been proposed to mirror the court order in compliance with the Auditor's suggestion.*
- 2.5 *The monthly reports have been corrected to include all the requested information.*
- 2.6 *The Court files the report recommended by the Office of the State Courts Administrator in accordance with state law.*

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### 3. Computer Controls

User identifications and passwords are shared and users have inappropriate access to the court computer system.

#### 3.1 User identifications and passwords

Municipal division employees and the Municipal Judge share user identifications and passwords to log onto computers and the computer system.

The lack of an effective system of user identifications and passwords may allow unauthorized access and/or changes to the system. To establish individual responsibility, preserve the integrity of computer programs and data files, and control access, a unique user identification and password should be assigned to each user of a computer and computer system. Passwords should be kept confidential and changed periodically to help limit unauthorized access to computer terminals and files.

#### 3.2 User access

One system user has inappropriate access and another user has unnecessary access to the computer system based on their job responsibilities. As a result, these users were able to perform functions in the computer system that were not relevant or appropriate for their job responsibilities. In fact, one system user did not need to access the system at all to perform her job



Nineteenth Judicial Circuit  
City of Jefferson Municipal Division  
Management Advisory Report - State Auditor's Findings

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duties. The other user was primarily responsible for entering voided or dismissed parking tickets into the computer system; however, this user was granted access to all system functions except receipting. The Court Clerk indicated the division plans to give these employees additional responsibilities in the future, which may make their access levels appropriate.

To prevent unauthorized changes to ticket, receipt, and case information, access should be limited based on user needs. Periodic reviews of user access rights ensures the right type and level of access has been provided. Without a review of user access rights, there is an increased risk access rights are not aligned with current job responsibilities.

## Recommendations

The City of Jefferson Municipal Division:

- 3.1 Ensure user identifications and passwords are not shared.
- 3.2 Review user access to data and other information resources to ensure access rights are commensurate with user's job responsibilities.

## Auditee's Response

*The City of Jefferson Municipal Division provided the following written responses:*

- 3.1 *The City and the Court will ensure user identification and passwords are not shared.*
- 3.2 *The City and the Court have adopted and implemented the suggestions of the Auditor.*

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# Nineteenth Judicial Circuit

## City of Jefferson Municipal Division

### Organization and Statistical Information

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The City of Jefferson Municipal Division is in the Nineteenth Judicial Circuit, which consists of Cole County. The Honorable Patricia S. Joyce serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and court costs are collected at times other than during court and transmitted to the city treasury.

#### Personnel

At October 31, 2012, the municipal division employees were as follows:

Title	Name
Municipal Judge	Cotton Walker
Court Clerk	Barbara Schaffer
Deputy Court Clerk	Jana Wood

#### Financial and Caseload Information

	Year Ended October 31, 2012
Receipts	\$1,102,897
Number of cases filed	11,154



**Thomas A. Schweich**  
Missouri State Auditor

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# Eighteenth Judicial Circuit

## Pettis County



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December 2013  
Report No. 2013-138

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Eighteenth Judicial Circuit, Pettis County

### Accounting Controls and Procedures

The Circuit Clerk has not adequately segregated accounting duties or limited access rights to the Justice Information System (JIS). Most clerks (17 of 18) as well as the secretary to the Presiding Judge have the ability to assess fees, receipt monies, void transactions, adjust costs, prepare deposits, and issue disbursements in the JIS, and the Circuit Clerk does not review daily cashier sessions to ensure all monies are properly recorded and deposited. As of May 23, 2013, the court was owed approximately \$4.9 million in accrued case costs, with \$2.6 million (53 percent) of that amount being over 5 years old. The court is required to review accounts receivable reports each month, and uncollectible accounts should be written off. All 18 clerks and the secretary to the Presiding Judge are able to enter voided and non-monetary transactions in the JIS, and the Circuit Clerk does not always document and review these transactions.

### Law Library Fund Controls and Procedures

Accounting duties are not adequately segregated, and an independent review of the financial activities is not performed related to the Law Library bank account.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Eighteenth Judicial Circuit

## Pettis County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Presiding Judge and Court en Banc  
and  
Circuit Clerk of the  
Eighteenth Judicial Circuit  
Pettis County, Missouri

We have audited certain operations of the Eighteenth Judicial Circuit, Pettis County in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the court's internal controls over significant financial functions.
2. Evaluate the court's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the court, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the court's management, the Office of State Courts Administrator, and Pettis County and was not subjected to the procedures applied in our audit of the court.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) no significant noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the Eighteenth Judicial Circuit, Pettis County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Keriann Wright, MBA, CPA
	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Terri Erwin, MBA, CGAP
Audit Staff:	Rachelle Thompson
	Keisha Williams

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# Eighteenth Judicial Circuit

## Pettis County

### Management Advisory Report - State Auditor's Findings

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#### **1. Accounting Controls and Procedures**

Weaknesses were identified with accounting controls and procedures.

According to court records, receipts collected during the year ended December 31, 2012, totaled approximately \$1.7 million. Fines, court costs, and bonds are collected; recorded in the Justice Information System (JIS), the Missouri Courts automated case management system; and deposited into the Circuit Clerk's main bank account by personnel of the Circuit Clerk's office.

##### **1.1 Segregation of duties and supervisory reviews**

The Circuit Clerk has not adequately segregated accounting duties or limited user access rights in the JIS, and supervision is not adequate to identify errors. Most clerks (17 of 18) and the secretary to the Presiding Judge have the ability to assess fees, receipt monies, void transactions, adjust costs, prepare deposits, and issue disbursements in the JIS. For example, the two clerks primarily responsible for preparing deposits and reviewing daily cashier sessions also routinely assessed or adjusted costs, receipted monies, voided transactions, and issued disbursements. The Circuit Clerk does not review daily cashier sessions to ensure all monies are properly recorded and deposited.

To reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible and limiting user access rights within the JIS. If proper segregation of duties is not possible, a documented independent review of work performed by the clerks is necessary.

##### **1.2 Accrued case costs**

The Circuit Clerk does not review accrued case costs owed to the court (court costs, incarceration costs, court-ordered restitution, and fines), which totaled approximately \$4.9 million as of May 23, 2013. Of this amount, accrued case costs over 5 years old totaled \$2.6 million (53 percent). The court's Formal Administrative Plan for Collections of Court Debt requires the court review accounts receivable reports (accrued case costs) developed by the Office of the State Courts Administrator and the debt collection vendor at least monthly. Those accounts deemed to be uncollectible shall be written off by court order.

To ensure the accuracy of the accrued case costs, and to provide the Circuit Clerk with the necessary information to make a determination about collectability, accrued case costs should be reviewed at least monthly in compliance with the court's administrative plan.

##### **1.3 Voided and non-monetary transactions**

The Circuit Clerk does not always document and review voided and non-monetary transactions in the JIS.

Non-monetary transactions, including judicial orders, garnishments, and application of bonds, are transactions where no monies are received;



Eighteenth Judicial Circuit  
Pettis County  
Management Advisory Report - State Auditor's Findings

however, a credit is applied or the amount due is changed. All 18 clerks, as well as the secretary to the Presiding Judge, are able to enter voided and non-monetary transactions in the JIS. Voided and non-monetary transactions should be supported by documentation or a judicial order, and should be reviewed by a supervisor. Documentation was not prepared or retained for some of these transactions that occurred during our audit period, nor was there always proper supervisory review. For example, we identified fines and court costs for one case totaling \$108 that were adjusted to zero. There was no documentation in the case file to support the adjustment. In addition, we identified four receipt transactions initiated and voided by the same clerk without supervisory review.

To reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly. Voided and non-monetary transactions should be supported by adequate documentation and reviewed by the Circuit Clerk to ensure the transactions are appropriate.

## Recommendations

The Circuit Clerk:

- 1.1 Segregate accounting duties to the extent possible, limit user access rights within the JIS to only those necessary for the user to perform job duties, and implement appropriate reviews and monitoring procedures.
- 1.2 Develop procedures to review accrued costs and uncollectible accounts at least monthly in compliance with the court's administrative plan.
- 1.3 Implement procedures requiring voided and non-monetary transactions be documented, reviewed, and approved.

## Auditee's Response

*The Circuit Clerk provided the following written responses:*

- 1.1 *JIS user access rights have been changed for most clerks. With the exception of the supervisors and the Circuit Clerk, those who have the ability to assess fees and receipt monies do not have the ability to adjust fees or issue disbursements. Only the supervisors and the Circuit Clerk have been authorized to void receipts, both presently and in the past; however, any clerk who requests that a receipt be voided now documents the reason for the void when requesting it of the supervisor or the Circuit Clerk, and documentation is retained with monthly reports. Monthly reports are now being reviewed by the Circuit Clerk, after preparation and review by a supervisor, for unauthorized transactions including voided receipts, disbursements, and fee adjustments. The Circuit Clerk is reviewing cashier session*



Eighteenth Judicial Circuit  
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*reports monthly and will review the daily sessions and monitor proper recording and deposit of monies regularly.*

1.2 *The Circuit Clerk is in the process of reviewing cases with court cost debt more than five years old to determine whether payments are still being received through tax intercept or debt collection. Those debts that appear to be uncollectible will be referred to the Presiding Judge for determination as to whether they should be written off as uncollectible by court order. The Circuit Clerk will continue to review outstanding debt on a regular basis and submit reports to the Presiding Judge. The Presiding Judge will consider amending the court's Formal Administrative Plan for Collections of Court Debt to reflect that the accrued costs reports will be reviewed yearly to determine whether any debts should be written off as uncollectible.*

1.3 *As stated in 1.1, the number of clerks with security access to receipt monies and void receipts has been reduced, and all voided receipts are now being documented by the user. Only a supervisor is authorized to void receipts, which has always been the policy. Voided receipts with documentation are filed with monthly reports. Non-monetary transactions not requiring a judicial order are being documented through text notes in JIS when incorrectly added fees are removed or reduced, and fee adjustments can only be made by a supervisor or the Circuit Clerk by using a password unknown to other users. The Circuit Clerk will review and approve the voided receipts report, the fee adjustment report, and the receipt listing for non-monetary transactions monthly.*

## 2. Law Library Fund Controls and Procedures

Accounting duties related to the Law Library bank account are not adequately segregated and independent reviews over the accounting records are not performed. According to law library financial records, disbursements totaled approximately \$41,000 during the year ended December 31, 2012. The Circuit Clerk performs all accounting duties, including recording receipts, depositing monies, writing and signing checks, and performing bank reconciliations.

Internal controls would be improved by segregating duties. If proper segregation of duties is not possible, at a minimum, periodic reviews of the records should be performed by an independent individual and documented.

## Recommendation

The Circuit Clerk ensure accounting duties are adequately segregated or independent reviews are performed periodically.



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Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The Circuit Clerk provided the following written response:*

*The law library bank account is now being reconciled by one of the supervisors in the office, while the Circuit Clerk continues to make disbursements. Another supervisor makes the bank deposits. The law library account information will be made available to the Presiding Judge for review on a regular basis.*

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# Eighteenth Judicial Circuit

## Pettis County

### Organization and Statistical Information

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The Eighteenth Judicial Circuit consists of Pettis County as well as Cooper County.

The Eighteenth Judicial Circuit consists of one circuit judge and three associate circuit judges. The circuit judge hears cases in Pettis and Cooper Counties. Of the three associate circuit judges, two are located in Pettis County and preside over Associate Court Divisions V and VI. The other associate circuit judge is located in Cooper County. Circuit personnel located in Cooper County are not included in the scope of this audit.

#### Personnel

At December 31, 2012, the judges, Circuit Clerk, and Juvenile Officer of the Eighteenth Judicial Circuit, Pettis County, were as follows:

Title	Name
Circuit Judge, Division IV	Robert L. Koffman
Associate Circuit Judge, Division V	R. Paul Beard
Associate Circuit Judge, Division VI	Robert M. Liston
Circuit Clerk	Susan Sadler
Juvenile Officer	Erica L. Cox

#### Financial Information

Receipts of the Eighteenth Judicial Circuit, Pettis County, were as follows:

	Year Ended December 31, 2012
Court deposits, fee, bonds, and other	\$1,732,590
Interest Income	321
Total	\$1,732,911

#### Caseload Information

From the Office of State Courts Administrator Missouri Judicial Reports, case filings of the Eighteenth Judicial Circuit, Pettis County, were as follows:

	Year Ended June 30, 2012
Civil	2,736
Criminal	2,983
Juvenile	101
Probate	291
Total	6,111





# Thomas A. Schweich

Missouri State Auditor

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## City of Bolivar



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December 2013  
Report No. 2013-139

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the City of Bolivar

Financial Monitoring	The Board of Aldermen failed to adequately monitor the financial condition of the city. The city's Park Fund is subsidized by other funds, approximately \$500,000 in restricted Street Funds were inappropriately used, and the cash balance in the city's General Fund represents less than one month's operating expenses. The city also appears to be facing significant future costs for mold remediation, wastewater treatment facility upgrades, and defending an age discrimination lawsuit.
Aquatics Center	Under current financing arrangements, the city will pay \$16.8 million for the \$6.3 million aquatics center. The city did not adequately monitor construction costs, which significantly exceeded estimates, and failed to adequately estimate operating costs. The city estimated annual operating costs would be between \$120,000 and \$180,000, but they were \$200,000 for the first 6 months. Revenues during 2012 were \$89,000, of which the city received \$26,000 per its agreement with the YMCA.
Restricted Funds	The city uses restricted funds to improve the financial condition of the city's General Fund. Administrative transfers into the General Fund have increased significantly and exceeded the amount of applicable expenses. The city transfers money from the Water and Sewer Fund to the General Fund as payments in lieu of taxes, but there is not an authorizing ordinance. The city does not properly track and record various restricted receipts.
Disbursements	The city does not always solicit bids or proposals, as required by city policy and did not always document its evaluation and selection of engineering services. The city disbursed \$6,545 in federal grant funds in January 2011 for weapons it still has not received, and there is no documentation to support why the city paid \$70,000 for land appraised at \$25,863. The Mayor's signature stamp is not adequately controlled, checks are signed in advance, and the City Treasurer is not bonded. The city has incurred late fees and finance charges for not timely depositing payroll taxes or paying bills, and the city does not always file forms 1099-Misc as required.
Employee Leave Records and Procedures	The city converted to a new leave policy, and the Board did not approve payouts of some leave balances. The city owes over \$67,000 in accumulated sick leave payments, some high level city employees accumulate more leave than authorized, and computerized leave records do not always agree with manual leave records.
Accounting Records and Procedures	The City Clerk's accounting records contained inaccuracies and many journal entries are posted without independent review or posted several months after the accounting period ends. Bank reconciliations are not performed timely, and some transfers between funds posted to the financial records were not approved by the Board of Aldermen, while some transfers approved by the Board were not posted to the financial records.
Controls and Oversight	The City Clerk's duties are not segregated or adequately reviewed, and access to monies is not sufficiently limited. Passwords are not kept confidential or periodically changed, and information in the computerized accounting records did not always agree with the actual checks issued.

Payroll and Related Matters	The city did not properly tax and/or report some employee compensation and benefits, and some employees are improperly paid as independent contractors. The city did not submit required commissioning/employment documentation when former Police Chief Hamilton was appointed, there is no independent review of automatic payroll-related deposits, and supervisors do not always sign timesheets.
City Procedures and Written Agreements	The city lacks adequate procedures to follow up on unpaid business licenses; audit staff found 120 out of 500 licenses remained unpaid as of February 14, 2013. The city waived \$7,422 in building permit inspection fees without approval by the Board of Aldermen, and the city does not always enter into written agreements and paid the airport contractor \$20,148 in fuel commissions although not provided for in the written agreement.
Budgets and Financial Reporting	The Board of Aldermen does not adequately monitor budget-to-actual receipts and disbursements, and the city exceeded budgeted appropriations for some city funds. Budget documents do not contain all elements required by law, and the city does not publish financial statements or submit annual financial reports to the State Auditor's office, as required by law.
Utility System Controls	The city increased sewer rates without preparing a statement of costs, as required by law. The city lacks adequate controls over utility adjustments and does not reconcile customer utility deposits to the accounting records.
Property Controls and Records	City property records are not complete, and the city does not properly monitor fuel and vehicle usage. The police department does not maintain a complete control log of evidence and seized property, and it is holding numerous property items that should be disposed.
Ordinances and Sunshine Law Issues	The city does not follow some city ordinances and charges some fees not authorized by city ordinance. The city charges inconsistent fees for record requests and charges research fees which exceed the stated rate, and the Board discussed and voted on some topics in closed board meetings which were not allowable under the Sunshine Law.

In the areas audited, the overall performance of this entity was **Poor**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our Web site: [auditor.mo.gov](http://auditor.mo.gov)**

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# City of Bolivar

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the Honorable Mayor  
and  
Members of the Board of Aldermen  
City of Bolivar, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Bolivar. We have audited certain operations of the city in fulfillment of our duties. The city engaged Davis, Lynn & Moots, PC, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended December 31, 2012. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm for the year ended December 31, 2011, audit, since at the time of our audit, the CPA firm's audit for the year end 2012 was not complete. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Bolivar.

An additional report, No. 2013-032, *Thirtieth Judicial Circuit, City of Bolivar Municipal Division*, was issued in April 2013.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Donna Christian, CPA, CGFM
In-Charge Auditor:	Candi Copley
Audit Staff:	Shannon Spicer
	Meghan Dowell

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# City of Bolivar

## Management Advisory Report

### State Auditor's Findings

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#### **1. Financial Monitoring**

The Board of Aldermen failed to adequately monitor the financial condition of the city and was not aware of the severity of the city's financial condition in a timely manner. The city has improperly used street monies to finance Park and Cemetery operations and has not effectively planned how to make principal and interest payments for the aquatics center for the next 27 years. Additionally, the city is facing several significant future financial obstacles that could result in a continuing decline of the city's financial condition.

The city's independent CPA audit for year ended December 31, 2010, recommended that the Board of Aldermen adequately monitor revenues and expenditures to ensure city funds maintain adequate cash reserves, and this recommendation was repeated in the independent CPA audit for the year ended December 31, 2011. The Board did not act upon the CPA's recommendation and continued to operate during 2011 as if the city had sufficient reserves. For example, total expenditures for all city funds increased from approximately \$9.9 million in 2010 to over \$14.3 million in 2011. Most of this increase relates to the city starting construction of a \$6.3 million aquatics center (see MAR finding number 2). Additionally, on December 15, 2011, the Board approved wage increases of up to 4.5 percent for city employees and a \$12,000 annual salary increase for the former City Administrator. Less than one month later, on January 9, 2012, the Board rescinded the raise for the former City Administrator. In February 2012 the Board began significantly cutting city expenses, and in April 2012 the Board approved the reduction of city staff by 13 employees through terminations and resignations. The Board's failure to properly monitor city finances resulted in these significant actions.

#### **Park Fund**

The city's Park Fund requires significant subsidization from the Street Fund, Capital Improvement Sales Tax Fund (CIST), and General Fund as shown in the chart below:

Transfers to the Park Fund for the Year Ended December 31,				
		2012	2011	2010
Street Fund	\$	0	410,048	0
CIST Fund		446,800	298,413	265,698
General Fund		159,000*	0	0
Total	\$	605,800	708,461	265,698

\* Transfer to reimburse Park Fund for purchase of police cars with aquatics center bond proceeds.

Revenue from the city's half-cent park sales tax and park related fees is not adequate to fund park operations. In 2012 park revenues totaled approximately \$580,000, while park related expenses were in excess of \$1 million. The operation of the city's new aquatics center has placed a significant drain on city finances with an operating loss of over \$500,000 during its first year of operation in 2012. During 2012 the city used revenue from its Capital Improvement Sales Tax to fund the debt service payments



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on the aquatics center bond issue. Additionally, in 2011 the city took over operations of its golf course that was previously operated by a private entity. The city incurred losses on golf course operations of approximately \$97,000 and \$120,000 during the years ended December 31, 2012 and 2011, respectively.

Street Fund

According to the city's 2011 audit report, the city inappropriately used \$497,869 in restricted street monies for Park (\$410,048) and Cemetery (\$87,821) operations. The use of the \$497,869 was the primary cause of the significant reduction in the Street Fund's cash balance from \$536,919 at December 31, 2010, to a negative \$169,381 at December 31, 2012. City accounting records show a \$300,000 transfer from the General Fund to the Street Fund to bring the cash balance up to \$130,619 at December 31, 2012.

Only \$100,000 has been repaid to the Street Fund from the Park Fund as of December 31, 2012, and the city has not appropriated funds to repay the \$397,869 (\$310,048 from the Park Fund and \$87,821 from the Cemetery Fund) balance in the 2013 budget document or calculated interest owed to the Street Fund.

Cemetery Fund

The city is responsible for maintaining the Greenwood Cemetery. In 2012 the city transferred \$55,000 from the General Fund to the Cemetery Fund to cover maintenance costs, and as noted above, in 2011 \$87,821 was inappropriately transferred from the Street Fund to the Cemetery Fund because adequate funds were not available in the Cemetery Fund or in the General Fund to cover maintenance expenses.

Water and Sewer Fund

The Water and Sewer Fund has operated at a loss for two of the last three years, resulting in an accumulated loss of approximately \$100,000 for the three years ended December 31, 2012.

According to correspondence from the city's legal counsel, the city may be facing significant costs to upgrade its wastewater treatment facilities, which could cost the city millions. The city is in discussions with the Missouri Department of Natural Resources and the U.S. Environmental Protection Agency regarding the extent of the improvements needed.

General Fund

The General Fund unrestricted cash balance has historically been at a low level until 2012 when the balance showed some growth, increasing from \$70,167 at December 31, 2011, to \$234,938 at December 31, 2012. However, this growth is largely because of a significant increase in transfers from other restricted city funds. These transfers are questionable and lack adequate documentation (see MAR finding number 3). The city spends approximately \$3 million annually (\$250,000 monthly). Thus, the city's unrestricted cash balance represents less than one month's operation.





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Additionally, the growth in the General Fund's unrestricted cash balance is offset by potential future costs related to city buildings. In 2013 toxic mold was discovered in the city hall building resulting in all city offices being relocated, and the city is now incurring monthly rental expenses of \$1,875. Further, the City Administrator indicated mold removal and rebuilding costs are estimated between \$250,000 and \$750,000, depending on the extent of the mold. In October 2013 the city purchased the juvenile detention center building as a potential city hall building for \$500,000 and is financing the purchase through its depository bank. Additionally, the city may have other outstanding liabilities. For instance, in October 2013 the city had to pay approximately \$35,000 for three months of outstanding fuel credit card bills because the fuel vendor discontinued service to the city for lack of payment. Also, in November 2013 nine former employees filed suit in U.S. District Court claiming the city violated the Age Discrimination in Employment Act.

### Conclusion

It is essential the Board of Aldermen actively monitor the financial condition of all city funds, both in the immediate- and long-term future. To improve the financial condition, the Board should review disbursements and reduce spending as much as possible, evaluate controls and management practices to ensure efficient use of city resources, attempt to maximize all sources of revenue, and develop a plan to repay \$397,869 to the Street Fund. The recommendations contained in this report, if implemented, will help the city establish procedures to operate within available resources and help improve the financial condition.

### Recommendation

The Board of Aldermen closely monitor the overall financial condition of all city funds, perform long-term planning, and ensure disbursements are closely monitored and receipts are maximized. The Board of Aldermen should also make efforts to reduce subsidizing other funds, avoid improper interfund transfers, and develop plans to repay amounts owed to the Street Fund.

### Auditee's Response

*The Board of Aldermen provided the following written response:*

*The financial issues faced by the city as of the first quarter of 2012, have been well documented in the public statements made by the elected officials, and in the actions taken by the city staff at the direction of the Board. While it is true that there were transfers (regardless of how they may have been termed by the previous administration) which did not comply with regulations regarding restricted funds usage, those practices ceased upon the change of administrations. It must be noted that since March 31, 2012, there has been a complete turnover of the City Administrator and every single department head-level staff member, resulting in a new methodology for conducting city business and in implementing Board policies.*



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*Our current staff is addressing the concerns raised by the audit report found in section 1, while maintaining the ongoing responsibilities of municipal government for today and the future of our community. The stated goals of this Mayor, Board, Senior Staff, and each employee are centered upon being as service oriented to the public as we can be, while maintaining the highest standard of integrity, professionalism, and compliance with any and all regulations impacting the City of Bolivar.*

## 2. Aquatics Center

The Board's failure to properly plan the financing, construction and operation of the city's new aquatics center has resulted in excessive costs and negatively impacted the city's financial condition. Under current financing arrangements, the \$6.3 million center will cost over \$16.8 million and the city does not have an option to refinance most of the debt until 2020. Construction costs were not properly approved and operation costs are significantly higher than projected.

In April 2010 city residents passed a 1/4 cent sales tax for the purpose of funding city parks, including the construction of an aquatics center. The aquatics center was constructed on land owned by the city adjoining a recreational facility owned by the Young Men's Christian Association (YMCA). The aquatics center opened in July 2012 and is operated by the YMCA through a management agreement with the city.

### Financing

Aquatics center financing proposals solicited, received, and approved by the Board did not agree with the actual financing the city ultimately obtained. The city issued \$6.45 million in certificates of participation at interest rates as high as 8.5 percent for a term of 30 years.

In June 2010 the city solicited proposals for loan proceeds of \$5.5 million to construct the aquatics center. In September 2010 the Board passed a resolution to issue \$6 million in certificates of participation. In December 2010 the city issued \$6.45 million in certificates of participation. There is no documentation to support the various amounts of financing estimated by the city or the increase of nearly \$1 million in financing obtained, and no approval by the Board for the additional \$450,000 in financing eventually obtained.

According to the August 6, 2010, board meeting minutes, the city received two proposals for financing the aquatics center with interest rates of 4.031 percent and 3.4 percent. According to actual bid documentation, the 4.031 percent financing was through certificates of participations for 20 years based upon an "A" bond rating, and the 3.4 percent financing was a 5-year lease purchase. The city contracted with the company that proposed the 4.031 percent interest rate. While board meeting minutes do not indicate why the higher interest rate financing proposal was selected, city personnel



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indicate funds were not adequate to repay the debt under the 5-year lease purchase option.

Actual financing obtained, however, varied from the financing proposal. The city issued two series of certificates, a tax exempt series for \$1.675 million carrying interest rates as high as 5 percent for 15 years and a taxable series for \$4.775 million with interest rates as high as 8.5 percent for 30 years. Additionally, the taxable certificates were sold at a discount of over \$348,000 resulting in less bond proceeds for the city. Both certificates were only rated "BBB+" which is a reflection of the city's financial condition and resulted in the higher interest rates and the discount in proceeds. Prepayment on bonds is not allowed until 2016 for the tax-exempt bonds, and 2020 for the taxable bonds.

The repayment of the certificates is structured based upon the city's ability to make annual payments, with payments on the \$4.775 million taxable certificates applying to interest only of \$404,025 annually until 2026, after the \$1.675 million tax exempt certificates are paid. As a result, over \$6.2 million in interest will be paid on the \$4.775 million certificates before a principal payment will be made. Interest on the \$4.775 million certificates is partially funded through the Build America Bond Program which provides a subsidy to help municipalities pay the interest on the certificates. At the time the certificates were issued the federal government subsidy was 35 percent or \$141,409 annually; however, as of May 1, 2013, this subsidy has been reduced by \$12,303 annually. The subsidy is not guaranteed and is based upon the amount of funds appropriated by the federal government. The city is responsible to pay any amount of the subsidy that is not appropriated by the federal government.

In addition, proposals were not solicited for bond counsel, and the selection of the bond counsel has the appearance of a conflict of interest. The city's bond counsel contact attorney is the nephew of the assistant city attorney for the Board. According to city personnel, the city used the same law firm as bond counsel on other bond issues in previous years. The city paid \$40,000 for bond counsel.

## Construction

The city did not adequately monitor construction costs which significantly exceeded estimates.

In May 2010 the city solicited design/build proposals for the aquatics center with a project budget of \$4 to \$5 million, including fees. The city considered qualifications first to select the firm; then entered into negotiations with the firm to determine the scope of work and the cost of services to accomplish the project. The city signed a design/build (one contract for both design and construction) agreement on September 21, 2010, with a project budget of \$5.5 million. This contract price was already



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more than the city's projected cost of \$4 to \$5 million. According to the agreement, the budget was a fixed limit of all project costs unless the budget was modified by written amendment or change order. Further, the agreement with the contractor indicated a guaranteed maximum price would be determined after the design process was completed; however, there is no evidence to indicate a guaranteed maximum price was ever established. The city paid the contractor over \$5.9 million which is more than the estimate indicated in the proposal and more than the budget in the design/build agreement, and the city had no documentation of a written amendment.

Change orders were not reviewed and approved by the Board when issued. According to the city, all costs associated with the project were documented through change orders instead of in a contract. There were four change orders totaling approximately \$5.8 million issued in February, June, and November 2011, and February 2012. While the change orders were signed by the former Mayor or former City Administrator, the Board did not approve the change orders until February 6, 2012, nearly one year after the initial change order was issued. Without approving change orders, the Board failed to approve any costs associated with the project until after work was completed and payment was made.

In May and June 2012, the city signed two additional agreements with the design/build contractor to add a diving board, ceiling fans, painting and other costs to the project totaling approximately \$100,000.

The city paid other construction related costs totaling over \$300,000. These costs included payments to outside vendors and the cost of city labor for dirt work and equipment rental. According to the City Clerk, the city paid these costs outside of the design/build contract in order to save money; however, it is unclear why these costs were not included within the costs outlined in the design/build agreement.

The city used the balance of the aquatics center bond money (\$159,000) to purchase police cars.

## Operation

The city did not adequately project anticipated costs to operate the aquatics center which have significantly exceeded estimates, and the city has not reviewed accounting records of the YMCA to confirm financial information reported by the YMCA is accurate.

The operating costs for the first 6 months were significantly more than the city's projected annual operating costs. City officials indicated costs to run the center were estimated between \$120,000 and \$180,000 annually; however, according to city financial records the city incurred approximately \$200,000 in operating costs from July through December 2012.



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Utility costs for the pool during the winter months are significant. For example, the December 11, 2012, Board meeting minutes estimate the costs for propane and electric for pool operations at \$850 a day which is significantly more than estimated. According to city personnel, the center's placement in the shade of the existing YMCA building makes the greenhouse design inefficient which results in higher than expected heating costs.

In 2010 prior to construction, the city negotiated a contract with the YMCA to manage the aquatics center. In the agreement the city pays all operational costs, except labor, and receives 29 percent of the operational revenue. According to city records, aquatics center revenue during 2012 was approximately \$89,000 and the city received a contractual share of approximately \$26,000. The contract provides the city the opportunity to review accounting records of the YMCA to confirm calculations under the agreement; however the city has not executed this authority.

#### Conclusion

Good business practices require adequate planning prior to approving significant capital improvement projects and entering into long-term financing arrangements. Further, written contracts documenting project costs and the proper monitoring of project costs is necessary to ensure city funds are properly disbursed. Business relationships that impair the independence of those in a position to influence the distribution and use of city funds reduce the effectiveness of controls and decision making and harm public confidence. Adequate planning for major capital projects is necessary to ensure the projects are financially feasible and supported by the taxpayers, and to help prevent potential problems or misunderstandings during the project.

#### Recommendation

The Board of Aldermen should ensure adequate planning and monitoring is performed and documented on future projects. The Board of Alderman should also review the financial operations of the aquatics center and determine the appropriate course of action to minimize the amount of city subsidies required for the debt service payments and operating expenses.

#### Auditee's Response

*The Board of Aldermen provided the following written response:*

*The Board of Aldermen understands and agrees that better control of the planning and implementation phases of large projects must be put in place and maintained in the future. The financial aspects of the aquatics center operations have been, and continue to be, a grave concern for the Board. In an effort to address those issues, such items as: town hall meetings (in order to gain citizen input), closing down the aquatics center through the colder, winter months (when usage is at its lowest and operational costs are at their highest), and dissolving the management agreement with the Bolivar YMCA so as to maintain better, and more direct operational controls, have already*



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*been implemented by the city. Furthermore, the city has recently been upgraded by Standard & Poors from a BBB+ to an A- credit rating, thereby making any future financing more appealing to the city than the bond rates utilized to build the aquatics center. As soon as it is economically feasible to do so, the city intends to refinance those higher rate bonds with lowest possible rate options available.*

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### 3. Restricted Funds

The city is using restricted funds through the administrative transfer calculation to improve the financial condition of the city's General Fund. Additionally, the city does not have an ordinance authorizing the transfer of monies for payments in lieu of taxes, and the city does not have adequate procedures to track restricted monies.

#### 3.1 Administrative transfers

Administrative transfers into the General Fund have increased significantly and exceeded the amount of expenses the city classified as administrative in the accounting records. Additionally, the type of expenses classified as administrative is questionable and the city continues to change methods for calculating administrative transfer amounts without adequate documentation to support calculation methods.

City financial statements for 2012 report transfers totaling \$919,916 into the General Fund from other departments and restricted funds to cover administrative expenses; however, expenses classified as administrative were only \$839,808 (a difference of \$80,108). Further, additional transfers of \$67,281 were made from the Capital Improvement Sales Tax Fund to reimburse the General Fund for capital asset purchases made for administrative purposes. These capital asset costs were also included in the administrative expense classification and used by the city in the calculation of the \$919,916 transfer amount. As a result, according to city financial records, the city's administrative department of the General Fund received \$987,197 in transfers which is \$147,389 more than expended.

According to the January 18, 2012, board meeting minutes, the Board approved the transfer of personnel positions from the administrative department of the General Fund into positions in healthier restricted funds. In June 2012 the City Administrator changed the allocation formula and began transferring more from each department/fund to the General Fund. The city then restated monthly financial reports for January through May 2012 making adjustments to increase transfer amounts for the new calculations. As a result, the cash balance of the General Fund increased significantly after the administrative allocations were recalculated. For example, the General Fund cash balance reported to the Board for January 31, 2012, at the February 2012 board meeting was only \$8,226; however, after the administrative allocations were recalculated city accounting records report the General Fund cash balance at January 31, 2012 as



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\$110,314. The changes in administrative allocations were not approved by the Board.

Monies transferred into the General Fund to cover administrative expenses will triple from 2011 to 2013 based upon the city's budget estimates as shown in the chart below:

Year Ended December 31,			
	2013*	2012	2011
Administrative Transfers to the General Fund	\$ 1,571,000	919,916	515,717

\*Projected in the city's 2013 budget.

Additionally, we compared administrative payroll related expenses for July 2012 and December 2012 and noted several more employees were classified as administrative employees in December, some which are questionable. For example, the salaries of the Golf Pro Shop Attendant, Animal Caretaker, Fire Chief, Police Chief, and Public Works Director were all added to the General Fund administrative payroll expense line of the financial statements and removed from their respective department/funds. As a result, administrative payroll related expenses increased from approximately \$35,000 in July to approximately \$75,000 in December, and these salaries are allocated to other restricted funds, such as the Street, Parks, Water and Sewer, and Cemetery Funds. It is questionable these restricted funds should be used to pay salary expenses related to some of these employees. For example, based upon the December 2012 calculations the Street Fund reimbursed the General Fund 14 percent of the salary of the golf pro shop attendant and other employees listed above.

Additionally, annual debt service payments of \$55,979 related to property located outside city limits and purchased for airport usage was paid from the administrative department of the General Fund in 2012 rather than the Airport Fund. This debt service payment was included in the administrative allocation calculations. In 2007, when the land was purchased, the city received a written legal opinion from their city attorney indicating that the acquisition of this property for any reason, other than the airport would be unlawful based upon its location outside city limits. However, a portion of the debt payment on this property is now allocated to restricted city funds other than the airport and this is contrary to the city attorney's legal opinion. Prior to 2012, debt service payments were made from the Airport Fund (see MAR finding number 9.2).

Further, in January 2013 the city again changed the administrative allocation method by setting some administrative transfer amounts for some departments/funds at fixed amounts and continuing to calculate others based



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upon the allocation formula. For example, according to the 2013 budget the Cemetery Fund and the Aquatics Center (within the Park Fund) will each transfer \$30,000 to the General Fund to reimburse for administrative costs. In 2012 the Cemetery Fund and the Aquatics Center transferred \$12,359 and \$79,822, respectively to the General Fund which is significantly different than the \$30,000 fixed amount. There is no documentation to support why the transfer changed so significantly or how the \$30,000 was calculated.

Generally accepted accounting principles and various legal restrictions require receipts and disbursements associated with specific activities be reflected in the fund established to account for those activities. The proper allocation of expenses is necessary for the city to accurately determine the results of operations of specific activities, thus enabling the city to establish the level of taxation and/or user charges necessary to meet all operating costs. To ensure restricted funds are used for intended purposes, the allocation of expenditures to city funds should be based on specific criteria, such as the number of hours worked by each employee, and documentation of allocations should be retained.

### 3.2 Payment in lieu of taxes

The city does not have an ordinance authorizing the transfer of monies from the Water and Sewer Fund to the General Fund for payments in lieu of taxes (PILOTS). The city transferred approximately \$123,000 during 2012.

Monthly the City Clerk transfers five percent of the gross revenue received by the Water and Sewer Fund to the General Fund. City officials indicated these transfers are to subsidize the General Fund for a gross receipts (utility franchise) tax the city would otherwise collect if a private company operated the utilities within the city. While the city has an ordinance authorizing a 5 percent franchise tax that is applied to the privately owned electric and cable companies for the use of city streets and other public places within the city; there is not an ordinance specifically authorizing this tax on city-owned utilities.

To ensure transfers for PILOTS are proper and authorized, the city should evaluate the propriety of the transfers from a legal standpoint and in conjunction with existing city ordinance.

### 3.3 Use of restricted funds

The city operated with negative balances for some funds in the city's checking account. Monies from most city funds are comingled into one pooled checking account, and the city routinely pays disbursements from funds showing negative balances within this checking account. There is an overall positive cash balance in the pooled checking account because these disbursements are covered by funds with positive balances. This practice results in inappropriate borrowing of restricted monies.

According to city accounting records, all city funds had positive cash balances at December 31, 2012; however, several times during 2012





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numerous city funds had negative cash balances. For example, the chart below reflects the cash balances of city funds in the pooled cash account at April 30, 2012.

Fund	Balance
General Fund	\$ 174,564
Economic Development Fund	(11,744)
Airport Fund	24,814
Cemetery Fund	(75,762)
Fire Fund	110,764
Water and Sewer Fund	(215,968)
Parks and Recreation Fund	(143,739)
Street Fund	60,736
Special Road District Fund	285,453
Capital Improvement Sales Tax Fund	560,733
Wastewater Major Improvement Fund	202,579
Peace Officer Standards Training Fund	6,255
Other Restricted Funds	30,614
Municipal Division Court Bonds	18,928
Reconciled account balance	\$ 1,028,227

Various state laws place restrictions on the use of the certain city funds. The funds of the city are separately established to account for specific activities of the city. To ensure restricted monies are used for the intended purpose, monies should not be disbursed from funds with negative cash balances.

### 3.4 Tracking and recording restricted receipts

The city is not properly tracking and recording various restricted receipts.

- During the year ended December 31, 2011, the city received Federal Equitable Sharing Funds of \$3,791 from the U. S. Department of Justice and deposited these monies into the city's pooled cash checking account without tracking the related interest receipts, disbursements, and balances of these restricted monies. The city received another \$15,714 in January 2013. Agreements signed for the receipt of equitably shared monies require a separate revenue account or accounting code in addition to the deposit of any related interest income earned on equitably shared funds.
- Law Enforcement Training (LET) fees totaling approximately \$2,000 were received by the city from the municipal division and were not properly recorded as restricted monies. Section 488.5336.2, RSMo, requires LET fees to be used only for the training of law enforcement officers.



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To ensure restricted monies are used for the intended purpose, monies received should be credited to the appropriate fund as required by contracted agreement or state law.

## Recommendations

The Board of Aldermen:

- 3.1 Allocate expenditures to city funds based on specific criteria and retain documentation to support these allocations. Further, the city should review allocations in 2012 and 2013 and review expenses designated as administrative costs for proper classification and make corrections as necessary.
- 3.2 Evaluate the propriety of the PILOTS transfers in conjunction with the existing city ordinance.
- 3.3 Ensure adequate monies are available within the respective fund in the city's pooled cash bank account prior to making disbursements.
- 3.4 Determine the amount of equitable sharing monies and LET monies held by the city and establish separate funds or a separate accounting of these monies.

## Auditee's Response

*The Board of Aldermen provided the following written responses.*

- 3.1 *The Board of Aldermen has reviewed the methodology of the administrative allocations for the budget, and documentation as to that methodology will be codified and maintained with the city records. There is not any intent to be incorrect in the application of administrative allocations, but rather to be more accurately reflective of the actual city workings, in an attempt for further transparency of effort. The alteration of the methodology in 2013, noted in the audit report, was not intended by the administration, and when that alteration was discovered by the Budget Officer and the City Administrator in the preparation of the 2014 cycle, it was corrected immediately. Once the 2014 budget cycle is complete in its preparation, adoption, and implementation, the staff will, under the oversight of the Board, go back through 2012 and 2013 to make certain that no unintended allocations are left uncorrected.*
- 3.2 *The evaluation of the PILOTS transfer methodology historically employed by the city is underway with the City Attorney, and any necessary ordinance upgrade, or alteration of procedure shall be addressed at the earliest possible option.*
- 3.3 *One of the primary purposes for hiring the current City Administrator was to deal with the financial and budgetary issues*



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*which were facing the city at the end of the first quarter of 2012. Since that time, every effort has been made to rectify the previous expenditure policies that allowed the city to enter such a serious financial condition in the first place. While it has taken some time, and those efforts are not fully finished by any means, the city has finished 2012 with all funds in a positive balance (as noted in the report), and those positive balances have been maintained throughout 2013. No disbursements will be made by this administration, or approved by this Board, without the adequate monies being available in the respective fund from which it is to be drawn.*

- 3.4 *The city, under the oversight of the Board, has recently employed a new Deputy City Clerk with more than sixteen years' experience in municipal clerking, and is widely respected among her peers, state-wide. With her help in this area, the city understands the need for more specific accounting procedures for such monies going forward, and will establish the required funds for the current monies in question.*

## 4. Disbursements

The city does not solicit bids for some city purchases or solicit proposals for some professional services. Some purchase decisions made by the Board were not properly documented and late fees and finance charges were incurred for the untimely payment of some bills. Check writing controls need improvement, and some payments were not properly reported on Forms 1099-Misc.

### 4.1 Bidding

The city has not always solicited bids as required by city code.

The city's bidding/purchasing policy, City Code Section 145.010, requires city officials to solicit bids for the purchase of goods or services over \$10,000 and requires purchase orders or contracts for all purchases over \$100. The policy further requires the City Administrator or Mayor to sign the purchase order and the City Clerk's office to attest that the appropriate amount of money has been budgeted. Additionally, City Code Section 135.010 requires the solicitation of banking services every odd year after the municipal election in April.

#### Computer equipment

The city did not solicit bids for computers and computer related equipment costing approximately \$195,000.

In June 2011 the city advertised to solicit qualifications for oversight, design, consulting, and maintenance of all city information systems and subsequently signed a two-year contract with a computer company of which the assistant city attorney is an officer of the corporation. The assistant city attorney's advisory relationship with the Board and corporate officer



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relationship with the computer company could result in a conflict of interest. These services cost the city approximately \$31,000 annually. During 2012 the city paid an additional \$72,000 to this company for items including a new server, laptops, cables and switches, and signed a 5-year lease purchase agreement with this company to finance the purchase of 42 new computers and related equipment costing approximately \$123,000 at 8 percent interest. These purchases were made without soliciting bids.

There is no evidence the city had formally established guidelines or performed adequate planning for these significant computer upgrades. While the city's 2012 budget message mentions the need for computer improvements, significant computer upgrade purchases were not included in the 2012 budget.

In addition, purchase orders were not completed for some of the purchases from this computer company as required by the city's purchasing policy, and the city has authorized this company to obtain payment for its consulting services by automatically debiting the city's bank account. Consulting service amounts vary from month to month and are not posted to the city's accounting records or reviewed by the Board until the month after payment has already been made. The city does not utilize this payment and approval method for other vendors.

Additionally, the city did not attempt to obtain financing of the \$123,000 at an interest rate lower than 8 percent. The city's depository bank recently renewed an unrelated lease with the city at only 2.36 percent interest. The city will pay finance costs totaling \$26,663 during the life of the computer lease.

Further, the city purchased similar computer equipment in October 2010 from a different computer vendor, and according to city personnel, some of that equipment costing approximately \$5,000 has never been utilized or removed from the original packaging.

Considering the poor financial condition the city experienced during 2012, it is unclear why these significant purchases would be made without adequate planning and proper bidding.

#### Police cars

The city did not solicit bids for 8 police cars totaling \$147,920 purchased with bond proceeds from financing the aquatics center. The city transferred \$159,000 from the General Fund to the Parks Fund for the repayment of the bond proceeds including interest related to this purchase. The City Clerk indicated bids were not solicited because the Police Department wanted Ford vehicles.



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Street paving

The city advertised for bids in March 2012 for paving of the aquatics center parking lot and accepted the low bid of \$88,700; however, the vendor was paid an additional \$15,000 for other projects related to the cemetery and the walking trail that were not included in the original bid request. Additionally, adequate detailed documentation was not included on the vendor invoice to determine if the additional \$15,000 paving costs were billed at the same rate as the paving bid for the parking lot.

Banking services

The city has not solicited proposals from banking institutions since 2009. City code requires proposals for depository services and short term loan services be solicited in each odd numbered year. The city was charged account maintenance fees totaling \$4,397 during 2012, including \$146 in service charges for a bank account that only maintained a balance of \$3 during the year.

Additionally, the city used its depository bank to acquire funds through lease agreements totaling over \$1.9 million at December 31, 2012. The city paid over \$100,000 in interest associated with these leases.

Conclusion

In addition to being required by city code, the routine use of a competitive procurement process for major purchases ensures the city has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in city business. Business relationships that impair the independence of those in a position to influence the use of city funds reduce the effectiveness of controls and decision making and harm public confidence. Properly completing purchase orders for all disbursements helps to ensure purchases are properly authorized.

4.2 Professional services

Professional services are frequently obtained without benefit of a competitive selection process. While city policy requires bids for goods and services exceeding \$10,000, the policy does not distinguish the handling of professional services from other services.

- The city has used the same law firm for legal services without conducting a competitive selection process. City personnel indicated the city has used this firm since 1960 and until recently had appointed the same attorney within the firm as City Attorney since 1972. The city currently utilizes several attorneys within the firm for legal and prosecution services. The city paid \$88,733 for legal services during the year ended December 31, 2012.
- The city did not solicit proposals for auditing services and has used the same auditing firm since 2006. The city paid \$26,300 for auditing services during 2012.

A more comprehensive procurement policy addressing the solicitation and consideration of proposals for professional services would provide a more



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effective framework for economic management of city resources. While professional services, such as attorneys and auditors, may not be subject to standard bidding procedures, the city should solicit proposals for professional services to the extent practicable. Soliciting proposals and subjecting such services to a competitive selection process does not preclude the city from selecting the vendor or individual best suited to provide the service required. Such practices help provide a range of possible choices and allow the city to make a better-informed decision to ensure necessary services are obtained from the best-qualified vendor at a reasonable cost.

#### 4.3 Engineering services

The city did not always document its evaluation and selection of engineering services, and when qualifications were solicited from engineering firms the documentation was not adequate to support the selection.

In June 2011 the city solicited qualifications and evaluated information submitted by four engineering firms for consulting services related to the municipal airport. Each firm was scored by two board members and the former city administrator on four criteria related to the airport. The firm with the lowest accumulated score was awarded the contract without any documentation explaining why the highest rated firm was not selected. In October 2011 the city entered into an agreement with the engineering firm with the highest accumulated score to provide on-call city engineering services unrelated to the airport. The city's June 2011 request did not solicit qualifications for on-call city engineering services. The city paid approximately \$67,000 to the airport engineer and approximately \$86,000 to the on-call city engineer during 2012.

Sections 8.289 and 8.291, RSMo, provide requirements for obtaining, evaluating, and negotiating engineering services.

#### 4.4 Weapons purchase

The city disbursed \$6,545 in federal grant funds in January 2011 for weapons not received.

According to police department documentation, the city paid a vendor \$10,075 in advance for various weapons, and nearly 3 years later, 7 weapons with a total cost of \$6,545 have not yet been received by the department. Additionally, this vendor was given police department ammunition purchased by the city through a state contract and valued at approximately \$600 in exchange for applying gun coating on two department weapons. Letters and email correspondence were sent to the vendor during 2012 requesting a refund of the \$6,545, but no refund has been received. The city's attorney indicated legal action will most likely be needed to recover the funds or obtain the weapons; however, another attorney from the same law firm represents the vendor and as a result, the city's attorney has recused himself from taking legal action.



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By paying in advance the department had limited assurance the weapons would be received, and the bartering of ammunition purchased through a state contract is an improper use of department assets.

#### 4.5 Land purchase

There was no documentation to support reasons the city paid more than the appraised value for 10 acres of land to be used for a wastewater treatment plant upgrade. An appraisal was obtained that indicated the purchased land was valued at \$25,863; however, the city paid \$70,000. Board meeting minutes approving the purchase of the property do not provide justification for the purchase price.

Considering the large investment and to ensure the proper use of city funds, the city should document reasons for purchasing land for more than the appraised value.

#### 4.6 Disbursement controls

The Mayor's signature stamp is not adequately controlled, checks are signed in advance, and the City Treasurer is not bonded.

The City Clerk, who can sign checks, has custody of a facsimile stamp of the Mayor's signature and uses the stamp to sign checks. As a result, the City Clerk has authorization for two of the three required signatures on checks which diminishes the control intended by multiple signatures. We observed a blank check signed by the Mayor and City Clerk without the payee or the amount indicated. Further, the City Treasurer has check signing authority and is not bonded.

To reduce the risk of misuse, access to signature stamps should be limited and checks should not be signed in advance. Further, the failure to properly bond individuals who have access to funds exposes the city to risk of loss.

#### 4.7 Late fees and finance charges

The City Clerk does not ensure payroll taxes are deposited and bills are paid in a timely manner causing the city to incur late fees and finance charges. For example, the city failed to deposit payroll taxes timely during September 2012 and April 2013 incurring \$425 in penalties and interest, and the city's monthly credit card bill was not paid timely in December 2012 and February 2013 resulting in \$332 in late payment fees. Other instances were noted where bills were not paid timely with lesser amounts of late fees and finance charges incurred or the vendor waived the late payment fees.

To prevent unnecessary fees and finance charges, procedures should be in place to ensure payroll taxes and bills are paid timely.

#### 4.8 Forms 1099-Misc

Forms 1099-Misc are not always filed when required and some forms contained errors when filed with the Internal Revenue Service (IRS).

We identified payments to several vendors where Forms 1099-Misc were not issued. After bringing this to the city's attention, Forms 1099-Misc were



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reissued on April 18, 2013; however, the reissued forms did not include some payments made to one recipient and duplicate forms were issued to another recipient.

To ensure compliance with IRS requirements, the city should establish procedures to ensure Forms 1099-Misc are issued in all applicable instances and include accurate information.

## Recommendations

The Board of Aldermen:

- 4.1 Solicit bids and complete purchase orders as required by city code.
- 4.2 Solicit proposals for professional services and consider expanding the city's purchasing/bidding policy to address professional services.
- 4.3 Comply with state law when procuring engineering services and document the evaluation and selection process.
- 4.4 Discontinue the practice of paying for goods in advance and bartering with city assets, and consult outside legal counsel regarding legal action on recovering city monies.
- 4.5 Document reasons for purchasing land for more than the appraised value.
- 4.6 Limit access to the Mayor's signature stamp to maintain the controls intended for multiple signatures on checks, discontinue signing checks in advance, and obtain bond coverage for the City Treasurer.
- 4.7 Implement procedures to ensure bills and payroll taxes are paid timely.
- 4.8 Implement procedures to ensure Forms 1099-Misc are accurately filed as required by law.

## Auditee's Response

*The Board of Aldermen provided the following written responses.*

- 4.1 *Going forward, the city will continue to seek any and all bids for purchases over the limits set forth by ordinance.*
- 4.2 *The Board will solicit proposals for all professional services, going forward, and will strongly take under advisement the report's recommendation regarding the purchasing/bidding policies for professional purchases.*





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- 4.3 *The city, having changed administration since the actions cited within this section of the report, will not be making similar mistakes in procuring engineering services, nor has the city made such errors since that change has been made. The city will be compliant with all pertinent regulations contained within Sections 8.289 and 8.291, RSMo.*
- 4.4 *Again, the city is no longer in the practice of acting as is outlined in this section, and legal counsel has been sought, regarding what the city's options are in rectifying the situation described.*
- 4.5 *The land purchase in question, is one wherein little option was left to the city at the time. While it is true that the land was appraised at the value cited, the landowner simply did not have a strong need to sell the land at any price. However, it was land that, being contiguous to the Waste Water Treatment Plant, and being the only location possible for the city to utilize for the UV Treatment Plant required by the Missouri Department of Natural Resources (MDNR) to be built and operational by the city no later than April of 2013, there simply were no other options than to negotiate for the needed land from a disadvantaged position. Had the city implemented such negotiations earlier in the process, when MDNR had given the city notice of such expansion requirements, the amount might well have been different. However, the city was under strict orders from MDNR to be compliant by April 2013, and being found compliant was one of the first goals achieved by the current administration, even though the resulting land expenditures were more than the city would have otherwise hoped.*
- 4.6 *The Mayor's signature stamp has been destroyed, checks shall not be signed in advance by anyone, and the City Treasurer's position will be included in the city's bond coverage.*
- 4.7 *Given the addition to our staff of our Deputy City Clerk, procedures are being formulated and implemented to assure that all bills are paid on a timely basis.*
- 4.8 *New policies are being implemented to make certain that this oversight is not allowed to happen in the future.*

## 5. Employee Leave Records and Procedures

Concerns were noted with the city's conversion to a new leave policy, and the handling and payouts of some leave balances did not have documented Board approval. The city owes current and former city employees over \$67,000 in accumulated sick leave payments, and some high level city employees accumulate more leave than authorized. Additionally, problems



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were noted with leave payments to terminated employees and employee leave records.

## 5.1 Sick leave payout

Procedures used to convert employees' accumulated leave time to the guidelines established by the new leave policy have resulted in the city paying sick leave benefits owed to employees in quarterly installment payments without clear approval from the Board or consulting with the city's legal counsel.

Effective January 1, 2012, the Board approved for all employee vacation, sick, personal, and emergency leave to be combined into one category designated as paid-time-off (PTO). The old leave policy allowed employees with over 10 years of service to be paid for their accumulated sick leave at termination; however, the new PTO policy does not address this issue. According to the City Clerk, in order to convert all employees to the new policy guidelines, the Board approved paying accumulated sick leave over the 120 hour PTO maximum to all employees with over 10 years of service to eliminate this leave liability. However, there is no documentation in the board meeting minutes of this approval. The City Clerk began paying accumulated sick leave to employees in January 2012 and indicated the Board instructed her to make these payments in 40 hour increments in quarterly installments because the city did not have the money to pay all accumulated benefits at one time. There is no documentation to indicate the Board approved the installment payments of these benefits, and the installment payment for the second quarter of 2012 was not paid.

In addition, when city employees were terminated or resigned in April 2012, the city did not pay some of these employees their sick leave balance owed upon termination, but continued paying them quarterly. There is no documentation to indicate the city consulted with legal counsel regarding the appropriateness of paying terminated employees their benefits on an installment basis.

According to city payroll records, the city paid approximately \$38,000 in sick leave benefits to current and former employees in 2012 and owed approximately \$67,000 (\$36,000 to current employees and \$31,000 to terminated employees) at December 31, 2012. Based upon the city's current payment schedule, it will take approximately two years for all ten-year employees who were terminated or resigned in April 2012 to receive the benefits owed to them.

To ensure employee leave benefits are properly paid, the Board should review the procedures used to convert to the new employee leave policy and the related payout of accumulated sick leave. In addition, the Board should consult with legal counsel regarding the unpaid balance owed to former



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employees and determine if it is appropriate to pay amounts owed in installment payments.

## 5.2 Employee leave time

Several high level city employees accumulate more PTO leave than authorized by city policy or employment contracts, received payment of leave time upon termination that did not comply with city policy, and have incomplete or inaccurate leave records.

### Leave earned

Some city officials and employees accrue more PTO than allowed by city policy or employment contracts.

The employment contract approved by the Board for the City Administrator in March 2012 allows for PTO benefits to accumulate based on one full year of service; however, PTO is actually accumulating as if the City Administrator had 3 years of service. As a result, the PTO accrual is 14 hours monthly instead of 10 hours monthly, an additional 48 hours of leave time annually. This excess leave accumulation is due to the leave accrual date in the city's payroll system for the City Administrator being April 1, 2009, rather than his start date of April 1, 2012.

Additionally, the leave accrual dates of the Fire Chief and the Human Resource Director entered into the payroll system did not agree with the actual hire dates for these employees. As a result, an additional 72 hours of PTO is accumulated annually for each employee. There is no documentation that the increased PTO accrual has been approved by the Board and neither employee had a written employment contract documenting that leave in excess of city policy should be awarded.

To ensure employee leave accruals are valid and proper, the city should follow its leave accumulation policies and/or employment contracts and make adjustments to reduce employee leave accruals as appropriate.

### Leave payments

Final payroll checks for two city officials included leave payments that were in excess of the amount allowed by city policy or employment contracts.

- Former City Administrator Mersch was paid for 65.5 hours of holiday compensatory time totaling \$2,519 in his final paycheck on January 31, 2012. According to his employment contract, the former City Administrator was not entitled to compensatory time or other form of compensation for hours worked in excess of 40 hours.
- Former Police Chief Walter received a final payroll check in October 2012 totaling \$11,938 for payment of 326 hours of PTO and 56 hours of holiday compensatory time. Former Police Chief Walter was employed with the city for only approximately 14 months but was credited for PTO leave equivalent to a seven year employee. The city did not have a



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written employment agreement with Former Police Chief Walter and the board minutes do not specify benefits agreed upon at the time of employment. Additionally, the city's personnel policy does not authorize for the payment of accrued PTO for employees with less than 2 years of service. As a result, is it unclear if the PTO hours and compensatory hours paid in the final payroll check of the former police chief was proper.

The accurate and consistent payment of leave time to former employees is necessary to ensure adherence to city policy and employment contracts, prevent incorrect or improper payments, and ensure equitable treatment of city employees.

#### Leave records

Computerized leave records did not always agree with manual leave records.

The city maintains records of leave earned and taken by employees on both manual forms and computerized records. According to the City Clerk the manual leave records are maintained as a means to double check the accuracy of the computerized records; however, our review identified several instances where manual leave records did not agree with computerized leave records. As a result, it is not clear which record is accurate.

For example, the computerized leave records for the City Clerk indicated 45.5 hours of sick leave accumulated at December 31, 2012; however, manually maintained leave records showed no sick leave balance. The City Clerk indicated the 45.5 hours were earned prior to 2012; however manual leave records do not reflect this balance in prior periods and it is unclear why this sick leave balance, if accurate, was not converted to PTO when the policy changed January 1, 2012. After our inquiry, the City Clerk provided documentation showing she donated 23 hours of this leave to another city employee; however, this does not fully explain the discrepancy. Additionally, manual leave records for another city employee included 36 hours more of leave accrued than reflected on the computerized records. Employee leave records are maintained by the City Clerk.

Accurate leave records are necessary to ensure employees are treated equitably and are properly compensated.

## Recommendations

The Board of Aldermen:

- 5.1 Ensure procedures followed to convert to the new employee leave policy are adequately documented and approved by the Board, and consult with legal counsel regarding the appropriateness of paying amounts due to terminated employees in installment payments.



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- 5.2 Ensure city employee leave accumulations agree with city policy or employment contracts, former employees are compensated for accumulated leave in accordance with city policy, and employee leave records are accurately maintained.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 5.1 *The city is undertaking a complete review of all employee handbook procedures currently in place, and will, after having taken the appropriate steps to ensure legal counsel support, implement those policies in full, with the appropriate documentation in place.*
- 5.2 *Given the changes made within the city staff, all employee and former employee payments will be made only according to the approved employee handbook, as set forth by the Board of Aldermen. Leave records will be accurately maintained.*

## 6. Accounting Records and Procedures

City accounting records and financial reports provided to the Board are inaccurate, bank reconciliations are not performed timely, and interfund transfers are not always approved or accurately recorded.

### 6.1 Accounting records

The City Clerk's accounting records contained inaccuracies, resulting in errors on monthly financial reports provided to the Board. In addition, numerous journal entries are posted to the accounting records monthly without review or approval by an independent source, and many journal entries are posted several months after the accounting period ends.

- The redemption of certificate of deposit (CD) investments on July 10, 2012, totaling \$133,440, was not posted to the accounting records timely and the CDs were still reported as investments on the financial statements presented to the Board on November 13, 2012. As a result, investment funds were overstated and the checking account balance was understated.
- Balance sheets prepared by the City Clerk and provided to the Board continued to report a balance of \$2.2 million in aquatics center bond funds through December 2012 even though the funds were all spent by July 2012, resulting in the overstatement of available funds. The City Clerk indicated that she was waiting for the city's financial statement auditors to provide journal entries to remove these amounts from the balance sheet after the audit was complete.
- Fuel commissions totaling \$16,950 paid to the airport contractor were recorded as a reduction in fuel revenues in the accounting records rather



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than an expense of the airport. The remaining \$3,198 paid to the airport contractor was posted as an expense in the accounting records.

- Our review of journal entries recorded for March 2012 indicated the City Clerk posted 34 journal entries totaling \$759,694 in the city's General Fund. There is no documentation to indicate these entries were reviewed or approved, and 15 of the 34 journal entries totaling \$271,372 were not actually completed in March 2012 but were posted to the accounting records during the month of June 2012 or after and were back-dated to the March 2012 accounting records. As a result, the March 31, 2012, financial statements presented to the Board at the April 12, 2012, board meeting were changed significantly after the meeting through the posting of journal entries. For example, journal entries for administrative payroll and expenditure allocations were posted, reversed, and posted again during April and June 2012 without adequate explanation. Further, grant money for the Airport Fund totaling \$4,915 was automatically deposited into the city's bank account on March 19, 2012, but was not posted to the accounting records until June 3, 2012, by journal entry.

To be of maximum assistance to the Board and to adequately inform the public, city accounting records should accurately report financial activity and account balances. To ensure all journal entries are valid and posted timely, someone independent of recording and reporting financial activity should review and approve all journal entries.

### 6.2 Bank reconciliations

Bank reconciliations are not performed timely and did not always agree to city accounting records.

#### Pooled cash account

The city maintains one main checking account where most city funds are pooled together. At the start of our audit in October 2012, the city had not reconciled accounting records to the bank statement for the pooled cash account since February 2012. As of May 23, 2013, the city was still several months behind with the last completed bank reconciliation dated January 31, 2013.

In addition, completed bank reconciliations often did not agree to the cash balance recorded in the city's accounting records. For example, significant differences were noted at both December 31, 2012, and 2011. The bank reconciliation at December 31, 2012, reflected a cash balance that was approximately \$12,000 higher than the accounting records. The City Clerk was unable to explain the difference. Our review identified a deposit in transit for \$2,692 dated December 12, 2012, listed on the bank reconciliation but the deposit did not clear the bank the following month, January 2013. It is not clear if this deposit is on the bank reconciliation in error. Further, there were several other adjustments on the bank



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reconciliations labeled as "miscellaneous" dating as far back as March 2012 that were not adequately documented and explained.

At December 31, 2011, the pooled cash bank reconciliation reflected a cash balance that was approximately \$46,000 lower than the accounting records. This difference was mostly due to a check for \$43,768 issued on December 5, 2011, and clearing the city's bank account on December 27, 2011, but not posted to the city's accounting records until January 1, 2012. An adjustment was made by the city's financial statement auditors to correct this error. Further, the city did not retain a copy of the April 30, 2012, pooled cash bank reconciliation and could not reprint one from the accounting system.

Employee Health Trust  
account

The city also maintains an Employee Health Trust bank account for the payment of a portion of employees' \$5,000 health insurance deductible. The city transfers money from the pooled cash account to the health trust account when a check is issued to an employee. The bank reconciliation for the account showed a negative balance of \$2,950 caused by inadequate transfers from the city's pooled cash account to cover the checks written. Additionally, four checks totaling \$9,408 issued to two former and two current employees had not been negotiated at December 31, 2012, and no procedures were performed by city personnel to follow up on and reissue these checks. We contacted the two current employees and they indicated they do not remember receiving the checks. One of these checks dated back to 2010.

Conclusion

Approximately \$12 million is deposited into the city's accounts annually, and without timely and accurate bank reconciliations the city cannot ensure receipts and disbursements are accounted for properly.

6.3 Transfers

Some transfers between funds were posted to the accounting records but not approved by the Board, and other transfers approved by the Board were not posted to the financial records.

The City Clerk transferred \$370,500 from the General Fund to the Street (\$300,000), Cemetery (\$55,000), Economic Development (\$15,000) and Simon Bolivar Trust (\$500) Funds without approval by the Board. According to the City Clerk, the transfers were made to prevent the funds from ending the year with a negative cash balance. Other transfers between funds were approved by ordinance or in the city's budget document; however, there is no documentation to indicate these transfers were approved.

Additionally, the Board approved Ordinance Number 3070 on December 18, 2012, to transfer \$200,000 from the Parks Fund to the Street Fund for partial repayment of the \$410,048 that was inappropriately used in



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2011 (see MAR finding number 1). However, accounting records indicate only \$100,000 was transferred and there is no documentation to support why the full transfer amount approved by the Board was not made.

To ensure transfers between city funds are proper, transfers should be approved by the Board, and procedures should be put in to place to ensure transfers approved by the Board are properly posted to accounting records.

## Recommendations

The Board of Aldermen:

- 6.1 Establish procedures to ensure accounting records accurately report financial activity and account balances, all journal entries are valid and posted timely, and someone independent of recording and reporting financial activity reviews and approves all journal entries.
- 6.2 Ensure bank reconciliations are performed monthly and agree to accounting records and bank reconciliation reports are retained. Also, the Board should ensure proper amounts are transferred to the employee health trust account, and outstanding checks are followed up in a timely manner.
- 6.3 Ensure transfers between funds are properly approved and all approved transfers are posted to the accounting records.

## Auditee's Response

*The Board of Aldermen provided the following written responses.*

- 6.1 *All accounting records and account balances will be handled according to appropriate standards of acceptable governmental accounting procedures, and the reconciliations of the same shall be performed on a timely basis. The Board of Aldermen is considering the employment of an outside accounting professional, to report solely to the Board, to ensure that the figures given to the Board from the City Clerk are accurate and up to date.*
- 6.2 *Bank reconciliations shall be performed and presented to the Board monthly. The employee health trust account shall be always properly funded, and checks disbursed from that fund shall be tracked to their final disposition.*
- 6.3 *All transfers are, and shall continue to be, properly approved by the Board of Aldermen, and procedures are being implemented now with the City Budget Officer (as a double check and segregation of duties effort) to make certain that those approved transfers occur on a timely and accurate basis.*





## 7. Controls and Oversight

Serious weaknesses were identified in the controls and oversight of several city functions.

### 7.1 Segregation of duties

The Board has not segregated duties or performed an adequate review of the work performed by the City Clerk. The City Clerk is responsible for all record keeping and accounting functions of the city, including maintaining all accounting records, reconciling bank accounts, signing checks, authorizing purchases, and maintaining payroll records. Adequate independent reviews of her work are not performed. While the Board receives detailed monthly financial reports, these reports were not always accurate and errors were not identified and corrected. (See MAR finding number 6)

Many of the duties performed by the City Clerk would normally be performed by a City Treasurer and City Collector; however the City Treasurer and City Collector do not maintain active duties related to their positions. The City Treasurer can sign checks; however, checks are usually signed by the City Clerk and Deputy City Clerk, and then the Mayor's signature stamp is applied. The city elected a City Collector in April 2013; however, no contact had been made with the individual.

Proper segregation of duties provides a means of establishing control over assets, thus minimizing the risk of loss, theft, or misuse of funds. Attorney General's Opinion No. 24, 1955 to Dodds, concluded that in a fourth-class city, the holding of the positions of City Clerk, City Treasurer, and City Collector, or any two of these offices, by the same person at the same time would be incompatible. Current city procedures, which are allowing the City Clerk to effectively perform all these duties, jeopardize the system of independent checks and balances intended by state law. If segregation of duties is not possible, periodic independent or supervisory reviews, including a comparison of financial records to the reconciled bank statement, should be performed and documented.

### 7.2 Cash controls

Controls over receipts would be improved by limiting access to monies. Five employees, including two utility clerks, the meter reader, the City Clerk, and the payroll clerk, have the combination code to the safe where monies are stored until deposited. Additionally, the accounts payable clerk is responsible for counting receipts and preparing the deposits, and the Human Resource Director sometimes maintains the key to the locked bank bag containing the deposit.

To improve internal controls and reduce the risk of loss, theft, or misuse, access to monies should be limited.

### 7.3 Password controls

Passwords are not kept confidential and not periodically changed to help ensure they remain known only to the assigned user and to reduce the risk of



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compromised passwords. Additionally, the City Clerk, who maintains oversight responsibilities over the collection and disbursement of city funds, acts as administrator of the city computer system and has access to all employee passwords.

Passwords are regularly shared among employees responsible for collecting city receipts. The city maintains two computer terminals with separate cash drawers for the collection of receipts. Throughout the day the two utility clerks, meter reader, and other city employees share these two computer terminals and cash drawers to process receipts without logging in under their own password when they change terminals. The utility clerks indicated they usually put their initials into the computer field designated for the payer's check number as a means to document who entered the receipt information into the computer system; however, this computer field is not restricted and this is not the intended purpose of the field, and any initials can be entered. Our October 15, 2012, cash count noted cash and checks totaling \$27,368 recorded on these two terminals under the two utility clerks' passwords with five different sets of initials recorded in the check number field in the system.

The lack of an effective system of user identifications and passwords and the administrative access by the City Clerk may allow unauthorized access and/or changes to the system. To establish individual responsibility, as well as help preserve the integrity of computer programs and data files, access to information should be limited to authorized individuals. To control access, a unique user identification and password should be assigned to each user of a system. These passwords should be kept confidential and changed periodically to help limit unauthorized access to computer files. Additionally, not limiting access to the cash drawers increases the possibility of loss or misuse of funds and makes it difficult to determine responsibility for any losses or unreconciled differences.

#### 7.4 Accounting system controls

Information in the computerized accounting records did not always agree with the information on actual checks issued. The computerized accounting system allows the user to change the date, payee, and amount of checks posted to the accounting system after checks have been printed.

For example, we noted one check amount differed from the accounting records. The City Clerk indicated for this example errors possibly occurred in the initial check run, and a check reprint option was used to make changes to the check information in the accounting system. Additionally, a comparison of checks recorded in the accounting records to checks clearing the bank showed check numbers 32751 through 32855 issued by the city in January 2013 did not agree with the check number sequence recorded in the city's accounting records. The City Clerk indicated the check reprint option was apparently also used in this instance; however, the original checks were not voided and new check numbers assigned when the reprint option was



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performed. Allowing financial transactions to be edited after being entered into the computer system may compromise the integrity of the city's financial data and places city finances at risk.

To properly account for all monies disbursed, the data on actual checks issued should agree with the data posted to the accounting records. To ensure the integrity of disbursement data entered into the accounting system and to prevent changes from being made to check data after the checks have been issued, the city should contact the software provider to add control features to the computerized accounting program to prevent these changes.

## Recommendations

The Board of Aldermen:

- 7.1 Adequately segregate the duties of the City Clerk. At a minimum, there should be a documented supervisory review of the reconciliation between city records and banking records.
- 7.2 Limit access to cash receipts.
- 7.3 Require confidential unique user identifications and passwords for all employees, and appropriately restrict access to cash drawers. Additionally, the Board should appoint an appropriate computer system administrator who does not have financial and accounting responsibilities or other conflicting duties.
- 7.4 Contact the software provider to request additional control features to the city accounting system that will prevent changes from being made to check data after the checks have been issued.

## Auditee's Response

*The Board of Aldermen provided the following written responses.*

- 7.1 *The duties of the City Clerk are in the process of being segregated out between the City Clerk position and that of the City Budget Officer. The manner in which this segregation of duties will be implemented shall include that the person writing checks shall not be the same person responsible for reconciling those checks with the bank statements. Furthermore, as listed above, the Board of Aldermen is contemplating the engagement of an outside accounting professional for the purpose of making certain that such actions are taking place and are being performed on a timely and accurate basis. Such a person shall be outside of the oversight of the City Administrator or of the City Clerk (answering directly to the Board), and will confirm the findings of the City Clerk and the City Budget Officer. The duties of the City Treasurer and City Collector will be discussed with legal counsel.*



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- 7.2 *Only those employees deemed necessary to have access to the cash receipts of the city shall be allowed access to them. The Deputy City Clerk shall oversee the process of how those determinations are made and report back to the Board of Aldermen as to which employees have such access in the future.*
- 7.3 *Passwords for all access to computer system components, including cash drawers, have been changed in the last thirty days, and are set to be changed and kept private on a ninety day rotation. The computer system administration duties have been assigned to an employee with IT experience, who does not have either financial or accounting responsibilities to the City.*
- 7.4 *Contact has already been made with the software provider for the city (Incode), and information for future training sessions have been sought, as has information regarding the updates available to close some of the loopholes of the original system. Arrangements are being made to engage trainers from Incode to come to the city and train the staff on the specifics of using their system. Furthermore, city staff have made connection with other cities of comparable size, which also use Incode, and are making arrangements to shadow their respective counterparts to ensure full usability of the system with the city.*

## 8. Payroll and Related Matters

Some employee compensation and benefits are not properly taxed and/or reported, commuting use of city vehicles is not reported to the Internal Revenue Service (IRS), and some city employees were improperly paid as independent contractors. Additionally, the city did not ensure the proper documentation was submitted to the Missouri Department of Public Safety (DPS) in October 2012 when appointing Police Chief Hamilton. Further, controls are not adequate over the direct deposit of employee payroll checks and employee timesheets were not always reviewed and approved by supervisors.

### 8.1 Payroll reporting and tax withholdings

Retirement plan withholdings and compensation paid to volunteer firemen were not properly taxed and reported.

#### Retirement plan withholdings

The city failed to properly report and tax over \$105,000 in retirement plan withholdings from employee payroll checks and paid to a third party. City officials indicated that withholdings for the employee 457(b) retirement plan have been coded incorrectly in the city's master payroll file since 2007, causing withholdings from employees' payroll checks to be made prior to the calculation of social security and Medicare taxes. While these retirement withholdings are not subject to federal and state income taxes, they are subject to social security and Medicare taxes. As a result, taxes totaling over \$15,000 were not withheld from employee payroll checks and/or paid by the



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city, and the wages totaling over \$105,000 were not reported on quarterly payroll tax returns or employee W-2 forms. The city may be subject to interest and penalties for failing to report and pay taxes on these monies.

Volunteer firemen  
compensation

The city has historically paid volunteer firemen compensation for each incident response through the city's regular accounts payable process rather than paying them through the city's payroll process and withholding and paying payroll taxes on the compensation. The IRS considers volunteer firemen as employees for federal tax purposes under common law employment rules because they are subject to the will and control of the city. As a result, the IRS requires employers to withhold and pay federal and state income taxes, social security, and Medicare taxes on the compensation paid to fire department personnel. The city paid volunteer firemen approximately \$26,000 during the year ended December 31, 2012.

Conclusion

The city has the responsibility of complying with payroll related legal requirements and provisions. Because procedures have not been established to ensure the IRS regulations are followed, the city may be subject to penalties and/or fines for failure to properly report and/or tax all compensation.

8.2 Commuting mileage

The commuting use of city vehicles is not reported to the IRS. The City Administrator and Police Chief drive city vehicles to commute to and from home. The City Administrator's employment contract requires a mileage log documenting the use of the city's vehicle; however, a log is not maintained. Former Police Chief Hamilton drove a city vehicle to his home which is approximately 94 miles round trip from the city limits of Bolivar. Although the Police Chief indicated he was on 24-hour emergency call, considering the distance from his home it is questionable whether he could respond in a reasonable amount of time to an emergency from his residence. Further, former Police Chief Hamilton did not maintain a mileage log.

With certain exceptions, IRS reporting guidelines provide that personal commuting mileage is a reportable fringe benefit. Furthermore, IRS guidelines require the taxable fringe benefit of the provided vehicle be reported on employee W-2 forms.

8.3 Contracted labor

The city did not document the reasons for classifying some employees as independent contractors rather than employees. The city did not withhold payroll and income taxes from payments made to these individuals. Rather, these payments were reported to the IRS on 1099 forms.

For example, the city made contract labor payments instead of wages to a planning and zoning department employee in May 2012, shortly after the city significantly reduced the size of city staff through terminations and resignations. The City Clerk indicated the planning and zoning employee



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resigned and then contracted with the city; however, no resignation letter or other documentation of resignation was in her personnel file and no written contract was prepared. Additionally, contracted work hours were documented on an employee time sheet, job duties did not change significantly with the reclassification from employee to contractor, and she was supervised by city personnel. As a result, these payments totaling \$5,139 during 2012 should have been considered wages, and payroll taxes should have been withheld and paid. Another city employee was paid \$506 in contract payments during 2012.

Proper classification of employees is necessary to ensure compliance with various state and federal laws and regulations. The failure to withhold and properly report payroll and income taxes for city employees makes the city potentially subject to additional tax liabilities along with penalties and interest. The Internal Revenue Code requires both W-9 and 1099 forms be filed for independent contractors, and IRS Publication 15 requires a W-2 form be filed for employees.

#### 8.4 Peace officer reporting and licensure

The city did not submit the required documentation to the DPS when Police Chief Hamilton was appointed and commissioned in October 2012, and did not ensure he properly reported training documentation to the DPS for peace officer licensure.

Section 590.070, RSMo, requires the chief executive officer of each law enforcement agency to submit a Missouri Peace/Reserve Officer Commissioning/Employment Record for every licensed peace officer that is commissioned, terminated, or has a change in commission status to the Peace Officers Standards and Training Program at the DPS within thirty days. Section 590.195, RSMo, indicates any person that holds, grants, or continues a commission without a valid peace officer license is guilty of a Class B misdemeanor. Any law enforcement agency that violates this section shall be ineligible to receive state or federal funds for the purpose of training and licensing peace officers or for any other law enforcement, safety, or criminal justice purpose. After notification by the DPS, the city submitted the required commissioning/employment record on March 25, 2013, but failed to submit documentation of continuing law enforcement education training requirements for Police Chief Hamilton as outlined in 11 CSR 75-15.010. Police Chief Hamilton resigned in June 2013, and as of July 29, 2013, the required training documentation had not yet been submitted.

#### 8.5 Automatic payroll deposits

There is no independent review of the City Clerk's authorization for automatic deposits of employee payroll checks, tax withholdings, and payments to third party employee benefit providers.

Payroll check transactions are recorded in the city's computerized payroll system by an accounting clerk and are reviewed by the City Clerk. The City



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Clerk completes the automatic payroll deposit transaction for disbursement of all payroll amounts, and a review is performed by the Utility Department Supervisor who works under the direct supervision of the City Clerk. As a result, there is no independent review of automatic payroll disbursements. Payroll records indicate the city paid wages totaling \$2,290,163 with related tax withholdings of \$385,963. Payments made to third party employer benefit providers totaled \$512,680.

To ensure payroll transactions are valid and properly approved, they should be reviewed and approved by someone independent of the City Clerk's duties.

## 8.6 Timesheets

Supervisors do not always sign timesheets indicating their review and approval. Of 15 timesheets reviewed, 13 were not signed by a supervisor. Additionally, these 13 unapproved timesheets included one payment of overtime, one leave request which was not approved in accordance with city policy, one instance where a leave request form was not completed, and one calculation error in the number of hours worked.

Effective documented, supervisory reviews are necessary to ensure accuracy of hours worked, time recorded, leave taken, and policies are being followed.

## Recommendations

The Board of Aldermen:

- 8.1 Establish procedures to ensure IRS regulations are followed regarding the taxing and reporting of employee compensation and benefits.
- 8.2 Require usage logs be maintained to differentiate between personal, commuting, and business mileage; and ensure commuting and personal mileage are reported in compliance with IRS requirements.
- 8.3 Ensure all persons hired are properly classified as employees or independent contractors in compliance with state and federal laws and regulations, and all compensation paid is subject to income and payroll taxes and properly reported.
- 8.4 Ensure all future Missouri Peace/Reserve Officer Commissioning/Employment Record forms are submitted within the required thirty days, and continuing law enforcement education training requirements for peace officer licensure are verified prior to commissioning city law enforcement personnel.



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- 8.5 Ensure automatic payroll deposits and related transactions are properly reviewed and approved by someone independent of the City Clerk's duties.
- 8.6 Ensure timesheets are signed by supervisors to document their review and approval.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 8.1 *All regulations of the IRS shall be followed in full, and the procedures to make certain of such compliance, in accordance with advice from legal counsel, are currently being implemented through human resources and City Clerk procedural changes.*
- 8.2 *Vehicle logs will be utilized for all city owned vehicles, shall be overseen by the respective department heads responsible for their maintenance and care, and shall be reported to the Board monthly.*
- 8.3 *All such considerations as outlined in the report shall be attended and complied with according to all relevant regulations, statutes, and/or laws.*
- 8.4 *All such regulations and state requirements shall be complied with in the City of Bolivar. However, as a point of clarification, the City of Bolivar, via then Police Chief Steve Hamilton, did receive notice that his peace officer licensure for the State of Missouri through DPS was valid through August 11, 2013. Given that he left the City's employment as a peace officer prior to that stated expiration of his peace officer license, we do not believe the City, the Mayor, the Board, the Staff, or Chief Hamilton was in violation of Section 590.195, RSMo.*
- 8.5 *As part of the segregation of duties from the City Clerk, the automatic payroll deposits are being approved by the Human Resources Manager. However, the Board of Aldermen has been considering the possibility of outsourcing that particular task to an employment/payroll privatized service, both to control costs and to assure independently verifiable data on such deposits.*

## Auditor's Comment

- 8.4 It should be of concern to the Board of Aldermen that proper training documentation was not submitted to the DPS by Police Chief Hamilton. Continued noncompliance with law enforcement training and/or reporting requirements had Police Chief Hamilton remained employed by the city may have had negative financial or legal consequences.





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## 9. City Procedures and Written Agreements

City procedures for business licenses and permits need improvement, and contractual agreements are not always followed or in writing.

### 9.1 Building licenses and permits

The city does not have adequate procedures in place to follow up on unpaid business licenses. The City Administrator waived building permit fees of \$7,422 without approval by the Board.

Our review of the 2012 business license fees due July 1, 2012, identified 120 of approximately 500 business licenses remained unpaid as of February 14, 2013. City personnel indicated staff was not available after the city's workforce reduction in April 2012 to ensure all licenses were properly paid. In addition, business licenses are not prenumbered and procedures are not in place to compare business licenses issued to the amount of fees deposited. Business license revenue decreased from \$24,738 to \$20,400 from 2011 to 2012.

Additionally, building permit inspection fees totaling \$7,422 for the construction of a commercial building were waived without approval by the Board. A notation on the permit documentation indicated that the fees were waived by the City Administrator to partially offset the cost of a sprinkler system for the building; however, board meeting minutes indicate that similar requests to reduce fees for other entities were not approved. For example, in March 2012 the Board voted to table a similar request from a nonprofit organization, and referred the issue to the City Attorney. There is no documentation in the board meeting minutes to indicate that the Board was aware of or approved the \$7,422 reduction in fees. Building inspection fees decreased from \$36,106 to \$20,626 from 2011 to 2012.

To ensure business license and building permit inspection fees are issued in a timely manner and properly assessed and collected, licenses should be prenumbered and reconciled to fees received, collection procedures developed for unpaid business licenses, and any fees waived should be approved by the Board of Aldermen.

### 9.2 Written agreements

The city does not have a written agreement to support economic development contributions of \$20,000 or with the Bolivar Special Road District for administrative services. In addition, the city paid the airport contractor \$20,148 more than provided in the written agreement.

#### Contributions

Despite the city's poor financial condition, the city leases real estate to a not-for-profit (NFP) organization for \$1 per year while incurring an annual debt service payment on the property of \$55,979. The written agreement between the city and the NFP does not document any governmental purpose or



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benefit to the city. In 2007 the city received a written legal opinion from its attorney indicating the only lawful use of this property was for the airport because of its location outside city limits. The city paid \$450,000 for this property in 2007 (see MAR finding number 3.1).

Additionally, the city contributed a total of \$10,000 to the Bolivar Chamber of Commerce and \$10,000 to the Springfield Business Development Corporation (SBDC) during 2012 and 2013 without entering into written agreements or requesting documentation to show how the funds were spent. Documentation from the SBDC indicated the amount was a cash contribution with no benefits provided to the donor in consideration of the gift. The city classified these payments as economic development.

The Missouri Constitution prohibits the use of public money or property to benefit any private individual, associations, or corporations except as provided in the constitution. Without a written agreement that clearly indicates the governmental purpose provided by these entities, these uses could be considered in violation of the constitution.

#### Road district

The city receives and disburses funds belonging to the Bolivar Special Road District (BSRD) without maintaining a written agreement. Road tax monies for the BSRD are deposited into the city's pooled cash bank account, tracked through a separate city fund, and disbursed monthly for road district expenses related to street lighting and road maintenance. The city received approximately \$177,250 in BSRD tax money during 2012.

#### Airport

The city maintains a written lease agreement with a private contractor to operate the city's airport for \$1 per month payable to the city, which includes providing aircraft for charter or hire; flight instruction; the sale, lease, and repair of aircrafts; and operating a restaurant. During 2012 the city paid \$20,148 to the contractor in commissions on fuel sold at the airport; however, the contract indicates the city retains control over fuel sales and does not provide for the payment of fuel commissions. Board meeting minutes for January 26, 2012, indicate the Board discussed relinquishing the airport fuel service operations; however, no vote by Board members was recorded in the minutes.

#### Conclusion

Written agreements are necessary to specify the services to be performed and the compensation to be paid for the services, provide a means for the city to monitor compliance with the contract terms, and protect the city in the event of a dispute over the terms of the agreement. Also, Section 432.070, RSMo, requires government contracts to be in writing.



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## Recommendations

The Board of Aldermen:

- 9.1 Ensure business licenses are prenumbered and reconciled to fees received. Collection procedures should be developed for unpaid business licenses, and any fees waived should be approved by the Board.
- 9.2 Ensure all agreements are in writing and monitor for compliance with contract terms.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 9.1 *In order to ensure accountability, building licenses shall be pre-numbered prior to issuance, and all such permits and licenses shall have been in place prior to construction beginning within city limits, as issued by the Building Inspector. The reconciliation of the licenses and the requisite fees associated to them shall be reconciled by an independent source to ensure accuracy of collection of said fees.*
- 9.2 *All written agreements described in this report will be in place and maintained with documented Board approval, and all future agreements shall be documented throughout their history so as to provide an open and transparent view into the thought process and actions that brought the agreements into existence, and the city will comply with those approved contracted terms.*

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## 10. Budgets and Financial Reporting

The city did not properly prepare or monitor budgets and has not complied with state law by publishing and reporting financial information.

### 10.1 Budgets

The city has not established adequate procedures to monitor or amend budgets, and city budgets do not contain all elements required by state law.

#### Budget monitoring

The Board does not adequately monitor budget-to-actual receipts and disbursements. As a result, budget amendments for some city funds were approved after year end, and the city exceeded budgeted appropriations for some city funds.

The Board is provided budget-to-actual financial information at its meetings, but the Board is not adequately reviewing the information to ensure disbursements remain within budgeted appropriations. On December 11, 2012, the Board approved an ordinance amending the 2012 budgeted appropriations. According to the ordinance, the specific city funds



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with budget amendments were listed on "Exhibit A" attached to the ordinance; however, we were provided two different copies of "Exhibit A." One copy increased appropriations for the Airport and General Funds and another copy only increased appropriations for the Airport Fund. As a result, it is not clear whether appropriations were increased for the General Fund. In addition, the Airport Fund had already exceeded appropriations in November 2012 by \$89,341, prior to the Board addressing any amendments to the budget. Further, in February and May 2012, the Board approved ordinances to amend the city's budget for the previous year ended December 31, 2011.

Section 67.040, RSMo, requires political subdivisions to keep disbursements within amounts budgeted but allows for budget increases if the governing body officially adopts a resolution setting forth the facts and reasons. In addition, Section 67.080, RSMo, provides that no disbursement of public monies should be made unless it is authorized in the budget. Proper monitoring and amending prior to disbursing funds is necessary for the budget to be an effective management tool and comply with state law.

#### Budget preparation

Budget documents for 2012 and 2013 do not include the actual beginning and estimated ending available resources for city funds. As a result, the Board is not using all available information to assist in effectively managing the city, and the public is not provided a complete overview of city finances. In addition, the 2013 budget document does not include receipts and disbursements related to the city's trash service. In 2012 the city's trash collections and disbursements totaled approximately \$417,000 and \$367,000, respectively. No explanation was provided regarding this omission.

#### Conclusion

Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and also sets specific guidelines for the format. A complete budget should include the beginning available resources and a reasonable estimate of the ending available resources. A complete and well planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in setting tax levies and utility rates and informing the public about city operations and current finances.

### 10.2 Financial reporting

The city does not publish financial statements or submit annual financial reports to the State Auditor's office as required by law.

The city last published a financial statement in June 2010 for the year ending December 31, 2009. The city did not file the 2011 and 2010 reports with the State Auditor's office until we brought it to their attention in January 2013.



City of Bolivar  
Management Advisory Report - State Auditor's Findings

Section 79.160, RSMo, requires the Board to prepare and publish financial statements of each six month period which include a full and detailed account of the receipts, expenditures, and indebtedness of the city. In addition, Section 79.165, RSMo, states the city cannot legally disburse funds until the financial statements are published. Section 105.145, RSMo, requires each political subdivision to file annual reports of its financial transactions with the State Auditor's office.

## Recommendations

The Board of Aldermen:

- 10.1 Properly monitor actual disbursements compared to budgeted amounts, ensure disbursements do not exceed budgeted appropriations, and prepare annual budgets that contain all information as required by state law.
- 10.2 Publish semiannual financial statements and submit annual financial reports to the State Auditor's office as required by state law.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 10.1 *The historical city budgeting practices of previous administrations did not reflect the methodology preferred by the current administration, which includes having a recording of the vote of Aldermen, the appropriate ordinance pertaining to that vote, and a budget amendment commensurate to the expenditure where necessary. In this manner, the budget will be continually maintained throughout the year, rather than waiting to the end of the year to assign budget amendments, as was the previous practice. All budgetary requirements set forth by law and appropriate regulation will be strictly followed by the city.*
- 10.2 *The semi-annual financial statements shall be published and the annual financial reports shall be submitted to the State Auditor's office, as required by State law.*

## 11. Utility System Controls

Sewer rates were increased without preparing a statement of costs as required by law, controls over utility adjustments and deposits need improvement, and a reconciliation of customer utility deposits to accounting records is not performed.

### 11.1 Water and sewer rates

The city increased sewer rates in December 2012 without preparing a statement of costs or maintaining documentation of how the rate increase was calculated. The city contracted with and paid an individual \$2,000 to compare the city's water and sewer rates to rates of other similar municipalities. The city used this comparison when increasing the sewer rates rather than performing a review of the actual costs to provide the



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City of Bolivar  
Management Advisory Report - State Auditor's Findings

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services. Additionally, water rates have not been reviewed or changed since 2006. Without a current cost study to support the rates charged for water and sewer services, it is unclear whether the rates assessed for these services are set at an appropriate level.

Section 67.042, RSMo, provides that fees may be increased if supported by a statement of costs, which shows the increase is necessary to cover costs of providing the service. To ensure utility rates are set to cover the cost of providing the related services, the city should perform and document a detailed cost study of its water and sewer costs, including depreciation, and establish rates to cover the total cost of operations without generating excessive profits.

## 11.2 Utility adjustments

Controls over adjustments posted to customer utility accounts need improvement. Adjustments are sometimes needed to change a customer account balance, including writing off a balance, waiving late charges, or reducing a balance due to water leaks. The city uses a manual form to document the approval of adjustments, but has no procedures in place to compare adjustments posted to the computer to the manual approval forms to ensure all adjustments are properly approved and only approved adjustments are made to customer accounts. While the computerized utility system assigns transaction numbers to utility adjustment transactions, these numbers are not used to match computerized adjustments to manual approval forms. Additionally, reports of adjustments are not generated and reviewed and approved. Further, the city's utility system is capable of documenting supervisory approval for all created, edited, and adjusted utility account files electronically; however, this feature is not utilized.

To ensure adjustments to utility accounts are valid and approved, adjustment transactions should be compared to manual approval forms, adjustment reports should be generated and approved, or the city should begin using the electronic approval feature in their utility computer system.

## 11.3 Utility deposits

The total of customer utility deposits is not reconciled to the amount reported in the city's accounting records. As of December 31, 2012, utility system records indicate deposits totaling \$114,085 were being held; however, the city's accounting records indicated \$116,281 was being held in the city's pooled cash account for utility deposits.

Periodic reconciliation of the customer utility deposit listing to the accounting records is necessary to ensure sufficient funds are reserved to cover potential utility deposit liabilities and allow for the prompt detection of discrepancies.



City of Bolivar  
Management Advisory Report - State Auditor's Findings

## Recommendations

The Board of Aldermen:

- 11.1 Ensure a statement of costs is prepared to support utility rate increases, and document formal reviews of water and sewer rates periodically to ensure revenues are sufficient to cover all costs of providing these services.
- 11.2 Ensure all adjustments are properly approved.
- 11.3 Ensure customer deposits are reconciled to the cash balance and differences are investigated.

## Auditee's Response

- 11.1 *The Board of Aldermen initiated Part I of the rate study, using an outside source to examine the comparative affordability of city water and sewer rates in relation to similar cities, regarding size and other identifiable variables. Part II of the rate study shall be undertaken in the very near future, and will include the statement of costs required for the final rate establishment.*
- 11.2 *All adjustments of the of utility bills shall be approved by the Utilities Clerk and the City Administrator, before they are applied to the accounts in question.*
- 11.3 *All customer deposits per the utility system will be reconciled to amount of deposits reflected in the accounting records on a timely basis.*

## 12. Property Controls and Records

City property records are not complete, and fuel and vehicle usage is not properly monitored. In addition, the police department needs to improve seized property records and procedures.

### 12.1 Asset records and inventories

Property records do not include all necessary information, physical inventories are not routinely performed, and some city property is not tagged or properly identified as belonging to the city.

For example, asset records provided to us included lists of vehicles and equipment, most with no information, such as purchase date, asset cost, or identifying numbers. Additionally, city personnel indicated that an annual physical inventory of city property has not been performed in several years.

Adequate city property records and performance of annual physical inventories are necessary to secure better internal control over city property and provide a basis for determining proper insurance coverage. Property



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City of Bolivar  
Management Advisory Report - State Auditor's Findings

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control tags help improve accountability and ensure assets are properly identified as belonging to the city.

## 12.2 City fuel and vehicle usage

The city has not established effective monitoring procedures regarding fuel and vehicle use. Without effective procedures, fuel could be purchased by employees for non-city use and the city's vehicle fleet may not be used in an efficient and appropriate manner.

According to the city's vehicle listing, at January 2013 the city maintained 53 vehicles for various city services including police, fire, parks, airport and public works. During the year ended December 31, 2012, the city incurred fuel costs of approximately \$136,000.

The city maintains bulk fuel tanks and uses fuel cards at local gas stations to fuel vehicles. Fuel logs do not include all fuel pumped from city bulk fuel tanks and these fuel logs are not reviewed or used to reconcile fuel used to fuel purchased. Also, employees are not required to submit fuel tickets associated with fuel pumped at local gas stations, and while odometer readings are required to be input when fueling, these reports are not reviewed by department directors for reasonableness. Further, fuel bills are not always reviewed and approved by department supervisors before payment is made.

Additionally, usage logs are not maintained for city vehicles to ensure vehicles are properly utilized and to ensure the vehicle is a necessary and justified expense. According to the city's vehicle listing at January 2013, several vehicles were not assigned to a specific city department, and we noted several vehicles were not being utilized. An evaluation of usage to determine if the number of vehicles is necessary and justified has not been performed.

Maintaining and reviewing vehicle mileage logs and fuel usage logs and comparing these logs to fuel purchases is necessary to ensure vehicles are properly utilized, prevent paying vendors for improper billing amounts, and decrease the risk of theft or misuse of fuel occurring without detection. Logs should provide sufficient details to allow the city to effectively monitor vehicle use and fuel costs. In addition, receipts for fuel purchases made on the city's fuel cards should be submitted to the finance department to allow more effective reviews of fuel billings.

## 12.3 Police department seized property controls

The police department does not maintain a complete control log of evidence and seized property. As a result, there is no assurance all property was properly handled, controlled, and safeguarded. Additionally, many items have been held by the police department for many years without proper disposition.





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City of Bolivar  
Management Advisory Report - State Auditor's Findings

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The police department maintains seized property records on three different computerized systems, with each system tracking property for a separate date range depending on when the property was received. When a new computerized property system was put in place, inventory from the prior system(s) was not merged into the newer system. As a result, one complete control log of property is not maintained, making records cumbersome and difficult to follow. There is also no documentation to indicate that a physical inventory of seized property has been performed and compared to the computerized inventory records. As a result, there is no assurance all seized property is accounted for properly.

Additionally, the police department is holding numerous property items that should be disposed. Our review of property recorded on the three computerized systems determined that the police department was holding at least \$27,000 in cash in the property room. We selected one cash seizure totaling \$3,914 and determined that the related theft case was finalized in 2010 and the cash should be returned to the victim. Further, numerous other property items, such as guns, have also been held for many years without action by the police department to properly dispose of the property.

Several concerns regarding the improper use or disposition of seized property inventory were brought to our attention and were referred to the proper law enforcement agency for further investigation.

To ensure evidence and seized property are adequately controlled and safeguarded, complete inventory records should be maintained and a physical inventory should be performed periodically with the results compared to inventory records. In addition, the proper disposal of old evidence and seized property would reduce the risks of unauthorized access, use, or theft, and the related potential liability of the city for such possible improper use or access.

## Recommendations

The Board of Aldermen:

- 12.1 Ensure property records are adequately maintained and include all pertinent information for each asset, such as cost, acquisition date, and identifying number; annual physical inventories are conducted; and city assets are tagged to display ownership.
- 12.2 Establish adequate records and procedures to effectively monitor vehicle and fuel use. Bulk fuel inventory records should be maintained, invoices should be reviewed and approved, and fuel use should be reconciled to fuel purchases. Any discrepancies should be investigated. The Board should also ensure receipts for fuel purchases are submitted to the finance department and reconciled with fuel invoices. In addition, the Board should evaluate vehicle usage to determine if all vehicles are needed.



City of Bolivar  
Management Advisory Report - State Auditor's Findings

- 12.3 Ensure the police department maintains a single complete inventory record of all evidence and seized property, performs a physical inventory of all items and compares it to the inventory records, and properly disposes of older seized items as applicable.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 12.1 *Property records for the city are in the process of being updated in full, including a photographic record of all properties, to be maintained within the city vault for the purposes of insurance and property maintenance accountability issues.*
- 12.2 *The Board of Aldermen will begin seeking outside advice as to how to best implement fuel management procedures, and examine whether fuel dispensing equipment may be needed in the future, as well as to assess vehicle needs for the city.*
- 12.3 *The Police Department, under the guidance of Chief Mark Webb, has hired two professionals with years of experience in police property management and management of property and evidence rooms, and they are undertaking a complete audit of the city's property and evidence room. Policies and procedures are being implemented and requisite training is being employed to ensure that professionalism and accountability in all areas are maintained.*

## 13. Ordinances and Sunshine Law Issues

Some problems were noted with city ordinances and some topics discussed in closed meetings do not comply with state law.

### 13.1 City ordinances

Some city ordinances are not followed and some fees are not consistent with or authorized by city ordinance. For example, city code provides for the election of a city collector every two years and assigns duties to the position; however, city officials indicate the City Collector performs no city functions. Also, some license and utility fees are not set by ordinance or charged in accordance with city ordinance.

Since the ordinances represent legislation passed by the Board of Aldermen to govern the city and its residents, it is important the ordinances are followed and up-to-date.

### 13.2 Record requests

The city does not estimate fees for record requests consistently and the hourly rates charged for research are significantly more than the hourly research rate stated on the city's request form.



## City of Bolivar Management Advisory Report - State Auditor's Findings

For example, a June 6, 2012, Sunshine Law request for employee salaries on June 1, 2012, and December 31, 2012, resulted in 5 copies provided to a citizen at a charge of fifty cents, while a Sunshine Law request on the same date for very similar information (employee wages by department on June 1, 2012, and December 31, 2012) resulted in an estimated cost totaling \$140 (5 hours labor at \$28.12 per hour) for a different requestor. Because of the cost, the second requestor did not obtain the information. The City Clerk indicated she believed the two requests were different because the second requestor wanted the information by city department; however, we requested the same information from a city employee and within approximately 15 minutes we received a computer printout with the requested information.

Additionally, the city's request for records form indicates a rate of \$10 per hour will be charged for in-depth research, not \$28.12. The City Clerk indicated the actual hourly rate of the employee who would be conducting the research was used to estimate the cost rather than the rate on the city's request form.

Section 610.026, RSMo, allows a maximum of 10 cents per page plus an hourly fee for copying public records, not to exceed the average hourly rate of pay of clerical staff, plus the actual costs incurred for any research time for processing the request. To ensure fair and equitable treatment of citizens, the city should ensure its charges for record requests are in compliance with state law, are properly reflected on the record request form, and are consistently applied to all requestors.

### 13.3 Closed meeting discussions

Some topics discussed and voted on in closed board meetings were not allowable under the Sunshine Law. For example, on March 15, 2012, the Board set the salary, benefits, and residential requirement for the vacant city administrator position; on May 10, 2012, and November 13, 2012, the Board discussed and approved changes to employee health insurance benefits; and, on December 11, 2012, the Board discussed recognizing the city attorney's service to the city.

The Sunshine Law, Chapter 610, RSMo, limits discussions in closed meetings to only those items specifically allowed by law.

## Recommendations

The Board of Aldermen:

- 13.1 Ensure city ordinances are followed and maintained in an up-to-date manner and reflect current city operations.
- 13.2 Ensure charges for record requests are in compliance with the Sunshine Law, properly reflected on the record request form, and consistently applied to all requestors.



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City of Bolivar  
Management Advisory Report - State Auditor's Findings

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- 13.3 Ensure only topics allowed by state law are discussed in closed board meetings.

## Auditee's Response

*The Board of Aldermen provided the following written responses:*

- 13.1 *The city ordinances shall be maintained and followed by the Board of Aldermen and all staff. In addition, the city shall begin the process of actively updating the city ordinances to remove antiquated, or otherwise unnecessary ordinances, and to make certain that ordinances kept by the city are worded to correctly reflect the intentions of the Board of Aldermen.*
- 13.2 *Records requests will only be charged according to what the ordinances in place permit the requesting citizen to be charged. However, the regulating ordinance in question is another of those that must be updated in order to more accurately reflect the costs to the city today for the research that is sometimes required to fulfill the request.*
- 13.3 *No topics shall be discussed by the Board of Aldermen in executive session, which are not permitted by the specifics of the Missouri State Sunshine Law. The Board shall be scheduling a session with the Attorney General's office to receive training on all matters relating to the Sunshine Law and its requirements, and the City Attorney will diligently work to keep the Board on acceptable topic discussions during executive sessions.*

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# City of Bolivar

## Organization and Statistical Information

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The City of Bolivar is located in Polk County. The city was incorporated in 1835 and is currently a fourth-class city. The city employed 63 full-time employees and 4 part-time employees on December 31, 2012.

City operations include fire services, law enforcement services, utilities (water/sewer), airport services, and recreational facilities (aquatics center, golf course, and parks).

### Mayor and Board of Aldermen

The city government consists of a mayor and eight-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen at December 31, 2012, are identified below. The Mayor is paid \$500 per month and members of the Board of Aldermen are paid \$291.67 per month. The compensation of these officials is established by ordinance.

John Best, Mayor  
Julie Bond, Alderman  
Terry Cornell, Alderman  
John Credille, Alderman  
Darren Cowder, Alderman  
Arleen Ferguson, Alderwoman  
Vicki Routh, Alderwoman  
Steve Skopec, Alderman  
Christopher Warwick, Alderman



**Thomas A. Schweich**  
Missouri State Auditor

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# Public Water Supply District #1 of Carroll County



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December 2013  
Report No. 2013-140

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Public Water Supply District #1 of Carroll County

Accounting Controls, Policies, and Procedures	The district does not adequately segregate accounting duties or provide a documented independent review, and the General Manager/Clerk does not have sufficient receipting and recording procedures. The district does not maintain a consistent amount in the petty cash fund and does not maintain a petty cash ledger or adequate supporting documentation for receipts and disbursements. Our count of the petty cash fund found a shortage of \$56, and the General Manager/Clerk later found \$45 at her home. The district maintains three inactive bank accounts, which could be closed, and it lacks adequate supporting documentation for some expenditures. The district does not maintain adequate bond coverage for the General Manager/Clerk, given the significant weaknesses in controls over receipts and expenditures. Most backup data is not stored at an off-site location, and the backup data is not periodically tested or stored on a reliable media.
Water System	The district prepared an inadequate cost analysis to support the August 2011 water rate increase, and the district has not developed a formal capital improvement plan for the water plant and distribution system. In November 2012, an engineering study proposed immediate and long-term improvements needed for the water plant and distribution system, but the district has not adjusted water rates for needed immediate improvements.
Budgets	The district's annual budgets do not contain all elements required by state law, and the Board does not monitor the budget to actual revenues and expenditures. For fiscal year 2013, the Board approved expenditures that exceeded budgeted expenditures by \$36,191.
Public Records	The district has not adopted a formal policy regarding public access to district records.
Personnel Records, Policies, and Procedures	The General Manager/Clerk does not complete a timesheet, employees do not always accurately complete and sign their timesheets, and supervisors do not adequately review and approve timesheets. The district does not always follow its policy when calculating leave balances; one employee was underpaid upon termination, and other employees were paid for vacation leave they were not entitled to receive. The district does not prepare performance appraisals as required by district policy, and does not maintain documentation of approved salaries and any adjustments in the individual personnel files. Individual personnel files also do not contain the employee's job application, job description, resume, or training records, as required by the Employee Policy Manual. The district needs to maintain more complete and detailed documentation to support employee health insurance reimbursement payments and needs to report as compensation the value of personal use of a district vehicle.

Purchasing Policy	The district does not always follow its purchasing policy. The district did not request a quote and/or document the reason(s) for a sole source or emergency purchase for more than \$23,000 in purchases and does not solicit proposals for its attorney and auditor.
Vehicle Usage Logs and Fuel Purchases	District procedures provide that usage/mileage logs be maintained for district vehicles, but these logs do not contain adequate information, and the district does not maintain a log for one of the vehicles. District employees are not required to submit fuel tickets for fuel credit card purchases, so the General Manager/Clerk does not reconcile fuel tickets to credit card statements.
Board Training	The Board does not ensure Board members receive the training required by state law prior to receiving mileage reimbursements.

In the areas audited, the overall performance of this entity was **Fair**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our Web site: [auditor.mo.gov](http://auditor.mo.gov)**



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# Public Water Supply District #1 of Carroll County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the Board of Directors  
Public Water Supply District #1 of Carroll County, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Public Water Supply District #1 of Carroll County. We have audited certain operations of the district in fulfillment of our duties. The district engaged R. Scott Stephens, P.C., Certified Public Accountant (CPA), to audit the district's financial statements for the year ended February 28, 2013. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended February 28, 2013. The objectives of our audit were to:

1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Public Water Supply District #1 of Carroll County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Toni M. Crabtree, CPA
In-Charge Auditor:	Connie James

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# Public Water Supply District #1 of Carroll County

## Management Advisory Report

### State Auditor's Findings

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#### **1. Accounting Controls, Policies, and Procedures**

There are significant weaknesses in district accounting controls, policies, and procedures.

##### **1.1 Segregation of duties and supervisory reviews**

The General Manager/Clerk is responsible for all record-keeping duties of the district, including receiving and depositing monies, recording receipts and disbursements, preparing and distributing checks, receiving bank statements and preparing bank reconciliations, and preparing financial reports, and there is limited supervisory review of her work. In addition, she is a check signer.

To safeguard against possible loss, theft, or misuse of funds, internal controls should provide reasonable assurances that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, there should be a documented independent review of district transactions.

##### **1.2 Receipting and recording procedures**

The General Manager/Clerk needs to improve receipting and recording procedures. Our cash count, totaling \$9,532, on June 19, 2013, and other audit work identified various problems.

- The General Manager/Clerk does not restrictively endorse checks immediately upon receipt.
- The General Manager/Clerk does not always deposit receipts timely. Many payment envelopes were initially unopened, with some postmarked 5 days before our cash count. In addition, we determined five checks, totaling \$74,856, were written between district bank accounts; however, the checks were deposited over a month after being written.
- The General Manager/Clerk can assign the posting date of payments in the computerized utility system. This weakness allows for possible manipulation of receipt data. Checks counted on June 19, 2013, were posted to the utility system with a June 17, 2013 date.
- The General Manager/Clerk records payments, regardless of method of payment (cash, check, or money orders), in the accounting system as checks. As a result, the composition of receipts cannot be reconciled to the composition of deposits. In addition, we noted that some payments were not posted to the customer accounts, but were recorded only in the general ledger. Thus, customer accounts do not reflect all payments, which results in an invalid accounts receivable balance.



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Public Water Supply District #1 of Carroll County  
Management Advisory Report - State Auditor's Findings

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To reduce the risk of loss, theft, or misuse of funds, checks should be restrictively endorsed immediately upon receipt, and all monies should be deposited on a timely basis. In addition, to help ensure receipts are handled and accounted for properly, water payments should be posted on the actual date received, the composition of payments should be recorded and reconciled to the composition of deposits, and all water payments should be posted to the customer's account.

### 1.3 Petty cash

The district does not maintain the \$200 petty cash fund on an imprest basis, and does not maintain a petty cash ledger or adequate documentation to support the receipts and disbursements of petty cash. The petty cash fund is maintained for small purchases and also serves as a change fund.

Our count of petty cash on June 19, 2013, totaled \$144 with \$142 cash on hand and a \$2 disbursement receipt; resulting in a shortage of \$56. The General Manager/Clerk later found \$45 at her home. She indicated she had planned to use the \$45 for petty cash purchases.

To ensure all receipts are appropriately handled and recorded and disbursements are proper, the district should maintain the petty cash fund on an imprest basis. The district should also maintain a petty cash ledger documenting receipts, disbursements, and the balance of the petty cash fund and retain documentation to support disbursements from the fund.

### 1.4 Inactive bank accounts

The district maintains three inactive bank accounts, which could be closed. These accounts relate to prior bond issues, and the only activity in these accounts since July 2012 is interest income credited by the bank. At February 28, 2013, the bank account balances were \$20,488, \$1,033, and \$502 for the construction account, old bond payment account, and improvement account, respectively.

Maintaining inactive bank accounts increases the risk of misuse of funds. Bond covenants provide how excess funds can be used.

### 1.5 Expenditures

The district does not always obtain adequate supporting documentation for expenditures. Some expenditures are not supported by invoices. Instead, payments are made based on hotel reservations, maintenance agreements, and estimates of costs, which are important to retain but may differ from actual final costs. Also, some invoices for excavation and repair services are not supported by work orders. Work orders provide support for approved work and should be reconciled to invoices before payment.

To ensure expenditures are obligations actually incurred and represent an appropriate use of public funds, expenditures should be supported by proper documentation.



## Public Water Supply District #1 of Carroll County Management Advisory Report - State Auditor's Findings

### 1.6 Bond coverage

Due to significant weaknesses in controls over receipts and expenditures previously noted, the bond coverage for the General Manager/Clerk is not adequate. The district maintains bond coverage of \$25,000, for the General Manager/Clerk. However, for the year ended February 28, 2013, she received and handled monthly receipts ranging from approximately \$70,000 to \$100,000.

The Board should consider internal control procedures in place over financial transactions and the amount of funds handled when determining the bond amount. Failure to properly bond employees exposes the district to risk of loss.

### 1.7 Data backup

Most backup data is not stored at an off-site location, and the backup data is not periodically tested or stored on a reliable media. According to the General Manager/Clerk, the utility data is backed up monthly and is not stored at an off-site location. The general ledger/accounting data is backed up (two copies) every 3 to 4 days, and only one of the backup copies of the general ledger/accounting data is stored at an off-site location. The backup data is not periodically tested to ensure essential information can be restored and used. In addition, the backups are stored on floppy disks which may not be a reliable media. For example, in June 2012, the district lost approximately 3 months of data due to a power failure, and was unable to retrieve the data from the backup disks. The data had to be re-entered into the system from hard copy reports. Failure to store computer backup data at a secure off-site location results in backup data being susceptible to the same damage as the computer system.

District computerized records are at risk of loss due to equipment failure or other electronic or physical disaster. Storing backup data on a reliable media and in a secure off-site location provides increased assurance that district electronic records can be recreated if necessary, and periodic testing of backup data helps ensure it is reliable.

## Recommendations

The Board of Directors:

- 1.1 Segregate accounting duties to the extent possible, or at a minimum, establish procedures for a documented independent review of processing transactions and record-keeping functions.
- 1.2 Ensure checks are restrictively endorsed upon receipt, monies are deposited timely, posting dates are accurate, the composition of water payments are recorded in the utility system and reconciled to deposits, and all water payments are posted to the customer's account.



Public Water Supply District #1 of Carroll County  
Management Advisory Report - State Auditor's Findings

- 1.3 Maintain the petty cash fund on an imprest basis and retain adequate documentation for all petty cash disbursements. A petty cash ledger should also be maintained.
- 1.4 Review bond covenants regarding allowable use of excess funds and consider closing inactive bank accounts.
- 1.5 Require adequate, detailed supporting documentation be obtained and retained for all expenditures.
- 1.6 Obtain adequate bond coverage for the General Manager/Clerk.
- 1.7 Ensure backup data is stored in a secure off-site location, performed on a reliable media, and tested on a regular basis.

## Auditee's Response

*The Board of Directors provided the following written responses:*

- 1.1 *Segregation of most accounting duties is not feasible given the fact that the District has only one employee who performs all office duties. Therefore, various duties performed by the General Manager/Clerk (Manager) will be reviewed monthly by a member of the Board of Directors with each director performing said review on a rotating basis.*
- 1.2 *The Board accepts the recommendations set forth in 1.2.*
- 1.3 *The Board accepts the recommendations set forth in 1.3.*
- 1.4 *The Board will review the bond covenants regarding allowable use of excess funds and commingling of the excess funds into one bank account.*
- 1.5 *The Board currently reviews and retains invoices for all checks signed at Board meetings.*
- 1.6 *The Board maintains that the Manager's current bond coverage is adequate given that dual controls are utilized with regard to countersigning of all checks by the Manager and two Board members and that two signatures are required for accessing the District safe deposit box.*
- 1.7 *Data is now backed up on a thumb drive and taken to either the home of the Manager or the home of a director. The data will be tested on an annual basis.*



Public Water Supply District #1 of Carroll County  
Management Advisory Report - State Auditor's Findings

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## 2. Water System

The district raised water rates without an adequate cost analysis. In addition, the district has not developed a formal improvement plan for the water plant and distribution system. As a result, there is less assurance water rates are established at an appropriate level.

### 2.1 Water rates

The district prepared an inadequate cost analysis to support a 4 percent increase in water rates approved in August 2011. The analysis indicated the percentage increase in water rates could produce sufficient revenue to cover expenditures for that year; however, this analysis did not include some needed information such as future capital improvements.

Bond covenants require the district to maintain rates that produce sufficient revenues to pay for system operating expenses, principal and interest on outstanding bonds, and system improvements, and provide adequate reserves. In addition, Section 247.110, RSMo, provides that when setting rates, the district should take into consideration outstanding debt, need for extensions of mains, repairs, depreciation, enlargement of plant, adequate service, obsolescence, overhead charges, and operating and incidental expenses. Water fees are user charges which should cover the cost of providing the related services, and in-house rate studies should include all relevant expenses and required reserves. Also, preparing a statement of costs would not only allow the district to determine the rates necessary to support current and future operations, but also provide documentation to customers of the rationale behind the rates.

### 2.2 Improvement plan

The district has not developed a formal capital improvement plan for the water plant and distribution system, and water rates have not been adjusted for needed immediate improvements, as recommended by an engineering study. As noted in section 2.1, the district should consider the need for extensions of mains, repairs, depreciation, and the enlargement of the water plant when setting water rates.

In November 2012, the district obtained an engineering study regarding improvements needed for the water plant and distribution system. Proposed immediate and long-term improvements totaled approximately \$600,000 and \$4.4 million, respectively. Although the report recommended residential and wholesale rates be increased (70 cents per 1,000 gallons) to fund the immediate improvements, the district has not raised rates.

Formal capital improvement plans serve as a useful management tool and provide greater input into the overall budgeting process. Plans provide a means to continually and more effectively monitor and evaluate the progress made in the repair, maintenance, and improvements of the water plant and distribution system throughout the years.





Public Water Supply District #1 of Carroll County  
Management Advisory Report - State Auditor's Findings

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## Recommendations

The Board of Directors:

- 2.1 Ensure adequate rate studies are prepared that consider all relevant expenses and reserves.
- 2.2 Prepare a formal capital improvement plan and periodically update the plan and rates as required.

## Auditee's Response

*The Board of Directors provided the following written responses:*

- 2.1 *The Board accepts the recommendation set forth in 2.1.*
- 2.2 *The Board agrees to assess the merits of a 5-year capital improvement plan. It will also take into consideration any recommendations made by its engineers regarding adjustment of water rates.*

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## 3. Budgets

District budgets are not adequate, and the Board does not adequately monitor the financial activities of the district.

### 3.1 Annual budget

The annual budgets approved by the Board are not adequate or in compliance with state law. The budgets did not include revenues and expenditures for the 2 preceding years or a budget message.

Section 67.010, RSMo, requires each political subdivision of the state to prepare an annual budget that presents a complete financial plan and specific information, including, but not limited to, a budget message and comparisons of actual revenues and expenditures for the 2 preceding years. The budget should also include the amount required for the payment of any debt.

A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific cost expectations for each area. It will also assist in informing the public about district operations and current finances.

### 3.2 Budget monitoring

The Board does not monitor the budget to actual revenues and expenditures. As a result, for the year ended February 28, 2013, the Board approved expenditures, totaling \$1,027,327, which exceeded budgeted expenditures by \$36,191.

Failure to adhere to the limits imposed by budgets weakens the Board's effectiveness in controlling the district's financial condition. The Board should ensure monthly budget to actual comparisons are received and reviewed prior to approving expenditures.



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Section 67.080, RSMo, provides that no expenditure of public monies shall be made unless authorized in the budget. Section 67.040, RSMo, allows for increases in authorized expenditures, but only after the governing body adopts a resolution setting forth the facts and reasons.

## Recommendations

The Board of Directors:

- 3.1 Prepare annual budgets that contain all information required by state law.
- 3.2 Obtain and perform adequate reviews of budget to actual financial information monthly, ensure actual expenditures do not exceed budgeted amounts, and if necessary, amend the district's budget.

## Auditee's Response

*The Board of Directors provided the following written responses:*

- 3.1 *The Board accepts the recommendation set forth in 3.1.*
- 3.2 *The Board agrees to review and, if appropriate, amend the District budget on a quarterly basis. To do so on a monthly basis would be overly burdensome for the Board in relation to the benefits derived therefrom.*

## 4. Public Records

The district has not adopted a formal policy regarding public access to district records.

A formal policy regarding public access to district records would establish guidelines for the district to make the records available to the public. This policy should identify a person to contact, provide an address to mail such requests, and establish a cost schedule for providing copies of public records.

Section 610.023, RSMo, lists requirements for making records available to the public. Section 610.026, RSMo, allows the district to charge fees for providing access to and/or copies of public records and provides requirements related to fees.

## Recommendation

The Board of Directors develop written policies and procedures to obtain access to, or copies of, public district records.

## Auditee's Response

*The Board of Directors provided the following written response:*

*The Board will review Section 610.023, RSMo, and develop written policies and procedures concerning it.*



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## 5. Personnel Records, Policies, and Procedures

The district needs to improve personnel records, policies, and procedures.

### 5.1 Timesheets

The General Manager/Clerk does not complete a timesheet. In addition, employees do not always accurately complete and sign their timesheets, and supervisors do not adequately review and approve timesheets.

The Employee Policy Manual provides that payroll for employees should be based on time recorded. To ensure proper control over payroll and the accuracy of the hours worked, time recorded, leave taken, and overtime paid, timesheets should be prepared and signed by the employee and reviewed and approved by a supervisor. The General Manager/Clerk should prepare a timesheet, and the timesheet should be reviewed and approved by the Board President or a designated member of the Board.

### 5.2 Leave

The district does not always follow its personnel policy when calculating leave balances and paying leave to employees. We found one employee was underpaid \$344 upon termination, and other employees were paid for vacation leave they were not entitled to receive.

The Employee Policy Manual provides that full-time employees, on their employment anniversary date, be credited for vacation and sick leave. Vacation leave varies based upon length of service, and on an employee's anniversary date. Any unused vacation leave is forfeited unless an extension is requested and approved before the anniversary date. Sick leave earned is 40 hours each year, and unused sick leave is paid to employees on their anniversary date. Accrued vacation and sick leave is paid upon termination of employment. The minimum leave usage increment is 1 hour.

We identified instances of noncompliance with district policy and some inconsistencies in calculating and paying leave balances due to (1) leave usage and current balances not being updated for several months as of July 2013, (2) employees being allowed to use one-half hour increments for leave used, (3) vacation leave not always being forfeited on the employee's anniversary date, but continuing to accumulate or being paid to the employee, and (4) sick leave continuing to accumulate instead of being paid to employees on their anniversary date.

In addition, because vacation leave was allowed to accumulate and the sick leave balance was not current, upon termination one employee was overpaid for 8 hours of vacation leave and underpaid for 40 hours of sick leave, which resulted in a net underpayment of 32 hours or \$344. We also found one employee was improperly paid \$868 for accrued vacation leave in



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Public Water Supply District #1 of Carroll County  
Management Advisory Report - State Auditor's Findings

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addition to her accrued sick leave, and a second employee was improperly paid \$1,275 for accrued vacation leave in addition to his accrued sick leave, on their anniversary dates.

Accrued leave represents a potential liability to the district, and balances should be accurately maintained and monitored to ensure employees are properly compensated and receive fair and equitable treatment, in compliance with district policy.

### 5.3 Performance appraisals

The district does not prepare performance appraisals as required by district policy. According to the General Manager/Clerk, employee appraisals have not been prepared for several years, and the Board has not formally evaluated her performance for several years.

The Employee Policy Manual provides that employees be reviewed and evaluated in January each year by their supervisor, and evaluations should be based on job performance in relation to job description. Performance appraisals are needed to adequately evaluate employee performance and provide documented feedback to employees. Performance appraisals also assist in personnel decisions.

### 5.4 Personnel files

The district does not maintain documentation of approved salaries and any adjustments in the individual personnel files. According to the General Manager/Clerk, Board minutes document the starting salary and any salary increases. The individual personnel files also do not contain the employee's job application, job description, resume, or training records as required by the Employee Policy Manual.

To help ensure employees are paid the salary approved by the Board, the approval of each employee's salary/pay rate and any subsequent raises should be documented in the individual personnel files. In addition, to ensure district policy is followed, other information required by the policy manual should be maintained in individual personnel files.

### 5.5 Health insurance reimbursements

The district needs to maintain more complete and detailed documentation to support employee health insurance reimbursement payments.

The Employee Policy Manual provides that monthly health insurance premium reimbursements be made to full-time employees for individual policies. Proof of premium payments is required from employees. In September 2009, the Board approved a monthly reimbursement of up to \$350. For the year ended February 28, 2013, the district reimbursed employees \$10,589 for their premium expenses.

Documentation from insurance companies is not always sufficient. The documentation does not always identify the name of the insurance company, the type of insurance, the name of covered party, or the monthly/annual



## Public Water Supply District #1 of Carroll County Management Advisory Report - State Auditor's Findings

premium for the employee. According to the General Manager/Clerk, she reviews employees' bank statements to ensure payments agree to documentation from the insurance companies; however, she does not retain a copy of the bank statements.

To ensure the validity and propriety of health insurance premium reimbursements, detailed supporting documentation that clearly identifies the insurance company providing the coverage, type of insurance, covered party, and the premium amount should be obtained and retained.

### 5.6 Commuting in district vehicle

The district does not report the value of personal commuting in a district vehicle as compensation. According to the General Manager/Clerk, the district allows her to use a district vehicle to commute to and from home daily; however, the value of the vehicle is not added as compensation on her W-2 form. In addition, the General Manager/Clerk stated she is allowed to use the district vehicle for personal business during the day.

The Internal Revenue Service (IRS) reporting guidelines indicate personal commuting mileage is a reportable fringe benefit that should be reported on W-2 forms, and provide several methods to determine automobile commuting value. The district may be subject to penalties and/or fines for failure to report all taxable benefits. In addition, if the commuting vehicle is used for personal business and/or non-employees are passengers, the district may have liability issues.

## Recommendations

The Board of Directors:

- 5.1 Require all employees prepare and sign their timesheet, and supervisory employees review and approve timesheets of their subordinates. The Board President should review and approve the timesheet of the General Manager/Clerk.
- 5.2 Ensure employee leave balances are properly tracked and monitored, and any unused leave is handled in accordance with the district policy.
- 5.3 Ensure formal documented employee performance appraisals are completed on an annual basis. The Board should also formally evaluate the General Manager/Clerk annually.
- 5.4 Establish procedures to ensure all information required by district policy is contained in the individual personnel files, and include the approval of each employee's salary/pay rate and any subsequent raises.



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- 5.5 Ensure adequate documentation is maintained to support health insurance reimbursements.
- 5.6 Ensure the value of commuting use in a district vehicle is reported as taxable income on the employee's W-2 form and withhold related taxes. Also, the Board should reconsider allowing a district vehicle to be used for personal business.

## Auditee's Response

*The Board of Directors provided the following written responses:*

- 5.1 *The Board accepts the recommendations in 5.1 for all hourly employees. The Board also accepts the recommendation for its salaried Manager to the limited extent that she record information on her timesheet regarding vacation and sick leave only which will be reviewed and approved by the Board President.*
- 5.2 *The Board accepts the recommendation set forth in 5.2.*
- 5.3 *The Board accepts the recommendation set forth in 5.3.*
- 5.4 *The Board accepts the recommendation set forth in 5.4.*
- 5.5 *The Manager will request an annual report from each employee's insurer confirming coverage and payment of premiums for the year as suggested during the exit conference.*
- 5.6 *The Board does not consider the use of a company vehicle by the Manager as "commuting" and, therefore, a fringe benefit subject to taxation since the Manager is on call 24/7. Additionally, the District does not have adequate space to secure the vehicle during non-business hours. The Manager provides security for the vehicle during non-business hours by keeping it at her home. The Board considers this a valuable service in light of the vandalism done at night to several other vehicles in the general locale of the business office. The Board will confer with the District's CPA to further review IRS regulations.*

## 6. Purchasing Policy

The district does not always follow its purchasing policy. For the year ended February 28, 2013, operating expenses totaled \$499,846.

The district did not request a quote and/or document the reason(s) for a sole source or emergency purchase for various purchases, including the items listed in the following table.



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Purchase	Cost
Rebuild pump	\$ 6,525
Lime	5,944
Inspections, water towers	4,750
Welding services	2,290
Fix water leak	1,475
Copper setters	1,423
Metal extension/lids	1,095
Total	\$ 23,502

The district also does not solicit proposals for its attorney and auditor. For the year ended, February 28, 2013, the district paid its attorney and auditor \$2,363 and \$1,946, respectively.

The district purchasing policy provides that (1) no quotes are needed for purchases less than \$300, (2) at least two competitive quotes (e.g. telephone quotes, suppliers catalog, etc.) be obtained for the purchase of goods/services between \$300 and \$10,000, (3) at least two written quotations be obtained for goods/services between \$10,001 and \$100,000, and (4) formal bidding is required for purchases in excess of \$100,000. In addition, competitive quotes/bids are not needed for sole source situations or emergency repair work. Purchases in excess of \$10,000 are to be approved by the Board.

In addition to complying with district policy, seeking competitive bids/proposals helps ensure the district has made sufficient effort to receive goods or services at the best and lowest price. Complete documentation of all bids and proposals received and reasons why a bid or proposal was selected helps demonstrate the district conducts a fair procurement process and provides necessary information should questions arise.

## Recommendation

The Board of Directors ensure quotes/bids and/or proposals are solicited for all applicable purchases in accordance with district policy. The Board should also ensure sufficient documentation is maintained for vendors selected and the reasons for a sole source and/or emergency purchase is documented.

## Auditee's Response

*The Board of Directors provided the following written response:*

*The Board accepts the recommendations set forth in 6.*



## 7. Vehicle Usage Logs and Fuel Purchases

Vehicle usage/mileage logs do not provide sufficient details to monitor vehicle use and verify fuel purchases. During the year ended February 28, 2013, the district maintained three vehicles and fuel credit card purchases totaled \$9,324.

### 7.1 Usage logs

District procedures provide that usage/mileage logs be maintained for district vehicles; however, the usage/mileage logs do not provide adequate information and no log is maintained for one of the vehicles.

The usage/mileage logs do not always include the purpose and destination of each trip, beginning and ending odometer readings, and a record of the vehicle mileage each time the vehicle is fueled or has maintenance performed. For one vehicle, the log shows odometer readings and number of gallons of fuel, when fuel was purchased, and periodically the odometer reading for the day. For the other vehicle, the log, for a period of time, included the ending odometer reading each day and the reading at the time of fueling, but later only included the odometer reading at the time of fueling.

Without complete and detailed usage/mileage logs, the district cannot effectively monitor the appropriateness of vehicle use and ensure fuel costs are reasonable.

### 7.2 Fuel purchases

Employees are not required to submit fuel tickets for fuel credit cards purchases. As a result, the General Manager/Clerk does not reconcile fuel tickets to credit card statements. The district uses four fuel cards for fuel purchases.

Reconciling fuel tickets to invoices helps to provide assurance that the fuel billed was charged by district employees, and fuel expenses are necessary and reasonable. Failure to account for fuel purchases could result in loss, theft, or misuse going undetected.

## Recommendations

The Board of Directors:

- 7.1 Require detailed and uniform fuel usage/mileage logs be maintained for all district-owned vehicles. In addition, these logs should be reviewed, evaluated, and reconciled to fuel purchased.
- 7.2 Require fuel tickets be submitted to the General Manager/Clerk and ensure a reconciliation of fuel tickets to the monthly billing is performed.





Public Water Supply District #1 of Carroll County  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The Board of Directors provided the following written responses:*

7.1 *The Board will review current practices and develop a policy and procedures for documenting fuel usage/mileage logs.*

7.2 *The Board accepts the recommendations set forth in 7.2.*

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## 8. Board Training

The Board does not ensure members obtain the training required by state law. Although Board members do not receive compensation for attending Board meetings, members receive mileage reimbursements for attending Board meetings. For the year ended February 28, 2013, the total mileage reimbursements paid to Board members was \$702.

Section 247.060, RSMo, provides that a Board member cannot receive any attendance fees or additional compensation until the Board member has completed a minimum of 6 hours of training regarding items such as responsibilities of the board, basics of water treatment/distribution, budgets/rates, and understanding the financial statements and the Sunshine Law (Chapter 610, RSMo).

## Recommendation

The Board of Directors ensure the required training for members is obtained. In addition, training records need to be maintained to show compliance with state law.

## Auditee's Response

*The Board of Directors provided the following written response:*

*The Board accepts the recommendations set forth in 8.*

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# Public Water Supply District #1 of Carroll County

## Organization and Statistical Information

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The Public Water Supply District #1 of Carroll County (district) was established in 1974 pursuant to Chapter 247, RSMo. The district maintains its own water plant, including treating and distributing water. The district services 1,195 customers and is approximately 464 square miles.

The five-member elected board of directors acts as the policy-making body for district operations. The board members serve 3-year terms without compensation. However, members receive mileage reimbursements for attending board meetings. Members of the Board at February 28, 2013, were:

Wanda Peetoom, President  
John William Clinkscales, Vice President  
Dale Griffith, Member  
Ralph Parker, Member  
Craig Witteveen, Member

The board appoints the General Manager/Clerk and Treasurer. The General Manager/Clerk at February 28, 2013, was Deandra Germann and her compensation for the fiscal year ended February 28, 2013 was \$39,520. The Treasurer was Delbert Snider, and he received compensation in the form of mileage reimbursements.

At February 28, 2013, the district had three full-time employees and one part-time employee.



Thomas A. Schweich  
Missouri State Auditor

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## PUBLIC SAFETY

# Missouri State Highway Patrol's Use of Highway Funds

Year Ended June 30, 2013

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December 2013  
Report No. 2013-141



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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds

Background	The State Auditor is required by Article IV, Section 30(b) of the Missouri Constitution and Section 226.200.3, RSMo, to determine whether appropriations from the State Highways and Transportation Fund (State Highway Fund) to the Missouri State Highway Patrol (MSHP) are used for administering and enforcing state motor vehicle laws and traffic regulations.
Methodology	Audit staff reviewed pertinent documents, conducted interviews, and tested selected transactions. Audit staff assessed and tested internal controls and reviewed and tested MSHP calculations.
Conclusions	During the year ended June 30, 2013, the MSHP appears to be in compliance with legal provisions related to the use of Highway Funds.

Because of the limited objective of this review, no overall rating is provided.

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Department of Public Safety  
Missouri State Highway Patrol's Use of Highway Funds  
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# THOMAS A. SCHWEICH

## Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Members of the General Assembly  
and  
Jerry Lee, Director  
Department of Public Safety  
and  
Colonel Ronald K. Replogle, Superintendent  
Missouri State Highway Patrol  
Jefferson City, Missouri

We have audited the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds, as required by Section 226.200.3, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2013. The objective of our audit was to determine whether the agency is in compliance with legal provisions related to the use of Highway Funds.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The Background, Methodology and Conclusions present our comments concerning the overall compliance related to the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Dennis Lockwood, CPA
In-Charge Auditor:	John Lieser, CPA
Audit Staff:	Sherrye Lesmes

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# Department of Public Safety

## Missouri State Highway Patrol's Use of Highway Funds

### Background, Methodology, and Conclusions

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#### **Background**

The State Auditor is required to determine whether appropriations from the State Highways and Transportation Fund (State Highway Fund) to the Missouri State Highway Patrol (MSHP) are used for administering and enforcing state motor vehicle laws and traffic regulations pursuant to the constitution.

**Limitations and requirements** Article IV, Section 30(b), Missouri Constitution, limits the MSHP's use of highway funds to activities related to administering and enforcing state motor vehicle laws or traffic regulations. In addition, Section 226.200.3, RSMo, provides, in part:

" . . . Appropriations allocated from the state highways and transportation department fund to the highway patrol shall only be used by the highway patrol to administer and enforce state motor vehicle laws or traffic regulations. Beginning July 1, 2007, any activities or functions conducted by the highway patrol not related to enforcing or administering state motor vehicle laws or traffic regulations shall not be funded by the state highways and transportation department fund, but shall be funded from general revenue or any other applicable source. Any current funding from the highways and transportation department fund used for activities not related to enforcing state motor vehicle laws or traffic regulations shall expire on June 30, 2007. The state auditor shall annually audit and examine the appropriations made to the highway patrol to determine whether such appropriations are actually being used for administering and enforcing state motor vehicle laws and traffic regulations pursuant to the constitution. The state auditor shall submit its annual findings to the general assembly by January fifteenth of each year."

During the year ended June 30, 2013, the MSHP utilized appropriations from the State Highway Fund as follows:



Department of Public Safety  
Missouri State Highway Patrol's Use of Highway Funds  
Background, Methodology, and Conclusions

	Appropriation Authority	Expenditures	Lapsed Balances*
Technical services personal service	\$ 13,005,046	11,618,026	1,387,020
Administration personal service	5,673,654	5,226,934	446,720
Administration expense and equipment	422,589	313,015	109,574
Enforcement personal service	63,657,834	60,194,926	3,462,908
Law Enforcement Academy personal service	1,241,395	1,148,601	92,794
Law Enforcement Academy expense and equipment	74,317	56,353	17,964
Vehicle and driver safety personal service	10,602,248	10,024,888	577,360
Vehicle and driver safety expense and equipment	958,546	856,755	101,791
Enforcement expense and equipment	5,119,171	5,012,940	106,231
Technical services expense and equipment	13,345,440	13,265,705	79,735
Refund unused motor vehicle inspection stickers	40,000	35,972	4,028
Fringe benefits personal service	67,378,099	61,773,068	5,605,031
Fringe benefits expense and equipment	6,288,232	5,386,895	901,337
Vehicle replacement expense and equipment	6,234,456	6,219,656	14,800
Gasoline expenses	5,527,941	5,086,774	441,167
Crime laboratories personal service	3,674,490	3,458,182	216,308
Crime laboratories expense and equipment	894,529	867,693	26,836
Interoperable system highway	5,000,000	2,176,149	2,823,851
Interoperable ongoing highway	2,850,000	2,460,502	389,498
Total	\$ 211,987,987	195,183,034	16,804,953

\* The lapsed balances include withholdings made at the Governor's request totaling \$3,220,640.

## Methodology

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the agency; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objective and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objective, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

To determine whether the MSHP complied with the limitations on the use of highway funds, we reviewed the MSHP calculations of amounts expended from the State Highway Fund for non-highway activities and the amounts expended by the MSHP for highway-related activities from other funding sources. We compared the amounts used in the MSHP calculations to expenditures recorded in the state accounting system (SAM II) and other





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Department of Public Safety  
Missouri State Highway Patrol's Use of Highway Funds  
Background, Methodology, and Conclusions

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supporting documentation. In addition, we tested certain expenditures to determine if the expenditures were properly recorded.

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## Conclusions

We concluded the MSHP appears to be in compliance with legal provisions related to the use of Highway Funds. During fiscal year 2013, the MSHP spent approximately \$3,081,000 appropriated from the State Highway Fund that was not related to highway activities. This amount included non-highway personal service and fringe benefit expenditures made from the State Highway Fund for the Crime Laboratory Division, Training Division, and Administrative Services Bureau; and some gasoline and expense and equipment expenditures from the Administrative Services Bureau. However, these expenditures were more than offset by expense and equipment expenditures of approximately \$4,560,000 incurred by the Crime Laboratory Division, Training Division, and Technical Services Bureau that were related to highway activities but were not paid from the State Highway Fund. As a result, approximately \$1,479,000 more was spent on highway-related activities than was paid from highway funds during fiscal year 2013.



# Thomas A. Schweich

Missouri State Auditor

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## New Madrid County



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December 2013  
Report No. 2013-142

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of New Madrid County

Public Administrator Controls and Procedures	<p>Numerous problems were noted with the former Public Administrator's procedures and records. The Public Administrator withdrew \$2,178 from the Trust Fund bank account, closed the account and claimed these were his personal funds, but he could not prove that \$602 of this money was his, and these monies are owed to various wards/estates. He also owes the county \$240 because he requested reimbursement for the same expenses twice. The Public Administrator did not timely distribute some funds to wards/estates, and lacked adequate supporting documentation for \$2,034 of indigent expenses. Concerns were noted with the purchases of gift cards, a television, and alcoholic beverages, and providing cash to wards. The Public Administrator did not assess and collect fees from the accounts of some wards/estates, and the Associate Circuit Court does not adequately monitor the activity of cases assigned to the Public Administrator. The Public Administrator cannot account for 249 checks and lacked adequate supporting documentation for some disbursements from ward bank accounts.</p>
Personnel Policies and Procedures	<p>The county does not compensate some employees for overtime in compliance with its overtime policy and the Fair Labor Standards Act of 1938 (FLSA) requirements. The county has not followed its own personnel policies regarding employee leave, some policies and practices conflict with other payroll records and personnel policies, and policies do not adequately address holidays. Employees accrued more compensatory time and carried forward more vacation and leave hours than allowed by county policy. Three Sheriff's office deputies were allowed to accrue compensatory time in excess of 480 hours, in violation of the FLSA. Employee timesheets leave and compensatory time records, and other payroll records were not adequately reviewed, and the County Commission does not require several salaried employees to prepare and submit timesheets.</p>
Disbursements and Budget Amendments	<p>The County Commission is not obtaining information needed to properly monitor the costs and benefits of the county airport. In addition, the County Commission has not solicited bids for airport management services for 10 years and did not justify reasons for considering this a sole source contract. The County Commission has not solicited proposals for health insurance since 2007, and County Commissioner Baker made the motion and voted to approve purchasing health insurance from a broker who is his brother-in-law and County Clerk Cravens' brother. The broker was paid \$14,190 during 2012. The County Commission has not solicited bids for 10 years and did not document justifications for sole source procurements for two service contracts; one for computer systems maintenance with a company owned by the former County Clerk, and the other for repairs and maintenance with a company owned by the former County Highway Engineer. The county does not track days worked by the repairs and maintenance vendor and does not require detailed invoices. During 2012, the county provided 6 not-for-profit organizations a total of \$28,000, but these entities are not contractually obligated to provide documentation on how these funds were spent. Budget amendments contained insufficient information, were not timely completed, and were not filed with the State Auditor's office.</p>

Recorder of Deeds Controls and Procedures	The Recorder of Deeds did not investigate overages in her account, and an overage of \$8,875 exists in this account as of May 31, 2013. The Recorder of Deeds does not prepare monthly bank reconciliations or lists of liabilities, timely record deposits, or maintain a running cash balance, and disburses amounts charged throughout the month even though these amounts have not been collected yet. The Recorder of Deeds does not reconcile the amount and composition of recorded receipts to deposits and does not always deposit receipts intact.
Property Tax System Controls and Procedures	Neither the County Clerk nor the County Commission adequately reviews the activities of the County Collector. The County Clerk does not maintain an account book summarizing property tax charges, transactions, and changes, and there is no evidence that procedures are performed to verify the accuracy and completeness of the County Collector's annual settlement. The County Collector and his deputies have unlimited access rights to the property tax system, which could result in the deletion or alteration of data files and programs. The County Clerk does not compare changes initiated by the County Assessor's office to the actual changes made in the property tax system by the County Collector's office. The County Commission and County Clerk do not review and approve court orders in a timely manner, and documentation supporting the removal of old unpaid personal and real estate property tax amounts is not provided to the County Commission for its review.
Prosecuting Attorney Controls and Procedures	The Prosecuting Attorney has not adequately segregated accounting duties or performed a supervisory review of accounting records. Receipt slips are not issued for some monies received. The Prosecuting Attorney lacks adequate procedures to properly track, monitor, and collect court-ordered restitution due from defendants and to account for and monitor the disposition of all bad checks submitted for collection.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Poor**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our Web site: [auditor.mo.gov](http://auditor.mo.gov)**

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# New Madrid County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of New Madrid County

We have audited certain operations of New Madrid County in fulfillment of our duties under Section 29.230, RSMo. In addition, Beussink, Hey, Roe & Stroder, LLC, Certified Public Accountants, was engaged to audit the financial statements of New Madrid County for the year ended December 31, 2012. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of New Madrid County.

An additional report, No. 2013-113, *New Madrid County Sheriff*, was issued in November 2013.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Pamela Allison Tillery, CPA
In-Charge Auditor:	Heather R. Stiles, MBA, CPA
Audit Staff:	Richard Mosha, MBA
	Jennifer Anderson

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# New Madrid County Management Advisory Report State Auditor's Findings

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## **1. Public Administrator Controls and Procedures**

Former Public Administrator Bock withdrew \$2,178 from the Trust Fund bank account in January 2013 and claimed these were his personal funds; however, we determined \$602 of these monies is owed to various wards/estates. He also requested county reimbursement of the same indigent expenses twice and as a result, owes the county \$240. Problems were also noted in the handling of the Trust Fund bank account, fees, annual settlements, and disbursements and checks.

During the year ended December 31, 2012, the Public Administrator served as the court appointed personal representative for 43 individuals (wards) and decedent estates of the Associate Circuit Court, Probate Division. He maintained bank accounts for most wards, but also established a Trust Fund bank account to manage the financial activity of wards and estates that did not have a separate bank account and had minimal ongoing financial activity. The Public Administrator also used the Trust Fund to pay indigent wards' expenses that were subsequently reimbursed by the county.

Unless otherwise specified, references to Public Administrator relate to the former Public Administrator whose term ended December 31, 2012. The current Public Administrator took office in January 2013. Recommendations are directed to the current Public Administrator since she is in a position to work with the Associate Circuit Court and implement changes.

### **1.1 Trust Fund bank account**

The Public Administrator withdrew \$2,178 from the Trust Fund bank account in January 2013, closed the account, and claimed these were his personal funds. However, he could not provide documentation to support that \$602 of the \$2,178 withdrawn were personal funds. The \$602 is owed to various wards/estates.

The Public Administrator deposited both personal funds and county indigent expense reimbursements in the Trust Fund bank account to pay for indigent expenses incurred throughout the year. The County Commission budgets for indigent expenses to be paid from the General Revenue Fund each year, and as a result, it may not have been necessary for the Public Administrator to deposit personal funds into the Trust Fund bank account to pay these expenses.

The Public Administrator also held funds belonging to 5 wards in the Trust Fund bank account for more than one year, which could have been distributed to the ward/estate in a more timely manner. One ward was deceased and the estate was closed in 2011, and amounts held for 3 other wards could have been distributed to accounts maintained by residential facilities. The Public Administrator had no explanation for not distributing funds to these wards timely. Some of these monies were distributed to the current Public Administrator, are being held in her Trust Fund bank account,





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and have not been distributed. These funds are the property of the wards and should be distributed to the ward/estate in a timely manner.

Additionally, the Public Administrator did not provide adequate supporting documentation for any of the \$4,998 of indigent expenses requested for reimbursement from the county during the 2 years ended December 31, 2012. The Public Administrator provided the county with a summary of indigent expenses requested for reimbursement, not actual supporting documentation (paid receipts, invoices, or other detailed documentation). At our request, the Public Administrator provided supporting documentation for \$2,964 of the \$4,998 reimbursed; but did not have supporting documentation, other than cancelled checks, for the remaining \$2,034.

Our review of the supporting documentation provided, reimbursement requests, and activity of the Trust Fund bank account noted the following additional concerns:

- The Public Administrator did not properly account for 21 gift cards purchased totaling \$525 during the 2 years ended December 31, 2012, and did not obtain documentation from wards or wards' residential facilities verifying receipt of the gift cards. As a result, there is no assurance the wards received the gift cards.
- The Public Administrator did not document which ward received a television costing \$128 and did not include the television in any ward's inventory. We were unable to determine who received the television.
- The county reimbursed the Public Administrator \$240 for the same expenses included on two separate reimbursement requests.
- The Public Administrator requested reimbursement from the county's indigent funds for alcoholic beverages purchased on behalf of a ward on at least 3 documented occasions. The Public Administrator indicated he purchased alcoholic beverages and requested reimbursement from these indigent funds on more than just these 3 occasions. While documented amounts total only \$25, these purchases appear unnecessary and the County Clerk indicated indigent funds were not to be used to purchase alcoholic beverages.
- The Public Administrator did not always obtain documentation from the wards or wards' residential facilities verifying the receipt of cash. As a result, there is no assurance the wards received the cash. The Public Administrator cashed 3 Trust Fund checks payable to himself or the bank totaling \$100 to provide personal spending monies for individual wards.



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Further, the Associate Circuit Court does not review the activity of the Trust Fund bank account. While the Public Administrator listed the bank balance of this account along with ward bank accounts at the end of each calendar year, the Associate Circuit Court did not review the receipts and disbursements of this account.

Monies used by the county to reimburse the Public Administrator for indigent expenses represent public funds and officials have a fiduciary responsibility to ensure disbursements are appropriate and reasonable, and supported with adequate documentation. Without obtaining and properly reviewing adequate documentation, the county cannot determine the validity and propriety of the disbursements and prevent duplicate payments. Because the financial activity of the Trust Fund bank account was not submitted for review, the court had no assurance financial activity of the Trust Fund was proper.

## 1.2 Fees

The Public Administrator did not assess and collect fees from the accounts of some wards and estates. Section 473.742, RSMo, provides all fees collected by a Public Administrator who elects to be salaried are to be deposited into the county treasury. In 2012, the Public Administrator turned over \$960 in fees to the county. These fees were applicable to just one ward.

The Public Administrator indicated he did not typically petition the court for fees/expenses because the wards/estates lacked adequate funds to pay the fees/expenses. However, it appeared adequate funds were available for some wards/estates. Seventeen of the 43 wards/estates had assets valued between \$500 and \$67,500 at December 31, 2012.

To ensure fees are properly assessed against the accounts of the wards and estates and remitted to the county treasury, the Public Administrator should work with the Associate Circuit Judge to establish a policy for fees to be assessed.

## 1.3 Annual settlements

The Associate Circuit Court does not perform sufficient reviews of the activity of cases assigned to the Public Administrator. The court reviews annual settlements submitted, but the review of disbursements is limited to verifying the accuracy of amounts reported by reviewing cancelled checks. The Public Administrator did not file supporting documentation such as invoices with the Associate Circuit Court when filing annual settlements.

Without such documentation, it is difficult for the court to assess the validity and reasonableness of costs charged to and paid by wards of the Public Administrator. Consideration should be given to requiring such supporting documentation be filed with the court.



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## 1.4 Disbursements and checks

The Public Administrator did not obtain adequate supporting documentation for some disbursements from individual ward bank accounts. In addition, the Public Administrator did not always issue checks in numerical sequence and properly deface and retain voided checks.

Adequate supporting documentation was not retained for the following disbursements from various wards bank accounts during 2012:

- Checks totaling \$3,884 were issued to a caregiver for household expenses. No supporting documentation, other than cancelled checks, was obtained from the caregiver to support the expenses.
- Checks totaling \$3,900 were issued to various wards and a ward's caregiver for personal expenses and birthday monies; however, the wards and caregiver did not sign a receipt indicating monies had been received from the Public Administrator.
- The Public Administrator bought a used wheelchair from an individual for \$275 using funds from a ward's bank account, but no invoice or supporting documentation, other than a cancelled check, was retained and the wheelchair was not added to the ward's inventory.

Additionally, checks were not issued in numerical sequence for three ward bank accounts reviewed, and in one instance the Public Administrator was using two checkbooks simultaneously for one ward.

Further, the Public Administrator cannot account for 213 checks (which were not listed on annual settlements and are unaccounted for) from 13 individual ward bank accounts during the 2 years ended December 31, 2012. In addition, 36 checks from the Trust Fund bank account for the period October 2008 to December 2012 were skipped and are unaccounted for. According to the Public Administrator, all of these checks (ward and trust accounts) had been voided, were torn and thrown away, and were not retained in case files.

To ensure payments are valid and proper, the Public Administrator should maintain adequate supporting documentation for disbursements. To properly account for all disbursements, checks should be issued in numerical sequence and recorded in numerical sequence on check registers, and voided checks should be properly defaced and retained.

## Recommendations

- 1.1 The Public Administrator work with the Associate Circuit Judge and County Commission to seek reimbursement of amounts owed from the former Public Administrator. The County Commission should require adequate supporting documentation be submitted for indigent expense reimbursement requests. The Public Administrator



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should establish procedures for the proper handling of the Trust Fund bank account, and the Associate Circuit Judge should require the Public Administrator to submit documentation of the Trust Fund bank account activity.

- 1.2 The Public Administrator work with the Associate Circuit Judge to ensure fees are appropriately assessed and paid to the county.
- 1.3 The Associate Circuit Judge establish procedures to adequately monitor the activity of all cases assigned to the Public Administrator, and require supporting documentation such as invoices to be filed with the court.
- 1.4 The Public Administrator ensure disbursements are supported by adequate documentation, checks are issued in numerical sequence and recorded in numerical sequence in the check registers, and all voided checks are properly defaced and retained.

## Auditee's Response

*The current Public Administrator provided the following written responses:*

- 1.1 *The former Public Administrator has reimbursed the County the amounts owed and has reimbursed this Public Administrator with amounts owed.*

*Personal funds will no longer be deposited into the Public Administrator Trust account for indigent individuals. This Public Administrator will request advancements, from time to time, for funds from the County to come out of the indigent line item as approved on the county budget. Once the advancement is getting close to being spent, this Public Administrator will provide proof to the County of the expenditures made from said funds and request another advancement. This will start as of October 28, 2013.*

*The former Public Administrator distributed to the current Public Administrator funds held in his trust account for six wards and the balance of restitution payments received by his office but not yet distributed. This Public Administrator determined how to distribute these restitution payments and these payments have since been distributed. This Public Administrator has also distributed money belonging to three of the six wards already. A Petition is now pending to distribute the fourth. As to the other two, it is very complicated, and this Public Administrator has not ignored the problem and has researched trying to find a solution and steps will be taken to dispose of these two accounts if at all possible.*



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*All receipts will be obtained by this Public Administrator. If personal property is purchased for a ward out of indigent funds, this Public Administrator will supply not only the cancelled check and receipt, but a receipt from ward or facility that the ward did in fact receive said property.*

*It is the opinion of this Public Administrator that the Associate Circuit Court did not audit the trust account since it was not an estate account and felt it had no authority to do so. The private auditors were notified of this every year. This Public Administrator will supply to the Court, at any time, a settlement and/or anything the Court may request as to the Trust account. It should be noted that all activity in the Trust account, which concerned an estate was reported to the Court on the annual status report filed with the Court yearly.*

- 1.2 *This Public Administrator will petition the Court for fees. If the estate lacks the funds necessary to pay said fee, this Public Administrator will so advise the Court to leave fee bill outstanding and will further notify the Court when funds become available to satisfy the bill.*
- 1.3 *It is the opinion of this Public Administrator that the Court did perform sufficient review of the settlements. Per Section 473.543, RSMo, "...Each expenditure of more than seventy-five dollars for which a personal representative claims credit in any settlement shall be supported by vouchers executed by the person to whom the disbursement was made or other documentation, such as an electronic copy of a check or a bank statement..." All checks and bank statements were filed with the settlement and if the Court needed further documentation, it was supplied. Having said this, this Public Administrator has no problem with not only supplying the Court with the cancelled checks and bank statements but with all receipts that were obtained and has, in fact, done so since taking office.*
- 1.4 *Supporting documentation will be obtained for all disbursements, checks will be written and recorded in numerical order, and any voided checks will be defaced and kept in the file.*

*The Associate Circuit Judge provided the following written responses:*

- 1.1 *The Court has been advised that the former Public Administrator has paid a sufficient amount of funds to resolve this issue.*



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*In the event the Public Administrator purchases personal property for a ward (T.V., Gift Card, Clothes, etc.), the Public Administrator will be asked to secure a signed receipt from the ward or from administrative personnel at the ward's facility. The Court will suggest an in Chamber conference with the Public Administrator bi-annually to review the Trust Account activity. The Court would ask that the Public Administrator provide the Trust Account bank statements, her internal check ledger, and invoices or receipts for respective purchases for review. In the event the Court is not satisfied with certain disbursements, the Court will request further written documentation to support the same.*

1.2 *The Court will request the Public Administrator to submit request for fees in all estates unless the Court otherwise orders. The respective fee bills will be satisfied as allowed. In the event funds are not sufficient to satisfy the fee bills, the Court will leave the fee bills outstanding should the ward's estate realize future assets.*

1.3 *Henceforth, the Associate Circuit Court will require the Public Administrator to attach to her annual settlements all receipts, invoices, or other written verification in support of her disbursements. The Court will also request the Public Administrator to note any void or lost checks on the annual settlements so as to avoid confusion and insure that there are no unaccounted for outstanding disbursements.*

*The County Commission provided the following written response:*

1.1 *The County has received reimbursement from the former Public Administrator for indigent expenses that were reimbursed twice. Going forward the County will require supporting documentation for all reimbursement requests.*

## 2. Personnel Policies and Procedures

### 2.1 Personnel policies

Controls and procedures over payroll disbursements need improvement.

The county does not compensate some employees for overtime in compliance with its overtime policy and the Fair Labor Standards Act of 1938 (FLSA) requirements. In addition, the county has not always followed its own personnel policies regarding employee leave, personnel policies do not adequately address holidays, and various policies provide conflicting guidance and do not match overtime handling per payroll records.

- Nonworking time (vacation, sick leave, compensatory time taken, and holidays) is included in total hours worked for some employees



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when determining the amount of overtime earned by employees, which is not allowed by county policies and not required by the FLSA. As a result, the county is allowing employees to accrue more compensatory time than required. For example, a road and bridge department employee was paid 10 hours of overtime during a week he had taken 10 hours of sick leave, reported a 10-hour holiday, and reported 30 hours worked on his timesheet.

- According to county leave records, 3 Sheriff's office deputies accrued compensatory time in excess of the maximum balance allowed by the FLSA. As of January 1, 2013, these deputies had compensatory time balances of 495 hours, 572 hours, and 567 hours. The FLSA restricts the accumulation of compensatory time for law enforcement personnel to a maximum of 480 hours; hours exceeding this amount must be paid in wages on the next pay date. In addition, county policy indicates compensatory time cannot be carried over from year to year, unless approved by the officeholder.
- Six employees carried forward vacation hours ranging from 262 to 651 hours from December 2012 to January 2013 when the maximum allowed by county policy is 240 hours.
- Two employees carried forward sick leave hours of 908 and 938 hours from December 2012 to January 2013 when the maximum allowed by county policy is 900 hours.
- The county and Sheriff's office personnel policies do not adequately address holiday leave. Personnel policies indicate an employee will receive an additional day off to accommodate for working on a holiday. However, some county employees work 7.5-hour days, while others work 10 and 12-hour days. Employees who work 12-hour days receive 12 hours of holiday leave, and employees who work 10-hour days receive 10 hours of holiday leave, while those who work 7.5-hour days receive 7.5 hours of holiday leave. As a result, those employees who work 12 and 10-hour days receive up to 32 more hours of holiday leave each year than other county employees.
- Payroll records and the Sheriff's office and county's personnel policies do not consistently address how overtime will be calculated. Both the county and Sheriff's office personnel policies indicate overtime is to be paid at time and one-half for any hours over 40 hours in a work week, and the county pays overtime in this manner. However, a separate section of the Sheriff's office policy manual states that time will be computed on the basis of 171 hours per month. The County Clerk's salary schedule for all county employees indicates commissioned officers annual salaries are based upon 171 hours in a 28-day pay



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period, even though the county pays on a monthly pay period. Further, the Sheriff indicated he believed his deputies were supposed to be compensated for overtime hours worked in excess of 171 hours in a 28-day period.

- Dispatchers work schedules are based on a payroll workweek beginning on Sunday and ending on Saturday, while the personnel policy and county's payment practice is based on a payroll workweek of Monday through Sunday at midnight.

Unclear policies and allowing employees to carry leave or compensatory balances in excess of county policy or the FLSA may result in unnecessary costs to the county and inequitable treatment of employees.

To ensure employees are treated equitably and are properly compensated, strict compliance with personnel policies and the FLSA requirements is necessary, and personnel policies and related payroll records should be updated to reflect the county's intended and actual practices.

### 2.2 Reviews

The County Clerk's office and other supervisory officials do not perform adequate reviews of employee timesheets, leave and compensatory time records, and other payroll records, increasing the potential for errors to go undetected. For example, according to payroll records submitted by a Sheriff's office deputy, 194.5 hours of overtime was worked during the period December 16, 2011, through February 15, 2013. The overtime was paid by the county using drug task force grant funds at the time it was worked and was also reported on county timesheets, resulting in 291.75 (194.5 hours at time and one-half) additional hours of compensatory time being accrued. In addition to potentially preventing or identifying this problem, more thorough reviews should have detected the various problems addressed in section 2.1.

Adequate reviews by the County Clerk's office and supervisory officials are necessary to ensure the accuracy of timesheets and leave records.

### 2.3 Timesheets

The County Commission does not require the Emergency Management Director, 911 Administrator, Flood Plain Administrator, Assistant Coroner, and Search and Rescue Director to prepare and submit timesheets or other records documenting work performed. These are salaried employees who are essentially on call on a 24-hour basis and do not have established work schedules or set number of hours required to work each pay period.

Detailed time sheets would document hours actually worked, provide information necessary to monitor tasks performed, and are beneficial in demonstrating compliance with the county personnel policy and FLSA requirements.





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## Recommendations

The County Commission:

- 2.1 Ensure compliance with county overtime and leave policies and the FLSA. The County Commission should also revise personnel policies as needed.
- 2.2 Ensure adequate reviews of timesheets, leave records, and other payroll records are performed and adjust compensatory time records for duplicate hours reported.
- 2.3 Ensure all county employees prepare and submit a timesheet or other documentation of work performed.

## Auditee's Response

*The County Commission provided the following written responses:*

- 2.1 *The County Clerk's office is establishing procedures to monitor overtime and leave policies. The personnel policy will be revised to address the issues concerning holiday leave and the calculation of overtime for Sheriff's office employees.*
- 2.2 *The County Clerk's office will review all timesheets, leave records, and other payroll records for accuracy prior to processing payroll each month, and adjust compensatory time records for duplicate hours reported.*
- 2.3 *The County considers the salaries paid to the Emergency Management Director, 911 Administrator, Floodplain Administrator, Assistant Coroner, and Search and Rescue Director as minimal stipends for the services performed in these positions due to the random nature of the duties of these positions. The Commission is confident that the individuals serving in these positions perform their duties exceptionally for the salaries they receive and do not feel that timesheets are needed.*

## Auditor's Comment

- 2.3 Without timesheets, the county has no assurance the amount paid and time worked is reasonable and appropriate, and cannot ensure compliance with FLSA.

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## 3. Disbursements and Budget Amendments

Controls and procedures related to county disbursements and budget amendments are in need of improvement.

### 3.1 County airport

The County Commission is not obtaining information needed to properly monitor the costs and benefits of maintaining the county airport.



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Additionally, the County Commission has not solicited bids for these services in the past 10 years and indicated it was a sole source contract. However, the County Commission did not document their justification for sole source procurement.

The county pays a vendor \$15,600 annually to manage the county airport and disbursed another \$60,505 for airport repairs and upkeep during the year ended December 31, 2012. According to the 2013 budget document, the county anticipated receiving an aviation grant totaling \$542,000 and planned to spend \$603,500 for airport improvements during the year ended December 31, 2013.

The contract with this vendor provides for the vendor to retain all airport hangar rental income and fuel and oil concessions, but does not require this income be reported to the county, and the county does not obtain this information from the vendor. Without such information, the county cannot monitor the costs and benefits or reasonableness of the contract. The contract also requires the county to furnish the necessary equipment, supplies, and chemicals for upkeep of the airport. The county has remained in this long-term arrangement without sufficient information that would help in periodically evaluating the contract.

To effectively monitor the costs and benefits of operating the county airport, hangar rental income and fuel and oil concession information should be obtained from the vendor. Soliciting proposals for services is a good business practice, helps provide a range of possible choices, and allows the county to make better-informed decisions to ensure necessary services are obtained from the best qualified provider taking expertise, experience, and cost into consideration. To help ensure county funds are spent wisely and in the best interest of taxpayers, a cost-benefit analysis of the county airport should be performed.

### 3.2 Health insurance

The county has not solicited proposals for health insurance since 2007, and paid approximately \$821,000 for employee health insurance for the year ended December 31, 2012. The insurance broker received \$14,190 of this amount for his services.

The health insurance broker is County Clerk Cravens' brother and County Commissioner Baker's brother-in-law. Commissioner Baker made the motion and voted to approve purchasing the health insurance from this vendor/broker according to the November 17, 2011, and December 13, 2012, meeting minutes.

As elected officials, County Commissioner Baker and County Clerk Cravens serve in a fiduciary capacity and have an obligation to the public to avoid the appearance of impropriety. The Commission should ensure its



## New Madrid County Management Advisory Report - State Auditor's Findings

members abstain from any decision to contract with a related party and ensure that action is fully documented in the meeting minutes. In addition, to help prevent actual or the appearance of conflicts of interest, discussions and decisions concerning situations where potential conflicts of interest exist should be completely documented. Soliciting bids or proposals helps ensure the county receives fair value for the monies spent on services, and Section 67.150, RSMo, requires competitive bidding at least every 3 years for health insurance.

### 3.3 Bidding and monitoring of contracts

The County Commission had not solicited bids in the last 10 years and did not document their justification for sole source procurement for two service contracts. One of these contracts is for maintenance of the county's financial, assessment, and property tax system. The company providing this service is owned by the former County Clerk, and \$27,431 was paid to this company during 2012. The other contract is for general repair and maintenance of county buildings and grounds. The company providing this service is owned by the former County Highway Engineer and \$15,000 was paid to this company during 2012. Additionally, the county's contract with the repair and maintenance vendor requires the vendor to work a minimum of 156 days of the year on county repair and maintenance projects; however, the county does not track how many days of the year the vendor works, does not maintain a list of repair and maintenance projects, and monthly vendor invoices request payment of 1/12 of the \$15,000 contract amount only and do not detail what work was performed.

Written contracts with various not-for-profit organizations do not require the organizations to provide documentation of how county funds were spent. During 2012, the county provided funds totaling \$28,000 to 6 not-for-profit organizations. Without obtaining and properly reviewing adequate supporting documentation, the county cannot determine the validity and propriety of the disbursements made to the NFP organizations and ensure monies are spent as intended by the county.

Section 50.660, RSMo, provides bidding requirements. Routine use of a competitive procurement process for major purchases ensures the county has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in county business. Documentation of the various proposals received, and the county's selection process and criteria should be retained to demonstrate compliance with applicable laws or regulations and support decisions made. Contract monitoring and documentation of compliance with contractual requirements are necessary to ensure county funds are used for necessary, reasonable, and appropriate purposes and to ensure compliance with contract terms.

### 3.4 Budget amendments

Budget amendments were not filed with the State Auditor's office, budget amendment documents prepared by the County Commission were not



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New Madrid County  
Management Advisory Report - State Auditor's Findings

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completed in a timely manner, and the information contained in the budget amendment documents was not sufficient.

Budget amendments were not made until December 27, 2012. The county's procedure is to prepare an amendment near the end of each year to adjust budgeted receipts and disbursements to actual (for only the funds needing amendments). The amendment amounts are sometimes significant. For example, the County Commission amended the budgeted disbursements for the Recorder Special Fund by \$13,051 and Prosecuting Attorney Check Collection Fund by \$18,675, for the year ended December 31, 2012. Prior to the amendments, disbursements had exceeded the original budgeted amounts.

In addition, budget amendment documents prepared by the County Commission included only the fund, account number, and the amended amount, and did not report the original amount budgeted. Also, 2012 budgeted amounts reported on the 2013 budget were inaccurate; the original 2012 budgeted amounts and not the amended amounts were reported.

Timely and complete budget amendments result in a more accurate budget and more effective planning tool, and help ensure compliance with state law. The County Commission should properly monitor actual disbursements compared to budgeted amounts and formally amend the budget before incurring the related disbursements.

## Recommendations

The County Commission:

- 3.1 Periodically solicit proposals for airport management services and ensure adequate documentation is maintained to support the evaluation and selection process. In addition, the county should ensure the contract includes appropriate criteria which provides a means to monitor contractor performance and requires pertinent financial information be provided to the county.
- 3.2 Refrain from entering into business transactions with related parties unless such services or transactions are properly bid in accordance with state law and the selection process is documented.
- 3.3 Ensure bids are solicited for all applicable purchases of goods or services in accordance with state law, and obtain adequate supporting documentation to allow monitoring and oversight of contract requirements and expenditures.
- 3.4 Ensure formal budget amendments are filed with the State Auditor's office and are made prior to incurring related expenditures and budgeted amounts reported for prior years are accurate.



New Madrid County  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The County Commission provided the following written responses:*

- 3.1 *The County Commission will solicit proposals for airport management services at the end of each three year contract period and will maintain documentation to support the evaluation and selection process. Future contracts will require submission of financial information by the contractor relating to hanger rentals and fuel sales. The current contract, which expires in March 2015, will be amended to require submission of the aforementioned financial information.*
- 3.2 *The County Commission will solicit proposals for health insurance every three years as required, beginning with the 2014 renewal, and will maintain documentation to support the selection process. In regards to the health insurance broker being related to a County Commissioner and County Clerk, the broker was providing the County's health insurance prior to the Commissioner and County Clerk becoming office holders, and has been retained as broker in subsequent renewals. In the future, any Commissioner with a conflict of interest will abstain from discussions, motions and voting.*
- 3.3 *The County Commission will solicit bids for the purchase of goods and services as provided in Section 50.660, RSMo, and obtain adequate documentation to allow monitoring and oversight of contract requirements and expenditures.*
- 3.4 *Budget amendments will be made prior to incurring related expenditures and amendments will be filed with the State Auditor's office. Also, budgeted amounts reported for prior years will include amended amounts.*

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## 4. Recorder of Deeds Controls and Procedures

The Recorder of Deeds' month-end reconciliation, distribution of fees, and depositing procedures need improvement. The Recorder of Deeds processed approximately \$131,000 during the year ended December 31, 2012.

### 4.1 Overages, bank reconciliations, and disbursements

The Recorder of Deeds did not investigate overages in her bank account or properly dispose of those monies. An overage of \$8,875 exists in this account as of May 31, 2013. Based on our last audit for the 2 years ended December 31, 1999, and representations made by the Recorder of Deeds, overages have accumulated in this account over several years and have not been resolved.



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New Madrid County  
Management Advisory Report - State Auditor's Findings

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Various controls and procedural weaknesses in the office contributed to the unidentified overage in the account. Monthly bank reconciliations and lists of liabilities are not prepared for the Recorder of Deeds' bank account. Deposits are not recorded timely and a running balance is not maintained in the check register. At each month end, the Recorder of Deeds disburses amounts related to charges made throughout the month by various individuals and institutions even though amounts charged have not yet been collected.

Recording deposits timely, maintaining running book balances in check registers, and performing monthly bank reconciliations helps ensure accurate records are kept and increases the likelihood errors will be identified. Regular identification and comparison of liabilities to the reconciled cash balance, is necessary to ensure records are in balance and monies are available to satisfy all liabilities. Prompt follow up on any differences is necessary to ensure reasons can be determined and corrections made. Good business practice requires fees to be collected before making related disbursements to avoid shortages in the account. Further, various statutory provisions provide for the disposition of unidentified monies.

## 4.2 Deposits

The Recorder of Deeds office does not reconcile the amount and composition of recorded receipts to deposits. In addition, the Recorder of Deeds withholds cash from deposits to maintain a change fund; however, the change fund is not maintained at a constant amount and the amount of the change fund is not tracked.

To safeguard receipts and reduce the risk of loss, theft, or misuse of funds, the composition of receipts should be reconciled to the composition of deposits and all receipts should be deposited intact. If a change fund is needed, it should be set at a constant amount and a procedure established to reconcile to this amount every time a deposit is made.

## Recommendations

The Recorder of Deeds:

- 4.1 Dispose of the unidentified overage in accordance with state law, post deposits timely, and maintain running balances in the check register, perform bank reconciliations, and reconcile bank balances to liabilities monthly. Any differences between accounting records and reconciliations should be investigated and resolved. In addition, the Recorder of Deeds should not disburse fees until the related monies are collected.
- 4.2 Reconcile the composition of receipts to the composition of deposits and deposit all receipts intact. If a change fund is needed, it should be maintained at an established amount.



New Madrid County  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The Recorder of Deeds provided the following written responses:*

- 4.1 *I will turn over the overage amount to the county with the understanding the money will be distributed in a prorated manner based upon September 2013 activity. I am posting deposits daily and will begin to run book balances in the checkbook register, perform bank reconciliations, and reconcile bank balances to liabilities monthly. I will not disburse fees until they are collected. On November 1, 2013, I will open a new bank account per auditor instruction.*
- 4.2 *I am checking cash and check composition of receipts to deposits and will deposit all monies on a daily basis. I will keep \$200 of overage to establish a change fund.*

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## 5. Property Tax System Controls and Procedures

Controls and procedures over the property tax system need improvement.

### 5.1 Review of annual settlements

Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector, who processed property tax collections of approximately \$20.3 million during the year ended February 28, 2013. The County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes, and no evidence was provided to indicate procedures are performed to verify the accuracy and completeness of the County Collector's annual settlements. As a result, there is an increased risk of loss, theft, or misuse of property tax monies going undetected.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable to the county treasury. An account book or other records that summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector are complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

### 5.2 Computer access

The county has not adequately restricted property tax system access. The County Collector and his deputies have unlimited access rights in the property tax system, which allows changes to be made to individual tax records throughout the tax year. Because the County Collector and his



## New Madrid County Management Advisory Report - State Auditor's Findings

deputies are responsible for collecting tax monies, good internal controls require they not have unlimited system access rights to be able to alter or delete tax rates, assessed values, and property tax billings.

To prevent unauthorized changes to the property tax records, access should be limited based on user needs. Unrestricted access can result in the deletion or alteration of data files and programs.

**5.3 Additions and abatements** The County Clerk does not perform a comparison of changes initiated by the County Assessor's office to the actual changes made in the property tax system by the County Collector's office. In addition, the County Collector does not submit court orders timely to the County Commission and County Clerk for review and approval. While the County Collector and his deputies post additions and abatements throughout the tax year to the property tax system, the County Collector submits a court order annually summarizing additions and abatements (by year/type) to the County Commission and County Clerk for review. Further, adequate supporting documentation for the removal of old unpaid personal and real estate property tax amounts from the property tax system performed annually by the County Collector is not provided to the County Commission for review and approval.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission. If it is not feasible for the County Clerk to make corrections to the tax books, periodic reviews and timely approvals of court orders (including supporting documentation of the change), along with a comparison of approved additions and abatements to actual changes made to the property tax system, would help ensure changes are proper.

## Recommendations

- 5.1 The County Clerk maintain an account book with the County Collector. In addition, the County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlement.
- 5.2 The County Commission ensure property tax system access is limited to only what is needed for the users to perform their job duties and responsibilities.
- 5.3 The County Clerk and the County Commission ensure a comparison of approved additions and abatements to actual changes made to the property tax system is performed, review and approve additions and abatements in a timely manner, and ensure supporting documentation is obtained to support changes for old unpaid property taxes.





New Madrid County  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The County Clerk and County Commission provided the following written responses:*

- 5.1 *The County Clerk will maintain an account book with the County Collector and utilize the account book with the County Commission to review the accuracy of the Collector's annual settlement.*
- 5.2 *After the installation of the new property tax system software, the County will determine the level of access to the system that should be allowed for the Collector's office employees.*
- 5.3 *The County Clerk and County Commission will compare additions and abatements to actual changes in the property tax system to ensure accuracy, review and approve additions and abatements in a timely manner, and ensure supporting documentation is obtained to support changes made.*

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## 6. Prosecuting Attorney Controls and Procedures

Accounting duties are not adequately segregated and supervisory reviews are not performed. Receipting and monitoring procedures are not adequate.

The Prosecuting Attorney's office processed bad check restitution and victim fees, bad check fees, and court-ordered restitution totaling approximately \$52,000, \$22,000, and \$31,000, respectively, during the year ended December 31, 2012.

### 6.1 Segregation of duties and waivers

The Prosecuting Attorney has not adequately segregated accounting duties or performed a supervisory review of accounting records. The Prosecuting Attorney's secretary is primarily responsible for receipting, recording, and transmitting monies received for bad checks and court-ordered restitution. In addition, the secretary waived bad check fees without the documented approval of the Prosecuting Attorney and did not retain adequate documentation of the reasons for such waivers.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are safeguarded. If proper segregation of duties cannot be achieved, the Prosecuting Attorney should implement and document an independent or supervisory review of accounting records. In addition, to ensure all fee waivers are valid, someone independent of the receipting and recording functions should review and approve all waivers, and proper supporting documentation should be maintained for such waivers.

### 6.2 Receipting

Receipt slips are not issued for some monies received. Manual receipt slips are only issued for court-ordered restitution monies. Failure to implement adequate receipting procedures increases the risk that loss, theft, or misuse of monies received will go undetected.



New Madrid County  
Management Advisory Report - State Auditor's Findings

### 6.3 Tracking procedures

The Prosecuting Attorney has not established adequate procedures to properly track, monitor, and collect court-ordered restitution due from defendants and does not have adequate procedures in place to account for and monitor the disposition of all bad checks submitted to the office for collection.

Court-ordered restitution payments are manually recorded in the defendant's case file; however, the total restitution amount ordered is not always clearly documented in the case file. Additionally, the Prosecuting Attorney does not have a system set up to alert office personnel when restitution payments are due or a defendant's probationary period is nearing completion. The Prosecuting Attorney's office indicated it is the probation officer's responsibility to ensure restitution is paid.

Bad check complaint forms submitted by merchants when bad checks are turned over to the Prosecuting Attorney for collection are not assigned a sequential tracking number and complaint forms are filed by the date of the 10-day letter. Additionally, the Prosecuting Attorney's office only uses the computerized bad check system to generate letters notifying the bad check writers they have 10 days to pay before charges are filed. While the bad check complaint and disposition information is entered into the computerized bad check system, the system is not utilized to track the collection and disposition of each bad check complaint. The office maintains a manual ledger of bad check complaints (by date the complaint was filed) for purposes of filing charges, however, this manual ledger does not allow for compilation of amounts collected by date.

Adequate procedures for tracking court-ordered restitution is necessary to facilitate monitoring amounts due, provide information to the court, and improve accountability. To ensure bad check complaints are handled and accounted for properly, a sequential number should be assigned to each bad check complaint form or bad check received and the collection and disposition of each bad check should be tracked.

## Recommendations

The Prosecuting Attorney:

- 6.1 Adequately segregate accounting duties or ensure an independent or supervisory review of accounting records is performed and documented, and require someone independent of the accounting system to review and approve all waivers and ensure adequate documentation is retained to support such waivers.
- 6.2 Require receipt slips be issued for all monies received.



New Madrid County  
Management Advisory Report - State Auditor's Findings

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- 6.3 Develop procedures and records to adequately track court-ordered restitution and the receipt and disposition of all bad check complaints.

## Auditee's Response

*The Prosecuting Attorney provided the following written response:*

*I agree with all recommendations and plan to implement procedures to comply with same.*

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# New Madrid County

## Organization and Statistical Information

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New Madrid County is a county-organized, third-class county. The county seat is New Madrid.

New Madrid County changed classification from a third to second class county effective January 1, 1999, and a county auditor was appointed August 28, 1999, following the repeal of Section 55.041, RSMo, which gave counties becoming second class after September 28, 1987, the option of not establishing the office of county auditor. New Madrid County was reclassified to a third class county again on January 1, 2011, in accordance with Section 48.030, RSMo, which sets forth when counties can change classification based on the changes in assessed valuation. The State Auditor did not have an audit responsibility for New Madrid County or its elected officials from 1999 through 2010.

New Madrid County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 72 full-time employees and 12 part-time employees on December 31, 2012.

In addition, county operations include the Senate Bill 40 Board.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2013	2012
Clyde M. Hawes, Presiding Commissioner	\$	37,263
Mark Baker, Associate Commissioner		35,263
Don Day, Associate Commissioner		35,263
Kim St. Mary Hall, Recorder of Deeds		48,937
Clement Cravens, County Clerk		53,429
Lewis H. Recker, Prosecuting Attorney		113,112
Terry M. Stevens, Sheriff		59,366
Tom Bradley, County Treasurer		53,429
Jimmy McSpadden, County Coroner		17,997
Riley Bock, Public Administrator		51,873
Dewayne Nowlin, County Collector (1), year ended February 28,	74,339	
Ronnie Simmons, County Assessor, year ended August 31,		53,080

(1) Includes \$20,553 of commissions earned for collecting city property taxes.



Thomas A. Schweich  
Missouri State Auditor

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## SOCIAL SERVICES

# Temporary Assistance for Needy Families Electronic Benefit Transfers



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December 2013  
Report No. 2013-143

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Department of Social Services, Temporary Assistance for Needy Families, Electronic Benefits Transfers

### Background

The Temporary Assistance for Needy Families (TANF) program is a federal and state program to provide assistance to financially needy families with children. Approximately 40,000 Missouri households receive monthly TANF benefits, and more than 30,000 of these households also receive monthly Supplemental Nutrition Assistance Program (SNAP) benefits, also known as food stamps. Most recipients receive TANF and SNAP benefits directly on an electronic benefits transfer (EBT) card. With the EBT card, recipients can access TANF benefits by purchasing items via a point of sale (POS) terminal or by withdrawing cash at automated teller machines (ATM) or POS terminals. The EBT vendor does not charge for the first ATM withdrawal of the month but charges TANF recipients \$.85 per each subsequent ATM withdrawal that month and \$.85 per POS cash withdrawal only transaction. There are no restrictions in the state or federal regulations or statutes limiting the geographical use of TANF benefits, and the Department of Social Services (DSS) notes that there are many possible reasons a household may be using benefits in another state. The new federal Welfare Integrity and Data Improvement Act requires states, by February 22, 2014, to maintain practices and policies that prevent TANF assistance from being used in any EBT transaction at any liquor store, casino, gaming establishment or other inappropriate venues. States failing to meet this deadline could have their TANF block grants decreased by up to 5 percent. Since 1998, the Missouri Gaming Commission, at the request of DSS, has required Missouri casinos to block ATMs in their casinos from accepting EBT cards. In February 2013, the DSS - Family Support Division (FSD) notified TANF recipients of the new law and defined purchases of the following to be misuse of benefits: alcohol/liquor, tobacco items, lottery tickets, illegal drugs, controlled drugs without a valid prescription, and usages at adult-oriented entertainment businesses. In May 2013, the General Assembly passed legislation implementing the new federal law. State law restricts using public assistance benefits and EBT cards in locations marketed to adults, prohibits merchants from accepting TANF benefits for the purchase of alcoholic beverages, lottery tickets, or tobacco products, requires the DSS to establish and maintain a toll-free complaint line, and directs the DSS to study analytical modeling-based methods of detecting fraud and report to the General Assembly and governor by December 1, 2013.

### Inappropriate EBT Transactions

EBT transactions at out-of-state locations totaled \$3,383,989 from about 9,300 cases during the year ended June 30, 2012. We identified 366 cases for which some or all of the TANF benefits were accessed exclusively out-of-state over periods exceeding 90 days, with transactions totaling about \$461,000. Extended out-of-state usage could indicate the recipient no longer maintains a Missouri residence. About 68 percent of all out-of-state transactions occurred in bordering states, many of them in cities near the Missouri border. We identified 107 cases with only bordering state

transactions, totaling \$147,000, occurring over a period more than 90 days. We noted 249 cases, totaling \$302,000, with EBT transactions occurring exclusively at locations in non-bordering states for more than 90 consecutive days. For 67 of the 249 cases, the duration of the consecutive transactions, totaling nearly \$129,000, was 180 days or more. One case accessed benefits totaling \$4,276 over a 274 day period in Texas, one case accessed benefits totaling \$1,972 over 338 days in California, and one case accessed benefits totaling \$1,191 over 153 days in the Virgin Islands. Our analysis also identified 1,615 cases, with transactions totaling \$261,055, at locations with names suggesting the merchant may sell products or services (liquor, tobacco, gambling, etc.) that would, under new state and federal restrictions, be inappropriate locations to access TANF benefits.

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DSS Review of EBT  
Transactions

The FSD and DSS-Division of Legal Services (DLS) began an investigation in September 2012 for inappropriate out-of-state transactions using records of TANF EBT transactions during the year ended June 30, 2012. The DSS identified 1,300 cases (of 9,300 that had at least one out-of-state transaction), with about 10,000 transactions, for further review. As of April 30, 2013, of the 1,300 cases referred, the FSD indicated (i) 12 cases closed as a result of the investigation and 154 cases closed for failure of the recipient to provide information, (ii) establishment of claims for overpayment for 19 cases, totaling \$25,200, with establishment of claims for another 52 cases in progress, (iii) reviews not yet completed for 147 cases, and (iv) no claim or case closure needed on 916 cases. The EBT vendor makes various monthly reports available to the DSS, but DLS and FSD officials said that those reports could not be effectively used to identify inappropriate transactions. In January 2013, the DSS began meeting with the EBT vendor to discuss possible changes to the reporting process to provide the DSS with data better suited for detecting inappropriate transactions.

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Efforts to Restrict TANF  
Access

As of June 2013, the DSS had initiated limited merchant awareness activities regarding the new requirements prohibiting certain usages of TANF benefits. As of June 2012, other states had laws restricting the usage of TANF benefits. For example, five states prohibit TANF cash from being used for certain items like alcohol, seven states have disabled TANF EBT access at ATMs and/or POS terminals at certain businesses like casinos, and two states prohibit merchants from accepting TANF EBT cards for certain items like alcohol or by prohibiting non-SNAP authorized businesses to participate in the TANF EBT program. A GAO report noted significant challenges to enforcing restrictions on TANF access, including: (i) transaction data lacks a code identifying the nature of the retailer's business, (ii) some POS terminals have common identification numbers so blocking one may block others too, (iii) blocking EBT transactions requires removing the state's Bank Identification Number from each individual ATM, (iv) information about transaction locations is often incomplete and inaccurate, and (v) tracking what individuals buy with TANF benefits either by EBT transactions at POS terminals or with cash withdrawn from POS terminals or ATMs is difficult.

Because of the limited objective of this review, no overall rating is provided.
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# Department of Social Services

## Temporary Assistance for Needy Families - Electronic Benefit Transfers

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Brian Kinkade, Acting Director  
Department of Social Services  
and  
Alyson Campbell, Director  
Family Support Division  
and  
Joel Anderson, Director  
Division of Legal Services  
Jefferson City, Missouri

We have audited certain operations of the Department of Social Services - Family Support Division and the Division of Legal Services related to the Temporary Assistance for Needy Families (TANF) program. In recent years, news outlets have reported on TANF recipients accessing their TANF benefits via Electronic Benefit Transfer (EBT) cards at vacation, gambling, and other locations that appear inappropriate or questionable considering the assistance is intended to benefit the children in financially needy families. Also, a new federal law was enacted in 2012 requiring the states, by February 2014, to implement policies and practices to prevent TANF assistance from being used in any EBT transaction in any liquor store, gambling establishment, or other inappropriate locations. The objectives of our audit were to:

1. Determine the extent to which TANF benefits were accessed in locations that may be inappropriate or questionable based on restrictions in place during the year ended June 30, 2012, or would be inappropriate under the new federal and state laws.
2. Evaluate the department's internal controls to prevent and detect TANF recipients violating the state residency requirements and inappropriate EBT transactions.
3. Evaluate the department's efforts to implement policies and practices in order to comply with the requirements of the new federal and state laws.

For the areas audited, we determined (1) a relatively small number of EBT transactions were made in locations that may represent usage in violation of department rules or state law or represent usage that would not be allowable under the new federal and state laws; (2) the department has not established policies for routine review of EBT transactions, required the EBT vendor provide the department with EBT data that can be searched and sorted efficiently, or completed its special review of EBT transactions during the year ended June 30, 2012; and (3) the department has some existing controls that help detect TANF recipients who have become ineligible for benefits and restrict usage of EBT cards at Missouri casinos, but the department has not determined what additional policies and practices are needed to comply with the new federal and state laws.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible, and a middle initial "A" in between.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Assistant Director:	Douglas J. Porting, CPA, CFE
Audit Manager:	Dennis Lockwood, CPA
In-Charge Auditor:	John Lieser, CPA
Audit Staff:	Alex R. Prenger, M.S.Acct., CPA

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## Department of Social Services

### Temporary Assistance for Needy Families - Electronic Benefit Transfers Introduction

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#### **Background**

The Temporary Assistance for Needy Families (TANF) program is a federal and state program to provide assistance to financially needy families with children. The U.S. Department of Health and Human Services (DHHS) provides TANF funding to the states by block grant. The states administer the program and distribute TANF cash assistance benefits to eligible families. The Missouri TANF program is administered by the Department of Social Services (DSS) - Family Support Division (FSD) with the assistance of the Division of Legal Services (DLS) and other DSS divisions.

The FSD accepts applications, determines recipient eligibility, sets the amount of the monthly benefit, and monitors to ensure recipients are meeting program requirements. The DLS investigates allegations of public benefit fraud and misuse. The DLS also receives monthly reports of EBT transactions data and performs some limited reviews of the data.

To be eligible for TANF benefits, federal law requires a needy family must contain, at a minimum, a minor child living with a parent or caretaker relative, or a pregnant woman. Financial eligibility guidelines are established by the states. The Missouri state plan, which must be approved by the federal government, outlines the various requirements for participation in the TANF program. State law requires the recipient of TANF assistance be a Missouri resident and a U.S. citizen or qualified alien. State law requires TANF benefits to be used for the benefit of the child or children in the household. Under DSS regulation, the FSD does not provide assistance for a minor child who has been, or is expected by a parent or other caretaker relative, to be absent from the home for a period exceeding 90 consecutive days. DSS regulations also require the benefit amount be based on financial need, subject to monthly maximums based on family size. For example, the maximum monthly benefit amount for a family of four in Missouri is \$342. According to federal regulations, TANF recipients are generally precluded from receiving assistance for more than 60 total months, whether consecutive or not. According to the DSS, TANF recipients, on average, receive assistance for about 23 months.

In Missouri, about 81 percent of the TANF cash assistance is federally funded. The remaining 19 percent of assistance is state funded and provides benefits to households that either do not meet the requirements for federal funding or meet the requirements for federal funding, but the DSS has decided to provide benefits to the recipients with state funds. Examples of state-funded benefit recipients include 2 parent and teen parent households, certain households that have received TANF benefits for more than 60 months, and certain households with a child under the age of 12 months. State-funded benefits to these groups are part of the state maintenance of effort requirements.



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Department of Social Services  
Temporary Assistance for Needy Families - Electronic Benefit Transfers  
Introduction

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On average about 40,000 Missouri households are receiving TANF benefits monthly and the average monthly TANF benefits per household in Missouri is about \$240. Typically, more than 30,000 of these Missouri households also receive monthly benefits for the federal Supplemental Nutrition Assistance Program (SNAP), also known as food stamps.

TANF recipients may choose to receive the benefits on an electronic benefit transfer (EBT) card or have the benefits directly deposited to a bank account. About 98 percent of recipients receive benefits via EBT card. If the household is also eligible for SNAP benefits, both SNAP and TANF benefits are loaded on the same EBT card. With the EBT card, the recipient can access TANF benefits by purchasing items via a point of sale (POS) terminal at the merchant's location or by withdrawing cash at automated teller machines (ATMs) or POS terminals. The purchases or cash withdrawals from the EBT are limited to the amount of unexpended benefits provided to the recipient. SNAP benefits can be accessed only by making purchases of allowable products at authorized SNAP vendors.

The DSS contracts with a vendor for EBT transaction processing. TANF recipients may be assessed fees for using the EBT card. The DSS's EBT vendor charges no fees for the first ATM withdrawal of the month per recipient or for POS transactions involving purchases only or purchases with cash back. The EBT vendor charges each TANF recipient \$.85 per ATM withdrawal after the first ATM withdrawal of the month and \$.85 per POS cash withdrawal only transaction. TANF recipients may also pay surcharges to ATM owners or to the merchant during POS cash withdrawal transactions for use of the service.

#### Out-of-state use of benefits

A DSS report entitled Food Stamps and Temporary Assistance for Needy Families (TANF) Overview of Programs,<sup>1</sup> includes the following information regarding out-of-state usage of TANF benefits:

"There are no restrictions in the state or federal regulations or statutes limiting the geographical use of Temporary Assistance benefits. EBT cards must be accessible. There are possible reasons a household may be using benefits in another state: more convenient and/or cost effective to shop in a bordering state; military families receiving benefits in Missouri are transferred to another state; natural disasters, domestic violence, divorce, etc. displace people, making it necessary to seek shelter from out-of-state family members or friends; families move to find employment

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<sup>1</sup> *Food Stamps and Temporary Assistance for Needy Families (TANF) Overview of Programs*, March 2013, <<http://www.dss.mo.gov/fsd/fstamp/pdf/food-stamp-tanf-overview.pdf>>, accessed on June 6, 2013.



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opportunities; seeking medical care or in-home care from family members; or providing temporary care for aging parents or sick family members."

## New federal law

In February 2012, Congress passed the Welfare Integrity and Data Improvement Act (part of the Middle Class Tax Relief and Job Creation Act of 2012). The Act requires states, by February 22, 2014, to maintain practices and policies that prevent TANF assistance from being used in any EBT transaction at any liquor store, casino, gambling casino, gaming establishment, or adult entertainment venue in which performers disrobe or perform in an unclothed state. States that fail to meet this deadline could see their TANF block grants decreased by up to 5 percent.

The Act defines liquor store as any retail establishment which sells exclusively, or primarily, intoxicating liquor and excludes a grocery store which sells both intoxicating liquor and groceries including staple foods. The Act states that the terms casino, gambling casino, and gaming establishment do not include (I) a grocery store which sells groceries including such staple foods and which also offers, or is located within the same building or complex as, casino, gambling, or gaming activities; or (II) any other establishment that offers casino, gambling, or gaming activities incidental to the principal purpose of the business. As of October 2013, the DHHS has not issued regulations or implementation guidance to the states about the new law.

## Existing restrictions

Prior to enactment of the new federal law, various DSS policies and procedures were already in place to help prevent and detect inappropriate usage of TANF benefits by Missouri households. Upon application, FSD eligibility specialists notify applicants TANF assistance is intended for the benefit of the children and misusing benefits includes frequently spending the benefits primarily for the recipient's use rather than for the child's necessities. Recipients are required to report to FSD any changes in address, temporary absences out of state, and other changes that may affect eligibility for TANF benefits. The FSD shares information about TANF applicants and benefits with other states to help prevent recipients from receiving TANF assistance in more than one state. FSD eligibility specialists conduct redeterminations of eligibility for each TANF case at least once annually. These redeterminations require the recipient to provide current information about address, household composition, assets, income, etc. Failure to supply the information leads to closure of the case.

For recipients found to be misusing TANF assistance, the FSD may designate an alternate payee to receive the TANF benefits. The FSD may receive information about changes in the recipient's address or other factors affecting eligibility through matches with federal databases, the Missouri Work Assistance vendor (who assists TANF recipients with job search



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activities), and other sources. The FSD and the DLS investigate complaints and allegations of TANF fraud. The FSD and the DLS may establish claims for overpaid benefits and refer cases to the Attorney General's office and/or local prosecutors. Since about 1998, the Missouri Gaming Commission, at the request of the DSS, has required Missouri casinos to block ATMs in their casinos from accepting EBT cards. Those ATMs are periodically tested by members of the Missouri State Highway Patrol to ensure the EBT cards are being blocked.

### New DSS restrictions

In February 2013, the FSD issued a notice to then current TANF recipients describing the requirements of the 2012 federal law, including what constitutes misuse of TANF benefits and the actions the DSS could take if misuse is identified. The FSD also established additional guidance for FSD staff when instances of misuse are suspected. The FSD defined purchases of the following to be misuse of benefits: beer/wine; other alcohol/liquor; cigarettes/cigars; smokeless tobacco/chew; other tobacco items; scratch-off lottery tickets; Powerball, Lotto, or other lottery drawing tickets; illegal drugs, controlled drugs without a valid prescription; and usage at certain other inappropriate locations.

### New state law

In May 2013, the General Assembly passed Senate Bill 251, which created Section 208.024, RSMo. The Governor signed this legislation on July 8, 2013 with the law becoming effective August 28, 2013. The legislation implements the requirements of the new federal law discussed above. The legislation will place the following restrictions on the use of public assistance benefit and EBT cards:

- Eligible recipients of TANF benefits shall not use such funds in any EBT transaction at any prohibited location noted in federal law or in any place or for any item that is primarily marketed for or used by adults age 18 or older and/or is not in the best interests of the child or household. An eligible recipient of TANF assistance who makes a purchase in violation of this section shall reimburse the DSS for such purchase.
- An individual, store owner or proprietor of an establishment shall not accept TANF cash assistance funds held on electronic benefit transfer cards for the purchase of alcoholic beverages, lottery tickets, or tobacco products, or for use in any EBT transaction at any prohibited location noted in federal law, or in any place or for any item that is primarily marketed for or used by adults age 18 or older and/or is not in the best interests of the child or household.
- The DSS shall establish and maintain a statewide toll-free telephone service to receive complaints of suspected public assistance fraud.



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- The DSS shall study analytical modeling-based methods of detecting fraud and issue a report to the general assembly and governor by December 1, 2013, relating to the benefits and limitations of such a model, experiences in other states using such a model, and estimated costs for implementation.

## Scope and Methodology

### EBT Transaction data

We analyzed the TANF EBT cash transaction records for the year ended June 30, 2012. We reviewed the procedures used and the results of the department's review of those same transactions. We also reviewed TANF laws and regulations, DSS policies and procedures, and held discussions with DSS officials. In addition, we gathered information on other states' restrictions on the use of TANF EBT cards and benefits.

Our audit focused on TANF EBT cash transaction records for the year ended June 30, 2012, which were previously obtained by DSS from its EBT vendor and also reviewed by the DSS as noted in MAR finding number 2. Our primary objectives were to identify instances of extended out-of-state usage that could indicate the recipient was no longer a Missouri resident and the degree to which TANF benefits were being accessed at locations that, under the new law, would be prohibited. These records included the TANF EBT transaction data for both out-of-state and in-state EBT transactions. These transactions only included ATM and POS transactions in which the TANF recipient received some or all benefits in cash. The data did not include POS purchase-only transactions. The data also did not include any activity for TANF recipients who had their benefits directly deposited to their bank account.

The DSS reported TANF assistance benefits paid to recipients during the year ended June 30, 2012 totaled about \$118.3 million. We estimated about \$22 million in TANF benefits were either direct deposited or used for a POS purchase-only transaction and were not included in the EBT transaction data analyzed.

The data provided to us contained the case number, date, time, source (ATM or POS), transaction type, amount, a location address and a location name for each transaction. The data included no information on the specific products or services acquired. The data did not separately indicate the amount of the ATM or POS fee, if any, imposed by the ATM service provider or merchant.

The data contained 817,463 transactions totaling \$96,085,132 on 65,149 cases. Totals expended by source and transaction type were as follows:



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Source	Type	Total Expended	Number of Transactions
ATM	Cash withdrawal	\$ 72,139,951	544,210
POS	Purchase with cash back	17,820,669	263,256
POS	Cash withdrawal	6,124,512	36,997
Total		\$ 96,085,132	817,463

ATM and POS cash withdrawal transactions indicate cash was withdrawn at an ATM or POS terminal. POS purchase-with-cash-back transactions indicate products were purchased at the POS terminal and some portion of the transaction amount was withdrawn in cash. In addition to the transactions summarized above, the data included separate records for the EBT transaction fee of \$.85 imposed by the state's EBT vendor, totaling \$194,670 on 229,092 transactions. The EBT vendor fee was imposed on each POS cash withdrawal transaction and on approximately 35 percent of the ATM cash withdrawal transactions.

At the time these EBT transactions occurred, the only restrictions in place on the use of TANF benefits were that the benefits were to be used for the benefit of the children, EBT transactions were blocked at Missouri casinos, and recipients were required to report absences or planned absences of the child from the household and or from the state of 60 days for some types of absences and 90 days or more for all types of absences.

#### Inappropriate transactions

To identify possible transactions in liquor stores, tobacco related venues, gambling and gaming venues, and other inappropriate locations, we conducted keyword searches on the location names in the data. We excluded the names of Missouri SNAP-authorized vendors from our search. While SNAP-authorized vendors may sell alcohol and tobacco products, they also sell food products authorized under the SNAP program and the purchase of those food products would be allowable uses of TANF benefits. We did not attempt to identify SNAP-authorized vendors in other states for exclusion. We used general keywords like "liquor," "beer," "spirits," "lounge," "pub," "tavern," "tobacco," "smoke," "cigar," "casino," "treasure," "gaming," "bingo," "fantasy," etc. For certain vendor names, we also reviewed Internet websites and telephone directories to help ascertain the vendor's business purpose and identify additional keyword search phrases. We also viewed various Internet websites for the names of gambling establishments or other inappropriate venues in various cities around the country that we then utilized in our name searches on the entire dataset. Additionally, we utilized the *Casino City's Pocket Gaming Directory*<sup>2</sup> for names of gambling

<sup>2</sup> *Casino City's Pocket Gaming Directory*, 2012-2013 Edition, Casino City Press, Newton, Massachusetts.





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establishments throughout the country. We also searched the data for transactions at the names and locations of Missouri casinos and of the locations of licensed bingo halls and operators obtained from the Missouri Gaming Commission.

To identify instances where TANF recipients may have moved away from Missouri or had extended stays outside the state exceeding the 90 day limit allowed by DSS regulation, we analyzed the data for recipients with consecutive transactions covering a 91 day period or longer that all occurred out of state.

#### Limitations in data review

Our work identified transactions that would likely be prohibited under current DSS regulations and the new restrictions required by federal and state laws. However, further investigation of each case would be needed to determine whether the recipient had violated DSS regulations or misused TANF benefits. We noted certain limitations with the transaction data, such as:

- Transaction data only included the total amount of the cash withdrawal or purchase with cash back. It cannot be determined where the withdrawn cash was actually used or what was eventually purchased. For example, cash could be obtained from ATMs or POS devices in banks or other appropriate businesses, but ultimately be used to make purchases of inappropriate products or services in other locations. Once the benefits are converted to cash, tracking usage is virtually impossible.
- The locations identified by keyword search on the location name appear to be vendors of predominantly alcohol, tobacco, gambling, or other inappropriate products or services. However, other vendors of similar goods and services likely exist but cannot be identified using keyword search techniques because the name may be unrelated to those products or services.
- About 287,000 transactions totaling about \$44.4 million listed a location name indicating the transaction was at an ATM owned by a bank, financial services business, or an ATM service provider. These ATMs could have been physically located at those banks, etc. or could have been located in other vendor establishments. These records were not amenable to keyword searches for inappropriate vendor transactions.
- The location address in the data may not necessarily reflect the physical location of the ATM or POS device. For instance, one location address for an ATM was listed at 1235 Page, St. Louis, Missouri. There were 530 transactions totaling nearly \$55,300 reported at that location. No such address could be located using Internet mapping. We were able to identify the likely ATM address was 1235 North Grand, St. Louis,



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Missouri. In addition, there were 44,907 transactions in which the location name and the location address were substantially the same and no identifiable physical location was reported such as a location name of ABC Convenience Store and a location address of ABC Convenience Store #1234.

- We noted over 600 instances in which the state identified with the transaction was obviously incorrect. For instance, two liquor vendors listed as being in another state were physically located in Missouri and a bingo establishment listed as being in Missouri was actually located in Oklahoma. We corrected the state name in identifiable situations.
- The transaction data included the date of the transaction. Since unexpended benefits remain available for up to one year until used, the underlying benefit may have been provided to the recipient up to one year prior to the transaction.

Additionally, as noted above, our analyses excluded POS purchase-only transactions. Had we reviewed those transactions, additional instances of possible inappropriate transactions may have been noted.

## Other

Our methodology included the following additional procedures:

- Reviewing relevant written policies and procedures, statutes, and regulations.
- Interviewing various personnel of the FSD and DLS.
- Reviewing the FSD and DLS summaries and worksheets related to the DSS special review of the TANF EBT transactions.
- Reviewing data recorded on the DSS's Family Assistance Management Information System for certain cases as necessary.
- Reviewing a U.S. Government Accountability Office (GAO) report<sup>3</sup> on TANF restrictions in other states and other reports or publications relevant to this audit.

These procedures focused on current policies and practices and also those policies and practices in place during the year ended June 30, 2012.

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<sup>3</sup> *TANF ELECTRONIC BENEFIT CARDS, Some States Are Restricting Certain TANF Transactions, but Challenges Remain*, report number GAO-12-535, U.S. Government Accountability Office, Issued June 2012.

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## Temporary Assistance for Needy Families - Electronic Benefit Transfers

### Management Advisory Report - State Auditor's Findings

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#### **1. Inappropriate EBT Transactions**

Missouri TANF recipients used Electronic Benefit Transfer (EBT) cards to access over \$3.4 million in benefits in out-of-state locations during the year ended June 30, 2012. We identified 366 cases for which some or all of the TANF benefits were accessed exclusively out of state over periods exceeding 90 days. Extended out-of-state usage for these cases totaled about \$461,000. While some recipients may use benefits in neighboring states for shopping convenience, extended usage in other states may indicate the recipient no longer maintains a Missouri residence. In addition, we identified 1,615 cases with over \$261,000 in transactions occurring in businesses that appear to be an alcohol, tobacco, gaming, or other inappropriate establishment.

#### Out-of-state activity

EBT transactions at out-of-state locations totaled \$3,383,989 or about 3.5 percent of the \$96.1 million of EBT cash transactions during the year ended June 30, 2012. There were about 9,300 cases that had at least one out-of-state transaction. Many cases had both border and non-border state activity.

#### Bordering state transactions

Transactions in bordering states totaled \$2,294,738 or about 68 percent of all out-of-state transactions. The following table lists the total amount of transactions in those states and the percentage of transactions in the state as a percentage of all border state transactions:

State	Total Transactions	Percentage
Arkansas	\$ 342,355	15
Iowa	89,032	4
Illinois	663,305	29
Kansas	918,536	40
Kentucky	29,113	1
Nebraska	37,156	2
Oklahoma	112,488	5
Tennessee	102,753	4
Total	\$ 2,294,738	100

About 6,800 cases, or about 10 percent of total cases, had one or more transactions in bordering states. Much of the activity in the bordering states occurred in cities near the border with Missouri. For example, about 53 percent of total Illinois transactions occurred in 8 Illinois cities near Missouri: Cahokia, Granite City, Quincy, Belleville, East St. Louis, Collinsville, Alton, and Fairview Heights. About 75 percent of total Kansas transactions occurred in 8 Kansas cities near the Missouri border: Kansas City, Overland Park, Roeland Park, Olathe, Pittsburg, Lenexa, Shawnee Mission, and Prairie Village. It appears most of the border state transactions likely represent instances where the TANF recipient maintained Missouri residency.



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Extended usage in  
bordering states

We identified 107 cases with only bordering state transactions totaling about \$147,000 over a period exceeding 90 days. In addition, we noted 10 cases had exclusively out-of-state transactions in both bordering and non-bordering states totaling about \$12,000 over a period exceeding 90 days. We noted a few of these cases only had out-of-state transactions for periods exceeding 90 days in cities that were not close to the border such as Chicago, Illinois; Oklahoma City, Oklahoma; and Nashville, Tennessee. Extended usage in border states may indicate the recipient no longer meets the Missouri residency requirement, especially if not in close proximity to the border. The DSS special review discussed in MAR finding number 2 included 15 of these cases. We provided the results of our analysis to the DSS. The DSS should investigate the remaining 102 cases to close cases and establish claims as necessary.

Extended usage in non-  
bordering states

We noted 249 cases with transaction activity totaling nearly \$302,000 where EBT transactions occurred exclusively at locations in non-bordering states for more than 90 consecutive days. For 67 of the 249 cases, the duration of the consecutive transactions, totaling nearly \$129,000, was 180 days or more. Extended usage in non-border states likely indicates the recipient no longer meets the Missouri residency requirement.

The case with the largest total amount of non-bordering state transactions, accessed benefits totaling \$4,276 over a 274 day period in the state of Texas. The case with the longest duration of consecutive days accessed benefits totaling \$1,972 over 338 days in the state of California. One case had transactions totaling \$1,191 over a period of 153 days in the Virgin Islands.

The DSS special review discussed in MAR finding number 2 included 143 of the 249 cases. We provided the results of our analysis to the DSS. The DSS should investigate the remaining 106 cases to close cases and establish claims as necessary.

Inappropriate locations

Our analysis identified transactions at locations with names suggesting the merchant may sell products or services (liquor, tobacco, gambling, or adult entertainment) that would, under new state and federal restrictions, be inappropriate locations to access TANF benefits. These transactions totaled \$261,055 or less than 0.3 percent of total TANF EBT cash transactions reviewed, and involved 1,615 unique cases or 2 percent of total cases. Eighteen cases had transactions at more than one type of inappropriate location. Most of the transactions at these locations were for location names involving alcohol within Missouri.

Alcohol

Transactions at location names that appeared to be primarily liquor establishments totaled \$204,198 on 1,334 cases. This total includes 1,265 cases with transactions totaling \$195,723 occurring only in Missouri, 63



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cases with transactions totaling \$7,426 occurring only out of state, and 6 cases with transactions totaling \$1,049 at both Missouri and out-of-state locations. We excluded Missouri liquor vendors who were also SNAP authorized vendors because those vendors also sell food products on a continuous basis and the new federal regulations exclude grocery stores that sell both intoxicating liquor and groceries including staple foods.

One recipient had 20 transactions, totaling \$2,925, at one of these locations in Missouri. This recipient received TANF benefits during the year ended June 30, 2012, totaling \$3,504 and the case was closed voluntarily by the recipient in January 2013. The DSS special review discussed in MAR finding number 2 included 32 of the 1,334 cases.

Tobacco

Transactions at locations that appeared to be tobacco establishments totaled \$34,357 on 148 cases. Transactions at Missouri tobacco establishments totaled \$31,097 for 128 cases while transactions at out-of-state tobacco establishments totaled \$3,260 for 20 cases. We excluded tobacco vendors that were included in the data for liquor establishments above and tobacco vendors in Missouri that were SNAP authorized vendors. One case had 19 transactions totaling \$1,068 at tobacco establishments. The DSS special review discussed in MAR finding number 2 included 5 of the 148 cases.

Gambling

Transactions at location names that appeared to be gambling or bingo establishments totaled \$21,399 on 135 cases. Transactions at out-of-state casino and bingo locations totaled \$17,846 on 114 cases. Transactions at Missouri bingo locations totaled \$2,678 on 18 cases. Another case had both Missouri and out-of-state bingo transactions totaling \$205. Additionally, 2 cases had ATM transactions totaling \$670 at one Missouri casino location. We could not determine whether the ATM was inside the casino or at a business adjacent to the casino. One recipient had 26 transactions totaling \$1,478 at tribal casinos or bingo halls in Oklahoma. This person received TANF benefits during the year ended June 30, 2012 totaling \$4,347 and the case was still active as of April 2013. The case was not included in the DSS special review noted in MAR finding number 2. The DSS review included 12 of the 135 cases.

Adult entertainment

Transactions at location names that appeared to be adult entertainment establishments totaled \$1,101 on 16 cases. Transactions totaling \$523 on 6 cases occurred at Missouri locations. Transactions totaling \$578 on 10 other cases occurred at out-of-state locations. The largest case total involved 1 recipient with 2 transactions totaling \$146 at a Missouri location. This person received TANF benefits during the year ended June 30, 2012 totaling \$405 and the case was closed by the FSD in December 2012 when the child left the household. The DSS special review discussed in MAR finding number 2 did not include this case. The DSS review included 1 of the 16 cases.



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## Summary

We provided the results of our analysis of inappropriate transactions to the DSS. The DSS special review included 50 of the cases identified in this finding, including 3 cases with more than one type of inappropriate transaction. The count of unique cases not included in the DSS special review totaled 1,565 cases.

Missouri TANF recipients accessed just over \$261,000 in benefits at locations that, under new federal and state laws, would be prohibited. It is likely that additional similar transactions occurred. However, limitations in the EBT transaction data prevented further identification of inappropriate activity. While the extent of inappropriate usage seems relatively small, any usage at inappropriate locations should be cause for concern as that usage may indicate that benefits are not being used for the intended purposes.

The DSS should consider reviewing the 1,565 cases not already included in the DSS review of EBT transactions noted in MAR finding number 2. Although the number of questionable cases and amounts noted is relatively small, the results suggest more needs to be done to detect and prevent improper usage.

## Recommendation

The DSS should consider reviewing the additional cases identified above for possible violations of residency or temporary absence regulations and misuse of TANF benefits.

## Auditee's Response

*The DSS reviewed TANF EBT transaction data for fiscal year 2012 for inappropriate out-of-state transactions and selected 1,300 cases for further review. The DSS has completed its review of the 1,300 cases (see response to 2.1). The DSS does not consider an additional review of the transactions from fiscal year 2012 to be an effective use of limited resources. Instead, the DSS will review a regular sample of future transactions for extended out-of-state usage, and also perform routine reviews of current transactions to monitor compliance with the new state law that went into effect on August 28, 2013.*

## Auditor's Comment

Findings over the TANF program included in the past three State of Missouri Single Audit reports noted the failure to ensure compliance with various program requirements and to sanction recipients benefits when required, resulting in questioned costs and exposing the state to significant penalties from the federal granting agency. Due to normal caseload turnover, some of the cases identified in our review have likely already closed. The department should at least identify which of the 1,565 cases are still actively receiving benefits and review activity on those cases to determine if any sanctions, recoupments, or other actions are warranted.



## **2. DSS Review of EBT Transactions**

The FSD and the DLS have not finished the review of cases with possible inappropriate transactions during the year ended June 30, 2012. The DSS has not routinely performed similar reviews and the DSS has not developed policies and procedures regarding the nature, timing, and extent of future reviews.

### **2.1 Special review of cases with out-of-state transactions**

The FSD closed 12 cases and established claims totaling \$25,200 in 19 cases as a result of its review of EBT transaction data for the year ended June 30, 2012. The FSD reported 147 cases were still under review and claims were being developed for 52 cases as of April 30, 2013.

The FSD and the DLS began a review in September 2012 for inappropriate out-of-state transactions using the records of TANF EBT transactions during the year ended June 30, 2012. The FSD and the DLS began their review after a news reporter requested records of out-of-state activity under the Missouri Sunshine Law. Those records were obtained from the DSS's EBT vendor and the FSD and the DLS also used those records for their review. The DSS limited its initial review to the 9,300 cases that had at least one out-of-state transaction. The FSD and DLS staff focused on location names that suggested vacation destinations and/or gambling, alcohol, and tobacco vendors. They also considered extended usage in both border and non-border states that might indicate the recipient had moved from the state. DSS officials indicated the FSD and the DLS initially contacted over 2,900 recipients by phone.

The DSS analysis identified 1,300 of the 9,300 cases for further review. The decision to limit the review to 1,300 cases, with about 10,000 transactions, was based upon expectations of the number of staff and time available to conduct the case reviews and the number and size of the transactions on the cases. For many of the cases, the DLS staff attempted to contact the recipients for information about the purpose, extent, and funding for the travel and made other inquiries as necessary about the status of the household members and other relevant matters. The DLS provided the FSD with the information obtained from the recipients and referred all the cases to the FSD for determination of any policy violation. Of these cases, about 200 cases were also identified during our review of transactions discussed in MAR finding number 1. Many of the 1,300 cases had already closed for other reasons before the DSS began its review.

Of the 1,300 cases referred, the FSD indicated the following review results as of April 30, 2013:

- Closure of 12 cases as a result of the review and an additional 154 cases for failure of the recipient to respond to questions or provide requested documentation or other reasons that may have been prompted by the review.



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- Establishment of claims for overpayment of TANF benefits totaling about \$25,200 for 19 cases for Missouri benefits received in violation of the residency or temporary absence requirements. The establishment of claims for 52 additional cases was in progress.
- Review of 147 cases had not yet been completed.
- No claim or case closure was needed on 916 cases.

The FSD should complete the review of the remaining 147 cases to determine if the cases should be closed and or claims established and establish claims as needed on the 52 cases with pending claims.

## 2.2 Policies and procedures and previous DSS reviews

The DSS has not developed policies and procedures regarding the nature, timing, and extent of reviews of TANF EBT transaction data, and the DSS did not previously require the EBT vendor provide the transaction data in a format that could be searched and sorted efficiently.

As part of its contract with the DSS, the EBT vendor makes available to the DSS various monthly reports of EBT transactions. According to DLS and FSD officials, those reports could not be effectively used to identify extended out-of-state usage or inappropriate transactions. For example, the vendor provides a monthly report of out-of-state transactions by case, but the data has both TANF and SNAP transactions. In addition, the monthly report totals about 3,000 pages, is not searchable, and can only be downloaded in 50 page increments. In order to find cases with extended out-of-state usage, DSS staff must manually locate the transactions for specific cases in multiple monthly reports.

DSS officials indicated they did not perform any in-depth review of the EBT transaction data due to the above limitations, the time intensive nature of the work, and lack of available staff. DSS officials indicated reviews of EBT transactions generally consisted of a monthly scan of the reports by two DLS investigators, who have many additional responsibilities.

In January 2013, the DSS began meeting with the EBT vendor to discuss possible changes to the monthly reporting process to provide the DSS with data better suited for reviewing for extended out-of-state activity or inappropriate EBT usage.

To help ensure TANF recipients meet residency requirements and benefits are being used appropriately, the DSS should develop policies and procedures to periodically review the EBT transaction data. In developing these procedures, the DSS should consider the cost effectiveness of the procedures and the results of its special review of fiscal year 2012 transactions. In addition, the DSS should require the EBT vendor provide





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useful reports of EBT transaction data to allow for effective and efficient reviews, or if more cost effective, obtain the raw data and compile the necessary reports in-house.

## Recommendations

The DSS should:

- 2.1 Complete the special review, closing cases and establishing claims as appropriate.
- 2.2 Develop policies and procedures governing the nature, timing, and extent of reviews of transaction data for inappropriate usage of TANF funds and require the EBT vendor provide transaction data routinely that can be effectively and efficiently reviewed.

## Auditee's Response

- 2.1 *The DSS has finished reviewing all 1,300 cases from the special review. As of October 23, 2013, 36 claims were processed resulting in accounts receivable of \$47,887. The remainder of the 1,300 cases do not require a claim.*
- 2.2 *The DSS is in discussion with the Office of Administration's Information Technology Services Division (OA ITSD) about the development of an electronic system to help identify potential inappropriate usage of TANF funds, as well as, extended out-of-state usage. This system will receive EBT transaction data regularly and provide a more uniform and efficient process to identify cases for review of inappropriate usage. Until this system is in operation, the DSS is receiving data from the EBT vendor and performing routine manual reviews of transactions to monitor compliance with the state law that went into effect on August 28, 2013. The DSS is also continuing discussions with the EBT vendor on ways to block TANF EBT transactions at inappropriate locations.*

## 3. Efforts to Restrict TANF Access

The DSS has not determined the policies and practices necessary to implement the restrictions on EBT access required under new federal and state laws. Other states have adopted similar restrictions but significant challenges exist to effective enforcement and implementation of those or other restrictions.

The FSD has modified policies to make recipients aware of the new requirements prohibiting usage of TANF benefits for alcohol, gambling, or other inappropriate transactions. In addition, an FSD official indicated various options are being considered for restricting TANF access at certain vendors. As of June 2013, the DSS has initiated some limited merchant awareness activities. The official indicated the DHHS has not provided guidance to the states on how to implement the new federal law and the



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FSD is awaiting that guidance before making decisions about new policies and practices to restrict TANF access.

As of June 2012, other states had existing laws that placed restrictions on the usage of TANF benefits. According to a GAO report<sup>4</sup> on EBT restrictions in the 10 states receiving the most TANF funding:

- Five states (Massachusetts, Michigan, Pennsylvania, Texas, and Washington) have state laws prohibiting TANF recipients from using TANF benefits for certain items like alcohol and other items.
- Seven states (California, Michigan, Pennsylvania, Washington, Texas, New York, and Illinois) have disabled TANF EBT access at ATMs and/or POS terminals at certain businesses like casinos. Under state law, ATMs are not allowed in liquor stores in Pennsylvania or New York.
- Two states (Massachusetts and Texas) place restrictions on the merchants by not allowing merchants to accept TANF EBT cards for purchases of certain items like alcohol or by not allowing non-SNAP authorized businesses or entertainment businesses to participate in the TANF EBT program.

The GAO report also noted significant challenges to enforcing restrictions on TANF access such as:

- Identifying transaction locations (ATMs and businesses) that should be prohibited is difficult because the transaction data lacks a code identifying the nature of the retailer's business and the location in the transaction data may be the address of the ATM corporate owner rather than the physical location of the ATM.
- POS terminals sometimes have common identification numbers making it difficult to block EBT transactions at certain terminals without affecting other terminals.
- Blocking EBT transactions requires the state's Bank Identification Number to be removed from each individual ATM.
- The EBT transaction data about transaction locations is often not complete and accurate.

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<sup>4</sup> *TANF ELECTRONIC BENEFIT CARDS, Some States Are Restricting Certain TANF Transactions, but Challenges Remain*, report number GAO-12-535, U.S. Government Accountability Office, Issued June 2012.



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- Tracking or controlling what individuals buy with TANF benefits either by EBT transactions at POS terminals or with cash withdrawn from POS terminals or ATMs is difficult.

A report from the E-Government Payments Council<sup>5</sup> in January 2012 based on a survey of agencies in all states responsible for managing the EBT programs also identified challenges in restricting TANF access. In the report the surveyed agencies cited problems to implementing blocking laws including monitoring compliance with the law, understanding the various categories of merchants and keeping track of the ATMs at which recipients access their benefits.

The new federal law requires the state to have policies and practices restricting EBT transactions in place by February 2014 or risk up to a 5 percent penalty. In addition, the new state law places further restrictions on how TANF benefits may be used and locations where EBT transactions are prohibited. The DSS should determine the additional policies and practices necessary to comply with the new laws.

One such measure would be to periodically perform a review of EBT transactions such as discussed in MAR finding numbers 1 and 2 in order to identify potential instances in which TANF recipients and merchants may have violated the restrictions on the use and access for TANF EBT benefits. The DSS could also work with other state agency licensing authorities such as the Department of Public Safety - Division of Alcohol and Tobacco Control; the Missouri Gaming Commission; the Missouri Lottery Commission; and the Department of Insurance, Financial Institutions and Professional Registration - Division of Professional Registration - Office of Tattooing, Body Piercing and Branding to identify business entities that would likely be a prohibited location or sell prohibited items.

## Recommendation

The DSS should determine policies and practices necessary to comply with the provisions of the new federal and state laws, which limit the use or acceptance of EBT benefits in certain locations or for prohibited items.

## Auditee's Response

*The DSS is continuing to develop measures to limit the use or acceptance of EBT benefits in certain locations. The DSS has already taken the following actions to inform staff of the new requirements and notify all TANF applicants and participants of the appropriate usage of TANF benefits, and what constitutes inappropriate usage.*

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<sup>5</sup> Restricting Access to TANF Funds at Specific Merchant Locations, E-Government Payments Council, <<http://www.efta.org/currentissues/BLOCKI~1.PDF>>, accessed on February 21, 2013.



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- *Income Maintenance (IM) Memo IM-24 was issued on February 28, 2013, to inform staff of the federal law requiring states to prevent TANF EBT transactions at casinos, liquor stores, and adult entertainment establishments. A poster addressing the proper use and what constitutes misuse of TANF benefits was provided for FSD offices to display in their lobby.*
- *The "Important Information About EBT Transactions (IM-3EBT)" form was implemented on May 7, 2013. This form contains information regarding the federal law restrictions and that TANF benefits must be used for the benefit of the child or children. The form is signed by TANF applicants/participants at application and face-to-face contact for reviews and is discussed during phone contact.*
- *Memo IM-65 was issued on July 17, 2013, to inform staff of increases in penalties for TANF fraud passed by Senate Bill 251 (SB 251), effective August 28, 2013, and stressed the importance of informing TANF applicants/participants of their rights and responsibilities under the TANF program, including the appropriate use of TANF benefits.*
- *Memo IM-69 was issued on July 26, 2013, with revisions to the IM-3EBT form relating to the new state law, SB 251. Additionally, the "Misuse of TANF" poster was revised to include the new state law.*
- *A one-time notice was mailed to all active TANF payees on August 12, 2013, informing them of restrictions on TANF EBT card use and penalties for misuse of EBT funds.*
- *Memo IM-67 was issued on August 14, 2013, to inform staff of the one-time notice that was mailed to all active TANF payees on August 12, 2013. The memo reminded staff to review the IM-3EBT form with applicants and participants and that the form must be signed by TANF applicants during the in-person application interview.*
- *Memo IM-78 was issued on August 23, 2013, to inform staff of policy manual revisions that incorporate the requirements of SB 251. This memo informed staff that TANF participants who make an EBT purchase in violation of the law must reimburse the DSS for such purchases through the claims process. It also informed staff to refer retailer violations to the DLS Investigation Unit.*
- *Memo IM-90 was issued on October 1, 2013, to inform staff of changes to the claims process for TANF purchases that are restricted or occur at an unauthorized location and to provide a user guide to assist in the processing of such claims.*



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*The DSS has taken the following action to raise retailer awareness of the restrictions on EBT transactions under the new law:*

- *On July 31, 2013, FSD staff met with representatives of associations for the Missouri Retailers, the Missouri Grocers, and Missouri Petroleum and Convenience Stores to share information about SB 251.*
- *On August 22, 2013, DSS staff added information on the TANF restrictions and provided links to the "Prohibited Purchase Poster" and "Prohibited Location Poster" on the EBT website at:  
[www.dss.mo.gov/fsd/fstamp/ebt/retailer.htm](http://www.dss.mo.gov/fsd/fstamp/ebt/retailer.htm).*
- *On September 5, 2013, FSD staff shared information with representatives of the Missouri Retailers, the Missouri Grocers, and Missouri Petroleum and Convenience Stores associations that they could share with the associations' members including a link to SB 251.*

*Additionally, the DSS continues to research analytical modeling-based methods of detecting fraud and will issue a report to the Missouri General Assembly by December 1, 2013.*

*The DSS is in discussion with the OA ITSD about the development of an electronic system to help identify potential inappropriate usage of TANF funds as well as extended out-of-state usage. This system will receive EBT transaction data regularly and provide a more uniform and efficient process to identify cases for review of inappropriate usage. Until this system is in operation, the DSS is receiving data from the EBT vendor and performing routine manual reviews of transactions to monitor compliance with the state law that went into effect on August 28, 2013. The DSS is also continuing discussions with the EBT vendor on ways to block TANF EBT transactions at inappropriate locations.*

*Although FSD has established policies to comply with the provision of the new federal law, the federal government has not yet issued final regulations or guidance to implement the law. Thus, it may be necessary for the FSD to revise these policies after the federal regulations and guidance are issued.*

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## Department of Social Services

### Temporary Assistance for Needy Families - Electronic Benefit Transfers Organization and Statistical Information

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The Department of Social Services (DSS) was constitutionally established in 1974 to secure the general health and welfare of the people and promote improved health and other social services to the citizens of the state. Among the DSS's 4 program divisions is the Family Support Division (FSD). The FSD is responsible for administration of the Temporary Assistance for Needy Families program, Supplemental Nutrition Assistance Program, and other programs. The FSD consists of approximately 3,200 employees located in offices in every county in the state and the city of St. Louis. The Division of Legal Services (DLS) provides comprehensive legal support to all programs and support divisions in DSS. The Investigation Section of the DLS investigates fraud and abuse committed by public assistance recipients; operates and manages the Claims Accounting Restitution System; conducts criminal, personnel, and internal investigations; and takes actions to collect monies owed to the DSS. As of October 2013, the Investigations Section had about 30 employees.



# Thomas A. Schweich

Missouri State Auditor

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## Randolph County



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December 2013  
Report No. 2013-144

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**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of Randolph County

Property Tax System	The County Clerk does not prepare or verify the accuracy of the current or delinquent tax books, and the County Collector did not retain the current tax books for the year ended February 28, 2013. Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector. The County Clerk does not maintain an account book or other records summarizing property tax transactions, and the County Clerk and the County Commission do not verify the accuracy and completeness of the County Collector's annual settlements, so errors and irregularities on the annual settlement could go undetected.
Sheriff's Controls and Procedures	As noted in our prior audit report, the Sheriff does not adequately segregate accounting duties and does not perform a supervisory review of accounting records. The Sheriff maintains profits from commissary sales outside the county treasury and used \$27,035 of these funds to purchase items for the benefit of prisoners and the Sheriff's office which were not approved by the County Commission and were not handled through the normal county procurement and budget process. As of September 30, 2013, there was approximately \$6,700 remaining in the commissary account which should be distributed to the Inmate Prisoner Detainee Security Fund. The Sheriff's office does not always document the release or disposition of property on the seized property log and has not conducted a physical inventory of all seized property. The Sheriff's office does not have up-to-date written agreements with other political subdivisions for the boarding of inmates. The most recent agreements with Macon and Monroe counties were entered into in 2006 and specify a \$30 per night billing rate, but the county currently bills these counties \$35 per night.
Prosecuting Attorney's Liabilities	The Prosecuting Attorney's office clerk does not prepare monthly lists of liabilities and reconcile them with cash balances.
Payroll Controls and Procedures	The county overpaid \$25,384 in health and dental insurance premiums for 16 employees who had terminated their employment. Two employees remained on the county health insurance policy as long as 11 and 12 months after termination of their employment. The County Clerk does not maintain records of leave accruals, usage, and balances for employees of the Sheriff's office, and the County Clerk does not review leave balances reported on Sheriff's employees timesheets for accuracy and compliance with county policy. Sheriff's employees working in excess of 160 hours in a 28 day period earn compensatory time that is not authorized in the county's policy. County policy authorizes compensatory time or overtime for deputies working in excess of 171 hours in a 28 day period.



Public Administrator's Annual Settlements	The Public Administrator does not timely file annual settlements. All annual and final settlements filed for 10 of the 90 wards or estates reviewed were filed after the Probate Clerk's due date, including two that were filed 5 to 6 months after the due date.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our Web site: [auditor.mo.gov](http://auditor.mo.gov)**

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# Randolph County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Randolph County

We have audited certain operations of Randolph County in fulfillment of our duties under Section 29.230, RSMo. In addition, Casey-Beard-Boehmer PC, Certified Public Accountants, was engaged to audit the financial statements of Randolph County for the 2 years ended December 31, 2012. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Randolph County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with a large, stylized "S" at the end.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Tina Disney, M.Acct.
Audit Staff:	Morgan Alexander
	Naomi Nganga

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# Randolph County

## Management Advisory Report

### State Auditor's Findings

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#### **1. Property Tax System**

As similarly noted in our prior two audit reports, controls and procedures over the property tax system need improvement. As a result of the significant control weaknesses identified, there is less assurance property tax monies have been accounted for properly. For the year ended February 28, 2013, the County Collector processed property taxes totaling approximately \$25.8 million.

##### **1.1 Tax books**

The County Clerk does not prepare or verify the accuracy of the current or delinquent tax books. In addition, the County Collector did not retain the current tax books for the year ended February 28, 2013. The county's property tax system vendor prepares the tax books based on assessed valuations and tax levies provided by the county. The County Collector and the vendor verify individual entries in the property tax system for mathematical accuracy.

Sections 137.290 and 140.050, RSMo, require the County Clerk to extend the current and delinquent tax books and charge the County Collector with the amount of taxes to be collected. If it is not feasible for the County Clerk to prepare the tax books, at a minimum, he should verify the accuracy of the tax books and document approval of the tax book amount to be charged to the County Collector. Failure to prepare and review the tax books and test individual tax statement computations may result in errors, irregularities, or misuse going undetected. The tax books should be retained to document the taxes charged to the County Collector.

##### **1.2 Review of activity**

In addition to not preparing or testing the accuracy of the tax books, neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector. The County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes, and the County Clerk and the County Commission do not perform procedures to verify the accuracy and completeness of the County Collector's annual settlements. As a result, errors and irregularities on the annual settlement could go undetected.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable to the county treasury. An account book or other records that summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector each year are accounted for properly and could also be used by the County Clerk and County Commission to verify the County Collector's annual settlements.

#### **Recommendations**

- 1.1 The County Clerk prepare the current and delinquent tax books, or at a minimum, verify the accuracy of the tax books prior to charging



Randolph County  
Management Advisory Report - State Auditor's Findings

the County Collector with the property tax amounts to be collected. Procedures performed should be adequately documented. In addition, the County Collector should print or save an electronic copy of the tax books.

- 1.2 The County Clerk maintain a complete and accurate account book with the County Collector. In addition, the County Commission and County Clerk should use the account book to review the accuracy and completeness of the County Collector's annual settlements.

## Auditee's Response

*The County Commission, County Clerk, and County Collector provided the following written response:*

- 1.1 *We have saved the February 28, 2013 back tax books and the 2013 current property tax books on three separate flash drives. One is held by the County Clerk, one is held by the County Collector, and the other is stored off-site.*

*The County Commission and County Clerk provided the following responses:*

- 1.1 *The County Clerk will verify that the certified levies provided to the County Collector agree to the levies entered into the property tax system and will document this review and discuss with the County Commission. The County Clerk will also randomly select some tax statements, verify their accuracy, and document.*
- 1.2 *The County Clerk has implemented an electronic accounting program. He will enter property tax collections from the County Collector's monthly settlements and will enter additions and abatements approved by the County Commission into this spreadsheet. He will also confirm the amounts distributed by the County Collector with the Treasurer and other taxing districts. He will then present the electronic accounting program, along with any hard copies to the County Commission for additional review before approval of the County Collector's annual settlement.*

## 2. Sheriff's Controls and Procedures

Weaknesses exist in controls and procedures in the Sheriff's office. The Sheriff's office processed monies for civil and criminal fees, concealed carry permits, bonds, inmate receipts, jail phone commissions, commissary commissions, and other miscellaneous receipts totaling approximately \$550,000 for the year ended December 31, 2012.

### 2.1 Segregation of duties

As similarly noted in our prior audit report, the Sheriff has not established an adequate segregation of accounting duties and does not perform a supervisory review of accounting records. The Sheriff's office manager is



## Randolph County Management Advisory Report - State Auditor's Findings

primarily responsible for receipting, recording, depositing and disbursing monies, and reconciling the bank accounts.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are safeguarded. If proper segregation of duties cannot be achieved, the Sheriff should implement a documented independent or supervisory review to ensure bank records are in agreement with accounting records.

### 2.2 Commissary profits

The Sheriff maintains profits from commissary sales outside the county treasury and uses these monies to purchase items for the benefit of prisoners and the Sheriff's office. During 2012, purchases totaled \$27,035 and included a restraint chair, prison supplies, cable television, online movie rental services, and phone services for the prison. These purchases were not approved by the County Commission and were not handled through the normal county procurement and budget process. As of September 30, 2013, there was approximately \$6,700 of profits remaining in the commissary account which should be distributed to the Inmate Prisoner Detainee Security Fund.

Section 221.102, RSMo (effective August 28, 2013), requires commissary profits to be deposited into the county Inmate Prisoner Detainee Security Fund.

### 2.3 Seized property

The Sheriff and his deputies did not always document the release or disposition of property on the computerized log of seized property. For example, a firearm and compact disk of photographs were included on the seized property log, but could not be located. Case file records indicated the Prosecuting Attorney had authorized these items to be returned to their rightful owners. In addition, the Sheriff's office has not conducted a physical inventory of all seized property.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of the items. Complete and accurate inventory control records should be maintained and periodic physical inventories should be performed and the results compared to inventory records to ensure seized property is accounted for properly.

### 2.4 Written agreements

The Sheriff's office does not have up-to-date written agreements with other political subdivisions for the boarding of inmates. The county boards inmates for the counties of Macon and Monroe and bills \$35 per night per inmate. However, the most recent agreements were entered into in 2006 and specify a \$30 billing rate per night per inmate.



Randolph County  
Management Advisory Report - State Auditor's Findings

Up-to-date written agreements are necessary to ensure all parties are aware of their duties and responsibilities, the rate to be paid, and to prevent misunderstandings.

## Recommendations

The Sheriff:

- 2.1 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.
- 2.2 Ensure existing and future commissary profits are turned over to the County Treasurer to be deposited to the Inmate Prisoner Detainee Security Fund.
- 2.3 Ensure the disposition of seized property is accurately reflected on the property log and require a periodic physical inventory be conducted and reconciled to the log.
- 2.4 Enter into updated written agreements for the boarding of inmates and ensure the amount charged agrees with the contracted amount. The County Commission should be a party to these contracts.

## Auditee's Response

*The Sheriff provided the following responses:*

- 2.1 *Duties of office personnel have been segregated. It has been implemented that office staff share in the duties of receipting, recording, depositing, disbursing, and reconciling monthly bank statements. The Sheriff reviews and signs off on the monthly reconciliation statement.*
- 2.2 *We are planning to turn all commissary profits over to the County Treasurer at the beginning of the year.*
- 2.3 *The Randolph County Sheriff's office will implement a bi-annual inventory of seized property and evidence stored in the Randolph County Sheriff's evidence locker. A spreadsheet will be developed for logging in and checking out seized items and property stored in the Randolph County Sheriff's evidence locker.*

*The County Commission and the Sheriff provided the following written response:*

- 2.4 *The County Commission is responsible for entering into contracts regarding charges for boarding out of county prisoners. While the County Commission voted to increase the daily rate from \$30 to \$35, as reflected in Commission minutes of June 24, 2010, and*





Randolph County  
Management Advisory Report - State Auditor's Findings

*notified the counties involved, the actual contracts were not updated in a timely manner. This has been corrected and the updated contracts are on file.*

### 3. Prosecuting Attorney's Liabilities

As noted in our prior audit report, the Prosecuting Attorney's office clerk does not prepare monthly lists of liabilities, and consequently, liabilities are not reconciled with cash balances. As of September 30, 2013, the reconciled restitution bank account balance was \$844.

Without regular identification and comparison of liabilities to the cash balance, there is less likelihood errors will be identified and the ability to both identify liabilities and resolve errors is diminished. Such procedures are necessary to ensure monies are properly disbursed to individuals and/or entities for which the monies were collected.

#### Recommendation

The Prosecuting Attorney identify liabilities and reconcile to cash balances on a monthly basis. Any discrepancies should be promptly investigated and resolved.

#### Auditee's Response

*The Prosecuting Attorney provided the following response:*

*We are implementing procedures immediately to rectify this situation. We reconciled the September 2013 cash balance to a list of liabilities.*

### 4. Payroll Controls and Procedures

Controls and procedures over payroll records need improvement.

#### 4.1 Insurance benefits

The county overpaid health and dental insurance premiums for 16 employees who terminated employment with the county during 2012. During the period of January 1, 2012, through July 31, 2013, the county improperly paid a total of \$23,889 for health insurance and \$1,495 for dental insurance for these 16 employees after they had left county employment. We noted two employees remained on the county health insurance policy as long as 11 and 12 months after their termination of employment with the county. To ensure improper disbursements are not made, the county should develop procedures to ensure employees are removed from county health and dental insurance policies as soon as their employment with the county is terminated.

#### 4.2 Centralized records

Centralized records of leave balances and leave used and earned are not maintained for all employees. The County Clerk does not maintain records of leave accruals, usage, and balances for employees of the Sheriff's office. While the Sheriff's employees record leave balances on their timesheets submitted to the County Clerk's office, the County Clerk does not review the balances for accuracy and compliance with county policy. Without



## Randolph County Management Advisory Report - State Auditor's Findings

centralized leave records, the County Commission cannot ensure employee vacation, sick, and compensatory leave balances are accurate and in compliance with county policy, and all employees are treated equitably. As a result of not maintaining centralized leave records, the situation discussed in section 4.3 was not detected by the County Clerk's office. Centralized leave records also aid in determining unused vacation and compensatory leave upon termination of employment.

### 4.3 Compensatory time

The county does not compensate Sheriff's employees in accordance with county policy. Sheriff's employees currently accrue compensatory time as straight time when they work 161 to 171 hours in a 28 day period and accrue compensatory time at time and one-half when they work more than 171 hours in a 28 day period. However, county policy requires Sheriff's employees to work 171 hours in a 28 day period before compensatory time or overtime is earned. As a result, deputies working in excess of 160 hours in a 28 day period earn compensatory time that is not authorized in the county's policy.

By not following county policy, the county may be paying more overtime and compensatory time than required resulting in a greater financial burden for the county. Although compensatory time is not paid out unless an employee leaves employment, employees are able to use the compensatory time in lieu of accumulated vacation and sick leave, and therefore these balances are carried longer, which results in potentially more accumulated vacation leave being paid when an employee leaves employment.

Accurate compensatory time calculation procedures are necessary to ensure compliance with county policy and equitable treatment of county employees.

### Recommendations

The County Commission and County Clerk:

- 4.1 Ensure employees are removed from county health and dental insurance policies as soon as their employment with the county is terminated.
- 4.2 Maintain centralized leave records for all county employees.
- 4.3 Ensure employees accrue compensatory time in accordance with county policy.

### Auditee's Response

*The County Commission and County Clerk provided the following written responses:*

- 4.1 *After discussion with the health insurance representatives, the county may now terminate an employee's health and dental*



## Randolph County Management Advisory Report - State Auditor's Findings

*insurance the day of termination. However we still have to pay the current bill and the health and dental insurance carriers will provide credits available on the next billing cycle. We are now able to log into an online system where we can print invoices as well as print credit invoices for both health and dental. As well as the new online system, the county has created an internal system that shows check lists for each month that includes the enrollment and termination of employees. Once the records are entered, the procedure is to print the profile page for each employee and enter into the correct file. Randolph County Clerk is in negotiations with the health care provider to receive a credit of \$25,384, for the health care plan for 2014.*

- 4.2 *The county's current policy requires each elected official to maintain timesheets and leave records. We plan to amend our policy to require the County Clerk's office to maintain centralized leave records.*
- 4.3 *Randolph County Commissioners and the County Clerk will adopt the necessary changes to the Randolph County Employee Handbook to be in compliance with the FLSA and reflect current practices. An accurate tracking system for all the departments is being implemented. A quarterly statement is currently going out to all departments to confirm the tracking accuracy of compensatory time, overtime, sick time, and vacation time.*

### 5. Public Administrator's Annual Settlements

The Public Administrator does not timely file annual settlements. We reviewed settlements filed for 10 of the 90 wards or estates and noted annual and final settlements for all 10 wards or estates were filed after the Probate Clerk's due date, including two annual settlements that were filed approximately 5 to 6 months after the due date. The Probate Clerk provides the Public Administrator a report of settlement due dates at the beginning of each year. The Probate Clerk also sends a past due notice to the Public Administrator after an annual settlement is a month past due. Despite these procedures, settlements have been filed late.

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual settlement with the court for each ward or estate. Timely settlements are necessary for the court to properly oversee the administration of cases and reduce the possibility that errors or misuse of funds will go undetected.

### Recommendation

The Public Administrator ensure annual settlements are filed timely.



Randolph County  
Management Advisory Report - State Auditor's Findings

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**Auditee's Response**

*The Public Administrator provided the following response:*

*I will ensure annual settlements are filed in a timely manner.*

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# Randolph County

## Organization and Statistical Information

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Randolph County is a county-organized, third-class county. The county seat is Huntsville.

Randolph County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 72 full-time employees and 14 part-time employees on December 31, 2012.

In addition, county operations include the Senate Bill 40 Board.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2013	2012
Susan Carter, Presiding Commissioner	\$	32,230
Robert Wayne Wilcox, Associate Commissioner		30,108
Jerry Crutchfield, Associate Commissioner		30,108
Mark Price, Recorder of Deeds		47,589
Will Ellis, County Clerk		47,589
Michael Fusselman, Prosecuting Attorney		113,112
Mark Nichols, Sheriff		54,492
Penny Henry, County Treasurer		47,589
Gerald A. Luntsford, County Coroner		18,602
Martha Creed, Public Administrator		47,589
Shiela Miller, County Collector, year ended February 28,	47,589	
Richard Tregnago, County Assessor, year ended August 31,		47,589

### Financing Arrangements

The county entered into a lease-purchase agreement for the Circuit Clerk's storage unit. Principal and interest payments are made from the Justice Center Fund. The final payment for the lease-purchase is scheduled to occur in 2018. The remaining principal and interest due on the lease-purchase agreement at December 31, 2012, was \$98,346.

The county entered into a lease-purchase agreement with the Randolph County, Missouri, Public Facilities Authority (the "Authority") on January 1, 2004. The terms of the agreement called for the Authority to provide



## Randolph County Organization and Statistical Information

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funding for the construction of a justice center project and for the county to lease the justice center from the Authority for lease payments equal to the amount due to retire the Authority's indebtedness. Leasehold revenue bonds totaling \$6.8 million were issued by the Authority on January 7, 2004, on behalf of the county, and the proceeds of those bonds were used to construct the justice center, which was completed in June 2005. The remaining principal and interest due at December 31, 2012, was \$3,680,000 and \$768,938, respectively. The Authority also established a trustee, Commerce Bank, N.A., (the "Trustee"). The Trustee receives and oversees disbursement of the bond proceeds, lease payments, sales tax proceeds, and other project income. The Trustee releases monies to the county for purposes of operating and maintaining the justice center if such amounts are not required for the repayment of the bonds issued by the Authority. In March 2013, the county refinanced \$2,380,000 of the \$3,680,000 bond principal with lease refunding certificates of participation and entered into a new lease agreement with Commerce Bank. On April 1, 2014, the 2004 bond series will be paid off and principal and interest due on the 2013 certificates of participation will be \$2,380,000 and \$110,090, respectively. The lease is scheduled to be paid off in 2020. The payments are made with the revenue generated from the county's capital improvement sales tax, which was passed on April 2, 2002, and is in effect until 2020.



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Macon County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Macon County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2012, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Casey-Beard-Boehmer PC, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich".

Thomas A. Schweich  
State Auditor

December 2013  
Report No. 2013-145

## AUDITED FINANCIAL STATEMENTS

**MACON COUNTY, MISSOURI**

**FOR THE YEARS ENDED  
DECEMBER 31, 2012 AND 2011**

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**CASEY-BEARD-BOEHMER PC  
CERTIFIED PUBLIC ACCOUNTANTS  
COLUMBIA, MISSOURI**



**MACON COUNTY, MISSOURI**  
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# CASEY-BEARD-BOEHMER PC



A Certified Public Accounting and Consulting Firm

One Broadway Building  
1 East Broadway  
Columbia, MO 65203-4205  
573 / 442 – 8427  
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December 5, 2013

## INDEPENDENT AUDITORS' REPORT

To the County Commission  
and Officeholders of  
Macon County, Missouri

We have audited the accompanying financial statements of Macon County, Missouri, which comprise the statement of receipts, disbursements, and changes in cash – regulatory basis of each governmental fund as of December 31, 2012 and 2011, and the related statements of receipts, disbursements and changes in cash - budget and actual – regulatory basis for each governmental fund, for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri Law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### MEMBER

•  
American  
Institute of  
Certified  
Public  
Accountants

•  
Missouri  
Society of  
Certified  
Public  
Accountants

## **MACON COUNTY, MISSOURI INDEPENDENT AUDITORS' REPORT (CONTINUED)**

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### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1, the financial statements are prepared by Macon County, Missouri, using accounting practices prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Macon County, Missouri, as of December 31, 2012 and 2011, and the changes in its financial position.

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each governmental fund of Macon County, Missouri, as of December 31, 2012 and 2011, and their respective cash receipts and disbursements, and budgetary results for the years then ended, on the basis of the financial reporting provisions of Missouri Law as described in Note 1.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2013, on our consideration of Macon County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Macon County, Missouri's internal control over financial reporting and compliance.

This report is intended solely for the information and use of management, County Commission, others within the entity, and the Missouri State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Casey-Beard-Boehmer PC*

Casey-Beard-Boehmer PC  
Certified Public Accountants

**MACON COUNTY, MISSOURI**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

Fund	Cash January 1, 2011	Receipts	Disbursements	Cash December 31, 2011	Receipts	Disbursements	Cash December 31, 2012
General Revenue	\$ 483,953	1,921,723	1,993,538	412,138	2,010,907	2,083,744	339,301
Special Road and Bridge	2,816	1,709,442	1,450,963	261,295	1,636,485	1,417,784	479,996
Assessment	38,441	232,066	181,024	89,483	220,989	183,368	127,104
Law Enforcement	5,329	1,666	-	6,995	47	-	7,042
Prosecuting Attorney Training	1,758	1,318	1,929	1,147	1,352	1,500	999
Sheriff's Revolving	17,605	9,845	945	26,505	13,755	-	40,260
Prosecuting Attorney Bad Check	11,245	13,166	22,274	2,137	14,136	13,240	3,033
Road and Bridge Capital Improvement	496,533	701,718	741,095	457,156	791,233	782,502	465,887
Law Enforcement Training	16,109	9,192	10,584	14,717	7,818	7,169	15,366
Sheriff Civil Fees	13,793	23,152	24,411	12,534	24,578	28,599	8,513
County Park Capital Improvement	53,671	429	29,509	24,591	249	24,449	391
County Park	63,398	118,932	115,751	66,579	127,842	132,335	62,086
Victims of Domestic Violence	625	534	626	533	540	1,047	26
Community Development Block Grant/NRSC	-	-	-	-	327,375	327,375	-
Recorder's Storage and Preservation	5,850	3,462	4,283	5,029	6,240	6,953	4,316
Prosecuting Attorney Delinquent Tax	1,243	696	500	1,439	179	1,528	90
Local Emergency Planning Committee	8,474	-	7,048	1,426	-	-	1,426
Election Services	6,932	3,628	1,632	8,928	4,450	7,512	5,866
DARE	6,545	70	-	6,615	41	989	5,667
Recorder's Technology	2,796	4,753	5,263	2,286	3,766	2,731	3,321
Collector's Tax Maintenance	42,169	16,784	8,277	50,676	17,461	14,581	53,556
Law Enforcement Restitution	41,228	31,650	26,277	46,601	35,469	29,705	52,365
Inmate Security	12,473	5,426	502	17,397	5,462	-	22,859
MoDOT Building		-	-	-	115,827	87,787	28,040
Totals	\$ 1,332,986	4,809,652	4,626,431	1,516,207	5,366,201	5,154,898	1,727,510

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**MACON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>General Revenue Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Property tax - County	\$ 465,000	486,352	21,352	\$ 450,000	477,020	27,020
Payment in lieu of taxes	18,000	18,728	728	18,000	18,349	349
Sales tax - County	635,000	664,699	29,699	625,000	649,779	24,779
Intergovernmental - State	126,780	125,530	(1,250)	522,423	83,419	(439,004)
Intergovernmental - Federal	-	-	-	1,289	-	(1,289)
Intergovernmental - Other Governments	6,000	3,465	(2,535)	5,200	7,320	2,120
Charges for services - County	366,758	433,826	67,068	394,050	373,842	(20,208)
Charges for services - State	-	-	-	-	390	390
Interest - County	5,000	4,234	(766)	12,000	7,276	(4,724)
Transfers in - County	10,000	6,951	(3,049)	98,521	9,438	(89,083)
Other - County	317,600	266,903	(50,697)	355,225	294,822	(60,403)
Other - State	100	219	119	-	68	68
Total Receipts	\$ 1,950,238	2,010,907	60,669	\$ 2,481,708	1,921,723	(559,985)
<b>DISBURSEMENTS</b>						
General County Government -						
County Court	\$ 159,930	108,780	(51,150)	\$ 130,830	91,045	(39,785)
County Clerk	90,619	84,670	(5,949)	85,829	80,863	(4,966)
Elections	103,100	67,940	(35,160)	33,651	23,222	(10,429)
Buildings and grounds	139,884	99,157	(40,727)	715,518	111,467	(604,051)
Employee fringe benefits	311,980	292,879	(19,101)	336,942	294,396	(42,546)
Insurance	40,000	42,100	2,100	42,000	37,373	(4,627)
Publication costs	2,500	994	(1,506)	2,500	2,394	(106)
County Treasurer	43,800	43,309	(491)	43,800	42,911	(889)
County Collector	73,985	68,928	(5,057)	71,847	69,047	(2,800)
Recorder of Deeds	70,492	68,327	(2,165)	72,573	64,017	(8,556)
Circuit Clerk	20,800	16,192	(4,608)	16,140	18,489	2,349
Division II Circuit Court	498	173	(325)	-	-	-
Court Reporter	5,147	363	(4,784)	1,676	1,108	(568)
Court Administration	33,412	31,336	(2,076)	33,062	27,121	(5,941)
Public Administrator	52,892	50,743	(2,149)	52,256	50,793	(1,463)
Public Safety -						
Sheriff	484,413	456,317	(28,096)	497,363	467,934	(29,429)
Jail	70,000	77,011	7,011	70,000	55,364	(14,636)
Prosecuting Attorney	136,005	139,793	3,788	130,628	122,094	(8,534)
Juvenile Officer	83,432	98,153	14,721	66,335	73,014	6,679
County Coroner	19,120	18,334	(786)	20,670	18,481	(2,189)
Other -						
Emergency management	12,750	7,145	(5,605)	10,000	4,235	(5,765)
Other	318,000	300,715	(17,285)	370,100	332,624	(37,476)
Data process	7,000	3,843	(3,157)	6,920	3,775	(3,145)
Health and welfare	-	6,542	6,542	2,500	1,771	(729)
Emergency Fund	57,484	-	(57,484)	73,854	-	(73,854)
Total Disbursements	\$ 2,337,243	2,083,744	(253,499)	\$ 2,886,994	1,993,538	(818,873)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (387,005)	(72,837)	314,168	\$ (405,286)	(71,815)	333,471
CASH, JANUARY 1	412,138	412,138	-	483,953	483,953	-
CASH, DECEMBER 31	\$ 25,133	339,301	314,168	\$ 78,667	412,138	333,471

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**MACON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Special Road and Bridge Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Property tax - County	\$ 665,000	691,821	26,821	\$ 650,000	677,837	27,837
Charges for services - County	211,000	115,950	(95,050)	212,750	52,263	(160,487)
Charges for services - State	745,736	783,759	38,023	834,325	911,239	76,914
Interest - County	3,500	3,804	304	5,000	3,891	(1,109)
Transfers in - County	25,000	-	(25,000)	50,000	-	(50,000)
Other - County	8,350	41,151	32,801	8,950	64,212	55,262
Total Receipts	\$ 1,658,586	1,636,485	(22,101)	\$ 1,761,025	1,709,442	(51,583)
<b>DISBURSEMENTS</b>						
Salaries	\$ 424,005	443,481	19,476	\$ 504,446	501,430	(3,016)
Office	62,838	11,070	(51,768)	22,450	20,175	(2,275)
Supplies	456,500	420,910	(35,590)	437,000	405,160	(31,840)
Road and bridge materials	263,250	232,402	(30,848)	251,250	226,446	(24,804)
Equipment repairs	84,500	82,719	(1,781)	90,000	66,520	(23,480)
Property taxes	172,570	34,670	(137,900)	173,950	690	(173,260)
Employee fringe benefits	160,747	166,668	5,921	224,502	207,007	(17,495)
Insurance	27,500	25,864	(1,636)	27,500	23,535	(3,965)
Total Disbursements	\$ 1,651,910	1,417,784	(234,126)	\$ 1,731,098	1,450,963	(280,135)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 6,676	218,701	212,025	\$ 29,927	258,479	228,552
CASH, JANUARY 1	261,295	261,295	-	2,816	2,816	-
CASH, DECEMBER 31	\$ 267,971	479,996	212,025	\$ 32,743	261,295	228,552

<b>Assessment Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Intergovernmental - State	\$ 45,350	44,163	(1,187)	\$ 45,000	53,566	8,566
Intergovernmental - County	163,000	165,204	2,204	162,000	164,702	2,702
Charges for services - County	3,500	9,890	6,390	2,500	12,253	9,753
Interest - County	750	1,008	258	1,000	1,101	101
Other - County	100	724	624	100	444	344
Total Receipts	\$ 212,700	220,989	8,289	\$ 210,600	232,066	21,466
<b>DISBURSEMENTS</b>						
Employee fringe benefits	\$ 46,381	45,774	(607)	\$ 51,124	46,940	(4,184)
Insurance	2,200	2,590	390	2,200	2,281	81
Salaries	106,565	105,560	(1,005)	104,956	103,892	(1,064)
Office expenses	33,200	29,444	(3,756)	33,300	27,911	(5,389)
Total Disbursements	\$ 188,346	183,368	(4,978)	\$ 191,580	181,024	(10,556)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 24,354	37,621	13,267	\$ 19,020	51,042	32,022
CASH, JANUARY 1	89,483	89,483	-	38,441	38,441	-
CASH, DECEMBER 31	\$ 113,837	127,104	13,267	\$ 57,461	89,483	32,022

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**MACON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**Law Enforcement Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest - County	\$ -	-	-	\$ 100	66	(34)
Other - County	100	47	(53)	500	1,600	1,100
Total Receipts	\$ 100	47	(53)	\$ 600	1,666	1,066
DISBURSEMENTS						
Sheriff	\$ 7,095	-	(7,095)	\$ 5,423	-	(5,423)
Total Disbursements	\$ 7,095	-	(7,095)	\$ 5,423	-	(5,423)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,995)	47	7,042	\$ (4,823)	1,666	6,489
CASH, JANUARY 1	6,995	6,995	-	5,329	5,329	-
CASH, DECEMBER 31	\$ -	7,042	7,042	\$ 506	6,995	6,489

**Prosecuting Attorney Training Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services - County	\$ 1,275	1,352	77	\$ 1,350	1,318	(32)
Total Receipts	\$ 1,275	1,352	77	\$ 1,350	1,318	(32)
DISBURSEMENTS						
Prosecuting Attorney	\$ 2,000	1,500	(500)	\$ 2,000	1,929	(71)
Total Disbursements	\$ 2,000	1,500	(500)	\$ 2,000	1,929	(71)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (725)	(148)	577	\$ (650)	(611)	39
CASH, JANUARY 1	1,147	1,147	-	1,758	1,758	-
CASH, DECEMBER 31	\$ 422	999	577	\$ 1,108	1,147	39

**Sheriff's Revolving Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services - County	\$ 8,000	13,529	5,529	\$ 8,000	9,605	1,605
Interest - County	250	226	(24)	500	240	(260)
Total Receipts	\$ 8,250	13,755	5,505	\$ 8,500	9,845	1,345
DISBURSEMENTS						
Sheriff	\$ 34,755	-	(34,755)	\$ 22,786	945	(21,841)
Total Disbursements	\$ 34,755	-	(34,755)	\$ 22,786	945	(21,841)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (26,505)	13,755	40,260	\$ (14,286)	8,900	23,186
CASH, JANUARY 1	26,505	26,505	-	17,605	17,605	-
CASH, DECEMBER 31	\$ 0	40,260	40,260	\$ 3,319	26,505	23,186

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**MACON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Prosecuting Attorney Bad Check Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services - County	\$ 10,800	14,096	3,296	\$ 18,125	13,037	(5,088)
Interest - County	100	40	(60)	300	118	(182)
Other - County	10	-	(10)	-	11	11
Total Receipts	\$ 10,910	14,136	3,226	\$ 18,425	13,166	(5,259)
<b>DISBURSEMENTS</b>						
Office expenses	\$ 5,900	6,289	389	\$ 19,960	14,142	(5,818)
Transfers out	6,000	6,951	951	9,689	8,132	(1,557)
Total Disbursements	\$ 11,900	13,240	1,340	\$ 29,649	22,274	(7,375)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (990)	896	1,886	\$ (11,224)	(9,108)	2,116
CASH, JANUARY 1	2,137	2,137	-	11,245	11,245	-
CASH, DECEMBER 31	\$ 1,147	3,033	1,886	\$ 21	2,137	2,116

<b>Road and Bridge Capital Improvement Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Sales tax - County	\$ 635,000	664,686	29,686	\$ 625,000	649,684	24,684
Intergovernmental - State	1,869,526	110,622	(1,758,904)	2,327,629	5,230	(2,322,399)
Charges for services - County	5,000	8,500	3,500	22,000	2,900	(19,100)
Interest - County	2,500	3,452	952	9,000	4,870	(4,130)
Other - County	-	3,973	3,973	-	39,034	39,034
Total Receipts	\$ 2,512,026	791,233	(1,720,793)	\$ 2,983,629	701,718	(2,281,911)
<b>DISBURSEMENTS</b>						
Salaries	\$ 86,680	55,506	(31,174)	\$ -	-	-
Equipment and supplies	465,500	318,224	(147,276)	843,451	568,918	(274,533)
Materials	201,000	199,524	(1,476)	193,000	172,177	(20,823)
Capital expenditures	250,000	139,186	(110,814)	-	-	-
Employee fringe benefits	32,924	18,356	(14,568)	-	-	-
Other	1,892,256	51,706	(1,840,550)	2,325,000	-	(2,325,000)
Total Disbursements	\$ 2,928,360	782,502	(2,145,858)	\$ 3,361,451	741,095	(2,620,356)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (416,334)	8,731	425,065	\$ (377,822)	(39,377)	338,445
CASH, JANUARY 1	457,156	457,156	-	496,533	496,533	-
CASH, DECEMBER 31	\$ 40,822	465,887	425,065	\$ 118,711	457,156	338,445

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS



**MACON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**Law Enforcement Training Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental - State	\$ 2,000	2,474	474	\$ 2,100	2,518	418
Charges for services - County	4,000	5,344	1,344	4,400	5,294	894
Other - County	1,100	-	(1,100)	-	1,380	1,380
Total Receipts	\$ 7,100	7,818	718	\$ 6,500	9,192	2,692
DISBURSEMENTS						
Sheriff	\$ 18,000	7,169	(10,831)	\$ 17,000	10,584	(6,416)
Total Disbursements	\$ 18,000	7,169	(10,831)	\$ 17,000	10,584	(6,416)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (10,900)	649	11,549	\$ (10,500)	(1,392)	9,108
CASH, JANUARY 1	14,717	14,717	-	16,109	16,109	-
CASH, DECEMBER 31	\$ 3,817	15,366	11,549	\$ 5,609	14,717	9,108

**Sheriff Civil Fees Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services - County	\$ 22,000	24,448	2,448	\$ 26,000	22,882	(3,118)
Interest - County	200	130	(70)	500	270	(230)
Total Receipts	\$ 22,200	24,578	2,378	\$ 26,500	23,152	(3,348)
DISBURSEMENTS						
Equipment	\$ 34,733	28,599	(6,134)	\$ 33,479	24,411	(9,068)
Total Disbursements	\$ 34,733	28,599	(6,134)	\$ 33,479	24,411	(9,068)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (12,533)	(4,021)	8,512	\$ (6,979)	(1,259)	5,720
CASH, JANUARY 1	12,534	12,534	-	13,793	13,793	-
CASH, DECEMBER 31	\$ 1	8,513	8,512	\$ 6,814	12,534	5,720

**County Park Capital Improvement Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales tax - County	\$ -	159	159	\$ -	22	22
Interest - County	200	90	(110)	750	407	(343)
Total Receipts	\$ 200	249	49	\$ 750	429	(321)
DISBURSEMENTS						
Capital expenditures	\$ 24,570	24,449	(121)	\$ 54,421	29,509	(24,912)
Total Disbursements	\$ 24,570	24,449	(121)	\$ 54,421	29,509	(24,912)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (24,370)	(24,200)	170	\$ (53,671)	(29,080)	24,591
CASH, JANUARY 1	24,591	24,591	-	53,671	53,671	-
CASH, DECEMBER 31	\$ 221	391	170	\$ -	24,591	24,591

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**MACON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>County Park Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services - County	\$ 32,000	30,779	(1,221)	\$ 27,500	32,756	5,256
Interest - County	600	435	(165)	1,000	661	(339)
Other - County	99,200	96,628	(2,572)	96,750	85,515	(11,235)
Total Receipts	\$ 131,800	127,842	(3,958)	\$ 125,250	118,932	(6,318)
<b>DISBURSEMENTS</b>						
Salaries	\$ 32,000	31,955	(45)	\$ 33,000	31,566	(1,434)
Employee fringe benefits	3,700	3,055	(645)	3,795	3,580	(215)
Park events	70,000	64,221	(5,779)	54,000	53,971	(29)
Other	28,700	33,104	4,404	29,050	26,634	(2,416)
Total Disbursements	\$ 134,400	132,335	(2,065)	\$ 119,845	115,751	(4,094)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,600)	(4,493)	(1,893)	\$ 5,405	3,181	(2,224)
CASH, JANUARY 1	66,579	66,579	-	63,398	63,398	-
CASH, DECEMBER 31	\$ 63,979	62,086	(1,893)	\$ 68,803	66,579	(2,224)

<b>Victims of Domestic Violence Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services - County	\$ 500	535	35	\$ 500	530	30
Interest - County	5	5	-	10	4	(6)
Total Receipts	\$ 505	540	35	\$ 510	534	24
<b>DISBURSEMENTS</b>						
Domestic violence shelter	\$ 530	1,047	517	\$ 1,100	626	(474)
Total Disbursements	\$ 530	1,047	517	\$ 1,100	626	(474)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (25)	(507)	(482)	\$ (590)	(92)	498
CASH, JANUARY 1	533	533	-	625	625	-
CASH, DECEMBER 31	\$ 508	26	(482)	\$ 35	533	498

**MACON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**Community Development Block Grant/NRSC Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental - State	\$ 1,016,670	327,375	(689,295)	\$ 399,500	-	(399,500)
Total Receipts	\$ 1,016,670	327,375	(689,295)	\$ 399,500	-	(399,500)
DISBURSEMENTS						
Capital improvements	\$ 1,016,670	327,375	(689,295)	\$ 399,500	-	(399,500)
Total Disbursements	\$ 1,016,670	327,375	(689,295)	\$ 399,500	-	(399,500)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-	\$ -	-	-
CASH, JANUARY 1	-	-	-	-	-	-
CASH, DECEMBER 31	\$ -	-	-	\$ -	-	-

**Recorder's Storage and Preservation Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services - County	\$ 4,000	6,215	2,215	\$ 6,500	3,406	(3,094)
Interest - County	50	25	(25)	90	56	(34)
Total Receipts	\$ 4,050	6,240	2,190	\$ 6,590	3,462	(3,128)
DISBURSEMENTS						
Office expenses	\$ 9,019	6,953	(2,066)	\$ 12,210	4,283	(7,927)
Total Disbursements	\$ 9,019	6,953	(2,066)	\$ 12,210	4,283	(7,927)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,969)	(713)	4,256	\$ (5,620)	(821)	4,799
CASH, JANUARY 1	5,029	5,029	-	5,850	5,850	-
CASH, DECEMBER 31	\$ 60	4,316	4,256	\$ 230	5,029	4,799

**Prosecuting Attorney Delinquent Tax Fund**

	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental - County	\$ 650	175	(475)	\$ 250	680	430
Interest - County	10	4	(6)	50	16	(34)
Total Receipts	\$ 660	179	(481)	\$ 300	696	396
DISBURSEMENTS						
Office supplies	\$ 2,000	1,528	(472)	\$ 1,500	500	(1,000)
Total Disbursements	\$ 2,000	1,528	(472)	\$ 1,500	500	(1,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,340)	(1,349)	(9)	\$ (1,200)	196	1,396
CASH, JANUARY 1	1,439	1,439	-	1,243	1,243	-
CASH, DECEMBER 31	\$ 99	90	(9)	\$ 43	1,439	1,396

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**MACON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Local Emergency Planning Committee Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental - State	\$ -	-	-	\$ 3,230	-	(3,230)
Total Receipts	\$ -	-	-	\$ 3,230	-	(3,230)
DISBURSEMENTS						
Office expenses	\$ 1,426	-	(1,426)	\$ 8,000	7,048	(952)
Total Disbursements	\$ 1,426	-	(1,426)	\$ 8,000	7,048	(952)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,426)	-	1,426	\$ (4,770)	(7,048)	(2,278)
CASH, JANUARY 1	1,426	1,426	-	8,474	8,474	-
CASH, DECEMBER 31	\$ -	1,426	1,426	\$ 3,704	1,426	(2,278)

<b>Election Services Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental - State	\$ 22,478	1,939	(20,539)	\$ 850	2,963	2,113
Interest - County	50	47	(3)	100	85	(15)
Other - County	1,000	2,464	1,464	450	580	130
Total Receipts	\$ 23,528	4,450	(19,078)	\$ 1,400	3,628	2,228
DISBURSEMENTS						
Election expenses	\$ 20,478	7,512	(12,966)	\$ 6,900	1,632	(5,268)
Total Disbursements	\$ 20,478	7,512	(12,966)	\$ 6,900	1,632	(5,268)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 3,050	(3,062)	(6,112)	\$ (5,500)	1,996	7,496
CASH, JANUARY 1	8,928	8,928	-	6,932	6,932	-
CASH, DECEMBER 31	\$ 11,978	5,866	(6,112)	\$ 1,432	8,928	7,496

<b>DARE Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest - County	\$ 100	41	(59)	\$ 100	70	(30)
Total Receipts	\$ 100	41	(59)	\$ 100	70	(30)
DISBURSEMENTS						
Sheriff	\$ 6,715	989	(5,726)	\$ 6,538	-	(6,538)
Total Disbursements	\$ 6,715	989	(5,726)	\$ 6,538	-	(6,538)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,615)	(948)	5,667	\$ (6,438)	70	6,508
CASH, JANUARY 1	6,615	6,615	-	6,545	6,545	-
CASH, DECEMBER 31	\$ -	5,667	5,667	\$ 107	6,615	6,508

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**MACON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Recorder's Technology Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services - County	\$ 5,000	3,750	(1,250)	\$ 6,700	4,739	(1,961)
Interest - County	15	16	1	30	14	(16)
Total Receipts	\$ 5,015	3,766	(1,249)	\$ 6,730	4,753	(1,977)
<b>DISBURSEMENTS</b>						
Recorder of Deeds	\$ 3,800	2,731	(1,069)	\$ 8,550	5,263	(3,287)
Total Disbursements	\$ 3,800	2,731	(1,069)	\$ 8,550	5,263	(3,287)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,215	1,035	(180)	\$ (1,820)	(510)	1,310
CASH, JANUARY 1	2,286	2,286	-	2,796	2,796	-
CASH, DECEMBER 31	\$ 3,501	3,321	(180)	\$ 976	2,286	1,310

<b>Collector's Tax Maintenance Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services - County	\$ 17,000	17,091	91	\$ 16,000	16,260	260
Interest - County	650	370	(280)	700	524	(176)
Total Receipts	\$ 17,650	17,461	(189)	\$ 16,700	16,784	84
<b>DISBURSEMENTS</b>						
Collector	\$ 19,650	14,581	(5,069)	\$ 14,866	6,971	(7,895)
Transfers out	5,000	-	(5,000)	-	1,306	1,306
Total Disbursements	\$ 24,650	14,581	(10,069)	\$ 14,866	8,277	(6,589)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (7,000)	2,880	9,880	\$ 1,834	8,507	6,673
CASH, JANUARY 1	50,676	50,676	-	42,169	42,169	-
CASH, DECEMBER 31	\$ 43,676	53,556	9,880	\$ 44,003	50,676	6,673

<b>Law Enforcement Restitution Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Interest - County	\$ 500	311	(189)	\$ 1,000	480	(520)
Other - County	20,000	35,158	15,158	25,000	31,170	6,170
Total Receipts	\$ 20,500	35,469	14,969	\$ 26,000	31,650	5,650
<b>DISBURSEMENTS</b>						
Sheriff	\$ 53,400	29,705	(23,695)	\$ 51,500	26,277	(25,223)
Transfers out	-	-	-	15,000	-	(15,000)
Total Disbursements	\$ 53,400	29,705	(23,695)	\$ 66,500	26,277	(40,223)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (32,900)	5,764	38,664	\$ (40,500)	5,373	45,873
CASH, JANUARY 1	46,601	46,601	-	41,228	41,228	-
CASH, DECEMBER 31	\$ 13,701	52,365	38,664	\$ 728	46,601	45,873

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**MACON COUNTY, MISSOURI**  
**COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>Inmate Security Fund</b>						
	2012			2011		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>						
Charges for services - County	\$ 4,000	5,328	1,328	\$ 3,850	5,266	1,416
Interest - County	-	134	134	150	160	10
Total Receipts	\$ 4,000	5,462	1,462	\$ 4,000	5,426	1,426
<b>DISBURSEMENTS</b>						
Sheriff	\$ 21,397	-	(21,397)	\$ 15,000	502	(14,498)
Total Disbursements	\$ 21,397	-	(21,397)	\$ 15,000	502	(14,498)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (17,397)	5,462	22,859	\$ (11,000)	4,924	15,924
CASH, JANUARY 1	17,397	17,397	-	12,473	12,473	-
CASH, DECEMBER 31	\$ -	22,859	22,859	\$ 1,473	17,397	15,924

<b>MoDOT Building Fund</b>			
	2012		
	Final Budget	Actual	Actual Over (Under) Budget
<b>RECEIPTS</b>			
Charges for services - County	\$ 134,714	80,699	(54,015)
Interest - County	-	77	77
Other - County	22,500	35,051	12,551
Total Receipts	\$ 157,214	115,827	(41,387)
<b>DISBURSEMENTS</b>			
Office expenses	\$ 125,500	64,706	(60,794)
Employee fringe benefits	8,558	-	(8,558)
Insurance	22,000	23,081	1,081
Total Disbursements	\$ 156,058	87,787	(68,271)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,156	28,040	26,884
CASH, JANUARY 1	-	-	-
CASH, DECEMBER 31	\$ 1,156	28,040	26,884

**MACON COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

Macon County, Missouri is governed by a three-member board of commissioners. In addition to the three County Commissioners, there are ten elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder of Deeds, Collector, Treasurer, Coroner, Prosecuting Attorney, Public Administrator, and Sheriff.

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which practices differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

**1. A. REPORTING ENTITY**

The County's operations include property tax assessments and collections, state/county courts administration, recording of deeds and other instruments, public safety, economic development, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The Tax Maintenance Fund is under the control of the County Collector. The Senate Bill 40 Board Fund, with a separate appointed board, is separately audited by an independent certified public accounting firm and, therefore, is not included in this report.

The financial statements referred to above include the primary government of Macon County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity. The financial statements do not include the Circuit Court Fund and the Law Library Fund. These funds are controlled by the Circuit Clerk.

**1. B. BASIS OF PRESENTATION**

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts, and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary (Agency) Funds - Certain county officials may collect fees from services, remit the monies to the county, state, or to other parties or hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

**1. C. BASIS OF ACCOUNTING**

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

**MACON COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

**1. D. BUDGETS AND BUDGETARY ACCOUNTING**

The County follows these procedures in establishing the budget information:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission, the budget documents are available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Budgets are prepared and adopted on the cash basis of accounting.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission during the year. The County Commission amended the County Park Fund budget for 2011 in December 2011, the Road and Bridge Capital Improvement Fund budget for 2012 in October 2012, and Community Development Block Grant/NRSC Fund budget for 2012 in October 2012.
8. Budgets were adopted by the county for all applicable county operating funds for the years ended December 31, 2012 and 2011.
9. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

Fund	Year Ended December 31,
Prosecuting Attorney Bad Check	2012
Victims of Domestic Violence	2012

**1. E. PROPERTY TAXES**

Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The County bills and collects its own property taxes and also taxes for most other local governments in the county. The assessed valuation of the tangible property for the year 2012 and 2011 for purposes of local taxation was:

	2012	2011
Real Estate	\$ 116,140,920	\$ 117,896,340
Personal Property	42,566,280	43,286,887
Railroad and Utilities	27,335,764	28,785,255
Total Assessed Valuation	\$ <u>186,042,964</u>	\$ <u>189,968,482</u>



**MACON COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

The county-wide levy per \$100 of the assessed valuation of tangible property for the year 2012 and 2011 for purposes of local taxation was:

	2012	2011
General Revenue Fund	\$ 0.2320	\$ 0.2500
Special Road and Bridge Fund	0.6669	0.6669
Senate Bill 40 Board Fund	0.0967	0.0967

**1. F. CASH DEPOSITS**

Cash deposits are stated at cost, which approximates market. Cash balances for the County Treasurer's funds are invested in interest-bearing bank accounts to the extent possible. Interest earned from such investments is recorded in each of the funds as appropriate. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents.

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

**1. G. INTERFUND ACTIVITY**

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. Transfers between funds of the County for the years ended December 31, 2012 and 2011 were as follows:

		Year Ended December 31, 2012	
		Transfers In	Transfers Out
<b>FUNDS:</b>			
General Revenue	\$	6,951	\$ -
Prosecuting Attorney Bad Check		-	6,951
Totals	\$	<u>6,951</u>	<u>6,951</u>

		Year Ended December 31, 2011	
		Transfers In	Transfers Out
<b>FUNDS:</b>			
General Revenue	\$	9,438	\$ -
Prosecuting Attorney Bad Check		-	8,132
Collector's Tax Maintenance		-	1,306
Totals	\$	<u>9,438</u>	<u>9,438</u>

**MACON COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

**1. H. PUBLISHED FINANCIAL STATEMENTS**

Under Section 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the County. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the years ended December 31, 2012 and 2011, the published financial statements included all funds as required.

**NOTE 2. CASH AND INVESTMENTS**

Deposits

The County has determined through experience that business checking accounts and money market accounts are appropriate types of accounts or instruments for its needs. The County invests each fund's cash balance in interest-bearing bank accounts. Each fund is included on the financial statements as "Cash" under each fund's caption. Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreements, in U.S. Treasury and agency obligations. At December 31, 2012 and 2011, the County had no such investments.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand accounts, including negotiable order of withdrawal accounts in banks. The County did invest in nonnegotiable certificates of deposit during the two years ended December 31, 2012.

Insured and Collateralized Deposits

In accordance with state law, all uninsured deposits in financial institutions must be secured with acceptable collateral. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain state or political subdivision debt obligations, surety bonds, or certain letters of credit. Missouri statutes also require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

At December 31, 2012 and 2011, the County's deposits held at the depository banks were adequately covered by Federal Depository Insurance Coverage and with additional collateral held by an independent bank in the county's name or by its agent in the county's name. The County's deposits were not subject to custodial or investment credit risk at year end.

In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County has not adopted a written investment policy in accordance with applicable state law.

**MACON COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS**

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

**A. County Employees' Retirement Fund (CERF)**

The County Employees' Retirement Fund (CERF) was established by the state of Missouri to provide pension benefits for county officials and employees.

**1) Plan Description**

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties of not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under sections 56.800 to 56.840, RSMo; circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System; county sheriffs covered under sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

**2) Pension Benefits**

CERF first paid benefits beginning January 1, 1997. At that time a member could not retire until age 62. Beginning January 1, 2000, a member could retire with full benefits at age 62 or reduced benefits as early as age 55. The monthly benefit for county employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). An eligible death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling toll-free 1-877-632-2373.

**3) Funding Policy**

In accordance with state statutes, the Fund is partially funded through various fees collected by counties and remitted to the CERF. A contribution to CERF of 2% of annual salary is required for eligible employees hired before February 25, 2002 and not in LAGERS, and a contribution of 6% of annual salary is required of employees hired after February 25, 2002, effective January 1, 2003, in order to participate in CERF. During 2012 and 2011, the County collected and remitted to CERF \$97,412 and \$99,437 respectively, for the years then ended.

**MACON COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

---

**NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)**

**B. Prosecuting Attorney Retirement Fund**

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the state of Missouri is responsible for administration of this plan. The County contributed \$2,244 and \$2,618, respectively, for the years ended December 31, 2012 and 2011.

**NOTE 4. POST- EMPLOYMENT BENEFITS**

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

**NOTE 5. CLAIMS, COMMITMENTS, AND CONTINGENCIES**

1) Compensated Absences Commitments

Annual Leave

Regular or permanent county full-time employees who have completed the introductory period (a minimum of three months) are eligible to receive vacation time as follows: After one year of employment an employee shall be entitled to one week of vacation. After two years of employment an employee shall be entitled to two weeks of vacation. After twelve years, and each year thereafter, each employee shall have three weeks of vacation. A maximum of ten vacation days may be carried forward to the next year. Upon an employee's termination, the employee will be reimbursed for unused accumulated vacation time.

Sick Leave and Personal Leave

40 hours per week employees and 171 hour per month employees will accrue six hours of sick and two hours of personal time up to a maximum of twenty four hours of personal time within a year. Six and one-half hour employees (32.5 hours per week) will accrue benefit hours at four and three quarters of sick leave and one and three quarters hours of personal leave up to a maximum of 21 hours of personal time within a year. At the end of the year unused personal days will rollover into sick days. Upon an employee's termination, the employee is not reimbursed for any unused sick / personal time.

2) Federal and State Assisted Programs Contingencies

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

**MACON COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**NOTE 6. RISK MANAGEMENT**

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool (MoPERM), which is a corporate and political body created pursuant to Chapter 537.700 RSMo. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established to provide insurance coverage to Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and reinsured up to the statutory limit through excess insurance.

**NOTE 7. CHANGE IN BASIS OF ACCOUNTING**

Macon County, Missouri, has changed its basis of accounting from presenting its financial statements in accordance with GASB 34 for 2006 and 2007 on the cash basis of accounting to the regulatory basis of accounting as prescribed or permitted in accordance with state law. The accounting change had no effect on the beginning cash balances of the various county funds. The County did not have an audit for the years ended December 31, 2008, 2009 and 2010.

**NOTE 8. LEASE ON MoDOT BUILDING**

In January 2012, the County entered into a 10-year lease with an option to purchase agreement with MoDOT on the District 2 complex in Macon for use as a business incubator and entrepreneur center to achieve economic development during the term of the lease. The total rent is \$1 with the purchase price of the property valued at \$1,624,250. The County's economic development from use of the premises is measured by the cumulative value of all new jobs created on site during the lease term, as determined and calculated by MoDOT. If economic development is achieved by the County during the lease term, then MoDOT shall convey the property to the County without further consideration paid to MoDOT. If the County does not succeed in achieving economic development from use of the leased premises equal to the agreed upon purchase price at the end of the lease term, the County shall have the option to pay to MoDOT the difference between the agreed upon purchase price and the cumulative value of the economic development achieved as of the end of the lease term. If the County fails to pay said amount within the time frame, the agreement may be terminated by MoDOT, at its option, and the County shall vacate the premises.

**NOTE 9. SUBSEQUENT EVENT**

In April 2013, voters in Macon County, Missouri, approved a local use tax on out-of-state purchases at the same rate as the total local sales tax rate of 1.00%. The tax goes into effect on July 1, 2013.

# CASEY-BEARD-BOEHMER PC



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December 5, 2013

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

### Independent Auditors' Report

To the County Commission  
and Officeholders  
of Macon County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the various county funds of Macon County, Missouri, as of and for the two years ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Macon County, Missouri's basic financial statements and have issued our report thereon dated December 5, 2013.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Macon County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Macon County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Macon County, Missouri's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We do not consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness.

MEMBER  
•  
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Institute of  
Certified  
Public  
Accountants  
•  
Missouri  
Society of  
Certified  
Public  
Accountants  
•

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS (CONTINUED)**

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A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Macon County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

**Macon County, Missouri's Response to Finding**

Macon County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Macon County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, County Commission, others within the entity, and the Missouri State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Casey-Beard-Boehmer PC*

Casey-Beard-Boehmer PC  
Certified Public Accountants

**MACON COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**FINANCIAL STATEMENT FINDINGS**

This section includes the audit findings that *Government Auditing Standards* require to be reported for an audit of financial statements.

**SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL**

**12-01 Budgetary Procedures Not in Compliance With State Law**

Condition: We noted the following issue with the County's budgeting process during our audit:

The County Commission did not exercise adequate budgetary control over certain funds during the audit period. Expenditures were approved for payment that exceeded the approved budget as shown below:

<u>Fund</u>	<u>Year</u>	<u>Amount over budget</u>
Prosecuting Attorney Bad Check	2012	\$ 1,340
Victims of Domestic Violence	2012	517

Criteria: Section 50.540 RSMo requires that the budget be revised prior to authorizing expenditures in excess of the budget.

Cause: County officials did not consider the importance of preparing proper amended budgets in 2012 for all County operating funds.

Effect: The County Commission, County Clerk, and other County officials did not follow state law on the expenditures of funds.

Recommendation:

The County Commission should not approve expenditures in excess of budgeted amounts for all county funds.

*Auditee's Response:*

*Going forward, the County Commission will not approve expenditures exceeding the budgeted amounts.*



**MACON COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

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The previous financial audit performed for Macon County, Missouri, was for the two years ended December 31, 2007. Because Macon County, Missouri, did not obtain an audit of its financial statements for the three years ended December 31, 2010, this section does not report the status of any prior audit findings.



Thomas A. Schweich  
Missouri State Auditor

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# Clarkson Kehrs Mill Transportation Development District



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December 2013  
Report No. 2013-146

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Clarkson Kehrs Mill Transportation Development District

### Comments

The Clarkson Kehrs Mill Transportation Development District (TDD) was organized in August 2009 and is located in the City of Ballwin. The TDD was formed for the purpose of funding street improvements to Clarkson Road and Kehrs Mill Road, and final construction was approved by the Missouri Department of Transportation in March 2013. Taxable transactions within the TDD are subject to a 1-cent sales tax. For the areas audited, we identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures.

In the areas audited, the overall performance of this entity was **Excellent**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Clarkson Kehrs Mill Transportation Development District

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# THOMAS A. SCHWEICH

## Missouri State Auditor

David Fontana, Chairman and Executive Director  
and  
Board of Directors  
Clarkson Kehrs Mill Transportation Development District  
Ballwin, Missouri

We have audited certain operations of the Clarkson Kehrs Mill Transportation Development District in fulfillment of our duties under Section 238.272, RSMo. The district engaged Wade Stables P.C., Certified Public Accountants (CPAs) to audit the district's financial statements for the year ended December 31, 2012. To minimize duplication of effort, we reviewed the report of the CPA firm. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. No findings resulted from our audit of the Clarkson Kehrs Mill Transportation Development District.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Rex Murdock, M.S.Acct.
Audit Staff:	Wayne Kauffman, MBA

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# Clarkson Kehrs Mill Transportation Development District

## Organization and Statistical Information

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The Clarkson Kehrs Mill Transportation Development District (TDD) is located in the City of Ballwin. The TDD was organized in August 2009 by petition of the owner of property within the proposed TDD. The Board of Directors and officers were elected by the property owner.

The qualified voters of the TDD, in this case the property owner, approved the imposition of a sales tax of 1-cent (1 percent) on all transactions which are taxable within the boundaries of the district. The Board of Directors subsequently passed a resolution which set the sales tax rate at 1-cent (1 percent) in September 2009 and it is currently expected to remain in effect for 40 years, unless terminated sooner after all obligations have been paid. The TDD started collecting sales taxes in January 2013.

The TDD was formed for the purpose of funding street improvements to Clarkson Road and Kehrs Mill Road. The improvements included adding a northbound right-turn lane, raised median, and dual southbound left-turn lanes on Clarkson Road, and widening of Kehrs Mill Road to provide two eastbound lanes. The Missouri Department of Transportation, the City of Ballwin, and St. Louis County are the public entities with jurisdiction over these projects. Final construction was approved by the Missouri Department of Transportation in March 2013.

The TDD has a fiscal year end of December 31, and obtained an independent audit of its financial statements for the year ended December 31, 2012.

### District Board

An elected board acts as the policy-making body for the district's operations. The board's five members serve 3-year terms without compensation. Members of the board at December 31, 2012, were:

David Fontana, Chairman and Executive Director  
David Bell, Secretary and Treasurer  
Melissa Setser, Director  
Dina Nilhas, Director  
Franklin Sears, Director

### Financial Activity

In September 2012, the TDD issued approximately \$2.9 million in revenue notes to reimburse the developer for project expenses. The receipt of this money, along with the \$2.9 million in payments to the developer, were reported in the audited financial statements of the TDD. No principal or interest payments were made by the TDD during 2012.



Thomas A. Schweich  
Missouri State Auditor

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## SOCIAL SERVICES

### Division of Youth Services



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December 2013  
Report No. 2013-147

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**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Department of Social Services, Division of Youth Services

Attendance and Educational Services Billing	Our review found Division of Youth Services (DYS) staff at three facilities did not perform monthly attendance reviews required by DYS policy. As of July 2013, school districts owed the DYS more than \$3.2 million in educational service billings, with some unpaid billings dating back to the 2000-2001 school year. The DYS lacks statutory authority to assess interest or penalties on delinquent amounts, has not written off unpaid balances, and has not refunded credit balances totaling \$18,900 to 18 school districts. The DYS is working with the Division of Legal Services concerning the proper handling of old unpaid bills and credit balances.
Payroll and Overtime	Some DYS employees and supervisors did not sign timesheets, and some hours of compensatory leave recorded on timesheets did not agree with leave/overtime requests. Our review found one employee did not sign 3 timesheets in 2011, supervisors did not sign 23 of the timesheets reviewed, and 6 employees requested a total of 131 hours of overtime that was not supported by timesheets.
Policies and Facility Procedures	The DYS has not updated some policies and procedures in 20 years. The DYS does not require standardized timesheet forms and has an outdated outstanding check policy. The DYS policy manual does not provide guidance on how often a facility should order food or for tracking assets that are sensitive and/or more susceptible to loss.
Family Care Safety Registry	The DYS does not require periodic employee background checks through the Family Care Safety Registry.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Department of Social Services - Division of Youth Services

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Brian Kinkade, Acting Director  
Department of Social Services  
and  
Phyllis Becker, Interim Director  
Division of Youth Services  
Jefferson City, Missouri

We have audited certain operations of the Department of Social Services, Division of Youth Services in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2013 and 2012. The objectives of our audit were to:

1. Evaluate the division's internal controls over significant management and financial functions.
2. Evaluate the division's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the division as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal control, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Social Services, Division of Youth Services.

A handwritten signature in black ink that reads "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Kelly Davis, M.Acct., CPA, CFE
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Kimberly Shepard
	Nicholas Schafer, MBA
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# Department of Social Services-Division of Youth Services

## Management Advisory Report

### State Auditor's Findings

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#### **1. Attendance and Educational Services Billings**

Some Division of Youth Services (DYS) facilities do not review attendance in accordance with DYS policy, and the DYS does not have sufficient procedures to ensure educational services billings are collected.

The DYS provides educational services including instruction in language arts, mathematics, science, social studies, fine arts, personal finance, health, and career and physical education to youth in its facilities. The DYS receives state aid for these youth similar to school districts from the Department of Elementary and Secondary Education and bills school districts for the local share of educational funding based on attendance in accordance with Section 163.073, RSMo. The DYS billed local school districts approximately \$3.6 million dollars for the 2011-2012 school year.

##### **1.1 Attendance**

Some youth services facilities do not comply with DYS attendance review policies and procedures. DYS policy requires instructors to take attendance each class period and record the attendance on a daily record form. DYS facility staff or instructors enter the recorded attendance into an attendance system, and DYS central office staff use system information to prepare annual school district billings. Facility support staff print system-generated attendance reports monthly and compare system reports to the instructors' attendance records to verify the accuracy of system information. DYS policy requires facility staff to randomly select and review 15 percent of the attendance system entries monthly to ensure system records agree to source documents. This typically is equivalent to reviewing all student attendance for 3 or 4 days or all monthly attendance for 1 or 2 students per class. If staff find fewer than three errors, the process is complete. If staff find three or more errors, policy requires staff perform a complete review of the month's attendance. After staff perform the complete review and make necessary changes, the facility manager randomly selects and reviews 15 percent of attendance system entries.

Our review of attendance records at three DYS facilities noted the following issues:

- DYS staff at the Montgomery City Youth Center did not perform required monthly reviews. Facility personnel explained that due to budget cuts, staff did not perform monthly reviews during fiscal year 2012.
- DYS staff at the Watkins Mill Park Camp and Waverly Regional Youth Center did not perform the complete follow-up review required by DYS policy. We reviewed 6 months of attendance at each facility and noted incorrect attendance system records for 3 of 70 youth at the Watkins Mill facility and 19 of 45 youth at the Waverly facility. Errors included youth shown as present in the attendance system while instructor records show absent, youth shown as present on holidays when classes



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were not held on holidays, and attendance shown on the instructor records but not in the system. Facility staff corrected entries, printed a second system report, but did not perform a complete review of the monthly attendance. In addition, the facility manager did not review a second sample, as required by DYS policy.

Facility personnel should perform required reviews of attendance to ensure student attendance is accurately recorded and billed to school districts.

## 1.2 Educational service billings

The DYS has not established procedures to collect unpaid educational services billings, and many educational service billings remain unpaid by school districts. In addition, the DYS lacks statutory authority to assess interest or penalties on delinquent amounts and has not written off unpaid balances.

As of July 2013, unpaid amounts exceed \$3.2 million with some unpaid billings dating back to the 2000-2001 school year. The following table includes outstanding balances by school year.

School Year	Amount Unpaid
2011-2012	\$ 555,182
2010-2011	850,972
2009-2010	510,275
2008-2009	354,523
2007-2008	353,266
2006-2007	274,336
2005-2006	191,939
2004-2005	47,880
2003-2004	48,647
2002-2003	56,168
2001-2002	0
2000-2001	13,437
Total	\$ <u>3,256,625</u>

The DYS does not include outstanding balances from prior years when billing school districts for the current year and has not established procedures to collect outstanding balances. The DYS notifies school districts of current year delinquent amounts approximately 90 days after the original billing. In addition, according to officials, the DYS has no statutory authority to assess the school districts interest or penalties on the unpaid amounts.

The DYS has also not established procedures for credit balances from over payments. The DYS has not refunded credit balances totaling \$18,900 to 18 school districts. Credit balances for the 18 schools could have offset current



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year billings due, but the DYS does not have a policy that addresses how credit balances will be resolved.

To reduce the risk of lost revenues, the DYS should improve collection procedures including sending notices more frequently and pursuing legislative changes to allow assessment of interest and penalties on unpaid amounts. Interest and penalty charges would provide a disincentive for untimely payment. To help ensure the DYS properly monitors outstanding balances and records are accurate, credit balances should be refunded as appropriate. In addition, applying overpayments to outstanding balances reduces remaining balances due. The DYS is working with the Division of Legal Services (DLS), the legal support unit of the Department of Social Services, concerning the proper handling of old unpaid bills and credit balances.

## Recommendations

The DYS:

- 1.1 Comply with established procedures to ensure student attendance records are accurate, including investigating discrepancies between original attendance and system records.
- 1.2 Implement procedures to collect unpaid amounts and establish a policy to address how overpayments will be resolved.

## Auditee's Response

- 1.1 *The DYS will work to ensure policy and procedure is followed when reviewing attendance records for accuracy.*
- 1.2 *The DSS currently has an Accounts Receivable work group that is establishing policy to address overpayments, underpayments, and collections.*

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## 2. Payroll and Overtime

The DYS does not have sufficient procedures to ensure timesheets are signed and approved, and overtime requests are supported by timesheets. DYS payroll expenditures totaled \$43,094,392 and \$42,827,638 for the years ended June 30, 2013 and 2012, respectively. The DYS paid approximately \$1,193,900 and \$1,049,025 of total payroll expenditures to employees for overtime for the years ended June 30, 2013 and 2012, respectively.

Some DYS employees and supervisors did not sign timesheets, and some hours of compensatory leave recorded on timesheets did not agree with leave/overtime requests. The DYS requires facility employees complete manual timesheets and online leave/overtime requests. Employees submit timesheets and leave/overtime requests to supervisors for approval. To document their approval, supervisors sign employee timesheets and approve leave requests online in the leave system. Employees accrue compensatory



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leave for overtime hours worked (hours in excess of 40 in a week). If employees work overtime, the employees record the additional hours on their timesheets and submit leave/overtime requests for compensatory leave earned. Employees may use compensatory leave or request payment for the accrued leave.

We reviewed 5 months of payroll and leave/overtime requests for 10 DYS facility employees and noted:

- One employee did not sign his timesheet for the months of September, November, and December 2011.
- Supervisors did not sign 23 of the timesheets reviewed.
- The hours of compensatory leave recorded on six employee timesheets did not agree to the hours on the leave/overtime requests. The six employees requested a total of 131 hours of overtime that was not supported by timesheets.

Accurate time records provide information necessary to monitor overtime worked, leave, compensatory leave usage, and are beneficial in demonstrating compliance with personnel policies and the federal Fair Labor Standards Act of 1938. A documented review of signed time records, including reconciling the payroll information among the various payroll records, would help ensure the consistency, accuracy, and the completeness of payroll information for all employees. Failure to reconcile payroll records increases the risk the DYS will not detect errors or irregularities on a timely basis.

## Recommendation

The DYS ensure timesheets are signed by both employees and supervisors and establish procedures to require overtime hours recorded on timesheets be reconciled to overtime hours requested and approved.

## Auditee's Response

*The DYS will use the same timesheet form at all locations throughout the state. The DSS is working to alleviate duplication, review inconsistencies, and ensure overtime hours are properly requested and approved.*

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## 3. Policies and Facility Procedures

The DYS policy manual is out-of-date and DYS procedures are not consistent between facilities. The DYS policy manual includes personnel, leave, and facility specific policies and procedures. The DYS most recently revised some policies in 2007; however, the DYS has not updated some policies and procedures in approximately 20 years. We noted the following issues with DYS policies and procedures:





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- The DYS does not require standardized timesheet forms. Facilities use various timesheet forms that require different levels of detail.
- The DYS facility outstanding check policy is outdated. The policy requires facilities to stop payment on old outstanding checks and add the outstanding amount back to the account balance rather than locating the recipient and reissuing the check or transmitting the unclaimed amounts to the State Treasurer's Office Unclaimed Property Section in accordance with Chapter 447, RSMo. The DYS last updated the policy in 1994. One facility we visited did not follow DYS policy. Instead, the Watkins Mill facility continued to show the amounts as outstanding although at least one check was over one year old. The Waverly facility complied with DYS policy and tracked the funds separately as a "surplus account." Some outstanding amounts at this facility were over 7 years old. The majority of outstanding checks are payments to youth for work performed during their commitment and should be disposed of in accordance with state law.
- The DYS policy manual does not provide guidance on how often a facility should order food. Two of the three facilities we visited ordered food monthly while one facility ordered weekly. The DYS should consider evaluating facility procedures related to food procurement to ensure practices are efficient and food is not expired or wasted.
- Some facilities prepare additional asset listings including items it believes are sensitive and/or more susceptible to loss. The DYS policy only requires facilities prepare a capital asset listing for items valued in excess of \$2,500. If facilities consider the additional asset tracking necessary, the division should consider including this in division policies and procedures.

While some flexibility in procedures may be necessary given the different types of facilities, clear, consistent, and up-to-date policies and procedures are necessary to ensure compliance and adequate control of division operations.

## Recommendation

The DYS update written policies and procedures on a periodic basis and ensure the policy manual includes necessary policies and procedures. In addition, the DYS should review various procedures at facilities and determine if they should be implemented statewide.

## Auditee's Response

*The DYS policy workgroup meets regularly to update the DYS policy manual. Currently, all policies impacted by the Prison Rape Elimination Act (PREA) standards recently issued by the U.S. Department of Justice are being updated first, due to federally required time frames. The remaining policies are scheduled for review following the PREA-related updates.*



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*The DYS will review policies and procedures to ensure state funds are spent appropriately. Each facility is unique with individual needs, and the vendors have varying delivery schedules for each facility location. Therefore, the DYS does not plan to standardize food ordering occurrences.*

*DYS staff will continue to follow the Office of Administration asset tracking policy for items over the capitalization threshold. DYS facility management staff may choose to track under the threshold sensitive items, at their discretion. However, the DYS will not require this in policy.*

#### **4. Family Care Safety Registry**

The DYS does not require periodic employee background checks through the Family Care Safety Registry (FCSR). The FCSR is a centralized registry administered by the Department of Health and Senior Services (DHSS) that allows users to obtain caregiver background information from various sources. Child, elder, and personal care workers are required to register with the FCSR. Once an individual is registered, those wishing to hire the individual can request background information at no charge. A background check through the FCSR includes a check of Missouri State Highway Patrol (MSHP) open criminal record data; the child abuse and neglect (CA/N) registry; DHSS and Department of Mental Health (DMH) employee disqualification lists; the MSHP Sex Offender Registry; and foster parent, childcare, nursing home, and residential facility license suspensions, revocations, and denials. Open criminal record data includes Missouri arrests in the last 30 days, arrest records if charges filed, and conviction records. The DYS performs background checks of prospective employees including reviewing the FCSR prior to hiring.

The DYS does not require periodic FCSR checks of employees. The only periodic background checks performed are annual criminal checks and CA/N registry checks. The DYS requires employees to register with the FCSR upon employment; however, neither statute nor DYS policy require periodic checks of the FCSR.

DYS facility employees provide 24 hour residential care in some facilities. The DSS requires caregivers from other programs they administer including foster care residential facility employees and foster parents to have periodic FCSR checks. A periodic FCSR check would provide the DYS additional background information from the DHSS and the DMH, and would include an annual check of the Sex Offender Registry. The Family Care Safety Registry information is available and should be reviewed to ensure the safety of the youth within the DYS facilities.

#### **Recommendation**

The DYS perform periodic employee FCSR checks.

#### **Auditee's Response**

*The DSS annually reviews Highway Patrol records, which includes open criminal record data and the Sex Offender Registry. In addition, the DSS*



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Department of Social Services - Division of Youth Services  
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*reviews Child Abuse and Neglect records, and the Missouri Department of Revenue in-state and out-of-state license records annually for all current employees. Thus, most records on the FCSR would be found by records currently reviewed.*

*The FCSR does not allow for tape match data, therefore the FCSR would have to be manually checked for each DYS employee. DYS has 1,279 budgeted employees in fiscal year 2014, the DSS does not believe manually checking records of this volume is an efficient use of limited state resources.*

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## Department of Social Services - Division of Youth Services

### Organization and Statistical Information

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The Division of Youth Services (DYS) is under the supervision of the Department of Social Services (DSS). The Omnibus State Reorganization Act of 1974 created the Division of Youth Services within the Department of Social Services. Previously, the Division of Youth Services was known as the State Board of Training Schools.

The division is responsible for the care and treatment of delinquent youth committed to its custody by one of the 45 Missouri juvenile courts. The services include residential (secure, moderate, and community-based) and non-residential (tracking, day treatment, alternative living service, family therapy, and aftercare) programs. All youth receive case management services and are assigned a service coordinator who ensures the assessment, treatment planning, and the coordination, monitoring, and evaluation of services occurs for all youth. After a youth completes a recommended program, they are assigned to an aftercare program to transition into the local community.

There are 32 DYS facilities located throughout five regions in Missouri, including 6 secure care, 19 moderate care, and 7 community-based facilities.

Brian Kinkade currently serves as the Acting Director of the DSS, and Phyllis Becker is the Interim Director of the DYS.

## Appendix A

Department of Social Services - Division of Youth Services  
 Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments  
 Department of Social Services Education Improvement Fund

	Year Ended June 30,	
	2,013	2,012
RECEIPTS		
Interagency receipts	\$ 4,337,184	4,615,054
Cost reimbursement	2,967,833	4,040,055
Miscellaneous receipts	2,042	392
Total Receipts	7,307,059	8,655,501
DISBURSEMENTS		
Personal services	2,846,802	3,023,743
Employee fringe benefits	1,345,004	1,440,669
Expenses and equipment	2,627,407	3,041,941
Program distributions	1,089,314	1,210,347
Total Disbursements	7,908,527	8,716,700
RECEIPTS OVER (UNDER) DISBURSEMENTS BEFORE OTHER FINANCING USES	(601,468)	(61,199)
OTHER FINANCING USES		
Appropriations exercised by other state agencies:		
OA-Worker's compensation	56,422	75,236
Total Other Financing Uses	56,422	75,236
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING USES	(657,890)	(136,435)
CASH AND INVESTMENTS, JULY 1	3,224,111	3,360,546
CASH AND INVESTMENTS, JUNE 30	\$ 2,566,221	3,224,111

## Appendix B

### Department of Social Services - Division of Youth Services Comparative Statement of Receipts

	Year Ended June 30,	
	2013	2012
FEDERAL & OTHER SOURCES FUND		
Interagency receipts	\$ 2,012,508	2,684,849
Miscellaneous receipts	5,363	19,476
Total Federal & Other Sources Fund	\$ 2,017,871	2,704,325

Appendix C

Department of Social Services - Division of Youth Services  
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2013			2012		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND						
Juvenile Court Diversion	\$ 3,579,486	3,266,578	312,908	3,579,486	3,232,370	347,116
Youth Services Administration Personal Services	1,326,252	1,286,364	39,888	1,311,394	1,185,222	126,172
Youth Services Administration Expense and Equipment	91,894	89,137	2,757	93,588	85,290	8,298
Social Services Leasing *	999,614	999,614	0	934,224	934,224	0
Youth Treatment Program Personal Services	15,962,299	15,483,372	478,927	15,799,386	15,291,974	507,412
Youth Treatment Program Expense and Equipment	911,093	883,760	27,333	912,253	884,503	27,750
Youth Treatment Program Overtime Personal Services	1,131,674	1,097,365	34,309	1,110,391	802,101	308,290
Social Services State Owned *	146,561	146,561	0	146,087	146,087	0
Social Services Institution *	2,566,599	2,566,599	0	438,308	438,308	0
Division of Youth Services Medical	1,637,550	897,274	740,276	0	0	0
Total General Revenue Fund	28,353,022	26,716,624	1,636,398	24,325,117	23,000,079	1,325,038
FACILITIES MAINTENANCE RESERVE FUND						
Camp Avery Youth Center Fire Alarm	0	0	0 **	51,738	51,738	0
Fulton Treatment Center Security HVAC	0	0	0 **	48,455	48,455	0
Green Gables Youth Center Repair Lagoon	15,220	15,220	0 **	69,423	54,203	15,220
Missouri Hills Youth Center Fire Alarm System	15,687	13,991	1,696 **	71,723	56,037	15,686
Missouri Hills Youth Center Replace Stair towers	96,692	3,913	92,779 **	176,812	80,120	96,692
Watkins Mill Youth Center Fire Safety Improvements	0	0	0 **	63,414	63,414	0
State Parks Statewide Facilities Maintenance Reserve Fund Expenditure	550	550	0 **	20,211	20,211	0
Office of Administration Statewide Facilities Maintenance Reserve Fund Expenditure	288,903	288,902	1 **	303,317	251,771	51,546
Division of Youth Services Operation Maintenance and Repairs-State Match	19,566	4,672	14,894 **	74,438	54,872	19,566
Unprogrammed Maintenance and Repairs	17,869	17,869	0 **	0	0	0
Total Facilities Maintenance Reserve Fund	454,487	345,117	109,370	879,531	680,821	198,710
CHILD SUPPORT ENFORCEMENT FUND						
Social Services State Owned *	0	0	0	3,588	3,588	0
Total Child Support Enforcement Fund	0	0	0	3,588	3,588	0
TEMPORARY ASSISTANCE NEEDY FAMILY FEDERAL FUND						
Social Services State Owned *	9,984	9,984	0	10,034	10,034	0
Total Temporary Assistance Needy Family Federal Fund	9,984	9,984	0	10,034	10,034	0

Appendix C

Department of Social Services - Division of Youth Services  
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2013			2012		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
HEALTH INITIATIVES FUND						
Youth Treatment Program Personal Services	128,614	124,748	3,866	126,376	120,768	5,608
Youth Treatment Program Expenses and Equipment	9,106	0	9,106	9,127	0	9,127
Social Services State Owned *	769	769	0	767	767	0
Total Health Initiatives Fund	138,489	125,517	12,972	136,270	121,535	14,735
GAMING COMMISSION FUND						
Juvenile Court Diversion	500,000	473,235	26,765	500,000	426,163	73,837
Total Gaming Commission Fund	500,000	473,235	26,765	500,000	426,163	73,837
DEPARTMENT OF SOCIAL SERVICES FEDERAL & OTHER SOURCES FUND						
Social Services Leasing *	485,991	485,991	0	504,849	504,849	0
Youth Services Administrative Personal Services	555,724	542,915	12,809	545,806	507,543	38,263
Youth Services Administrative Expenses and Equipment	116,072	116,072	0	116,072	89,469	26,603
Youth Treatment Program Personal Services	22,196,867	21,712,825	484,042	22,196,867	21,896,288	300,579
Youth Treatment Program Expense and Equipment	6,522,500	5,698,229	824,271	6,522,500	6,409,547	112,953
Social Services State Owned *	3,570	3,570	0	0	0	0
Social Services Institution *	769,092	769,092	0	128,182	128,182	0
Operational Maintenance and Repairs	8,678	8,678	0 **	276,486	101,905	174,581
Federal Grants and Donations *	50,252	50,252	0	77,104	77,104	0
Total Department Of Social Services Federal & Other Sources Fund	30,708,746	29,387,624	1,321,122	30,367,866	29,714,887	652,979
DEPARTMENT OF SOCIAL SERVICES EDUCATIONAL IMPROVEMENT FUND						
Youth Treatment Program Personal Services	3,097,370	2,846,802	250,568	3,043,367	3,023,743	19,624
Youth Treatment Program Expense and Equipment	3,852,302	3,716,721	135,581	4,944,771	4,252,288	692,483
Social Services State Owned *	8,191	8,191	0	8,100	8,100	0
Total Department of Social Services Educational Improvement Fund	6,957,863	6,571,714	386,149	7,996,238	7,284,131	712,107
YOUTH SERVICES TREATMENT FUND						
Division Youth Services Advisory Board Expense and Equipment	999	0	999	0	0	0
Total Youth Services Treatment Fund	999	0	999	0	0	0
Total All Funds	\$ 67,123,590	63,629,815	3,493,775	64,218,644	61,241,238	2,977,406

\* Appropriations and expenditures include other state agencies and DSS divisions other than the Division of Youth Services.

\*\* Biennial appropriations set up in the current fiscal year are re-appropriations to the next fiscal year.

After the fiscal year-end processing has been completed, the unexpended appropriation balance for a biennial appropriation is established in the new fiscal year. Therefore, there is no lapsed balance for a biennial appropriation at the end of the first year.



## Appendix C

### Department of Social Services - Division of Youth Services Comparative Statement of Appropriations and Expenditures

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,	
	2013	2012
General Revenue Fund		
Juvenile Court Diversion	\$ 107,385	107,385
Youth Services Administrative Personal Services	39,788	39,342
Youth Services Administrative Expense and Equipment	2,757	2,808
Social Services Leasing	286,039	284,829
Youth Treatment Program Personal Services	478,869	473,982
Youth Treatment Program Expense and Equipment	27,333	27,368
Youth Treatment Program Overtime Personal Services	33,950	33,312
Social Services State Owned	161,963	158,936
Social Services Institution	79,379	82,038
Division of Youth Services Medical	98,254	0
Health Initiatives Fund		
Youth Treatment Program Personal Services	3,858	3,791
Youth Treatment Program Expense and Equipment	273	274
Social Services State Owned	642	630
Total All Funds	\$ 1,320,490	1,214,695

## Appendix D

### Department of Social Services - Division of Youth Services Comparative Statement of Expenditures (From Appropriations)

		Year Ended June 30,				
		2013	2012	2011	2010	2009
Salaries and wages	\$	43,094,392	42,827,638	44,902,873	46,632,838	46,742,232
Travel, in-state		290,533	253,559	260,414	333,849	399,830
Travel, out-of-state		7,324	2,845	4,934	1,480	12,962
Fuel and utilities		224,154	216,052	223,306	229,390	223,604
Supplies		4,109,996	4,352,629	4,691,065	4,290,954	4,421,282
Professional development		236,152	162,089	123,297	121,408	132,738
Communication service and supplies		427,565	372,743	337,388	318,195	313,957
Services:		0	0	0	0	0
Professional services		545,493	459,488	674,561	2,910,835	3,117,264
Housekeeping and janitorial		156,510	141,842	153,473	163,072	147,791
Maintenance and repair		370,934	422,887	516,963	554,408	622,024
Equipment:		0	0	0	0	0
Computer		8,581	370,211	0	6,150	7,302
Motorized		1,633	583,959	233,316	43,769	530,723
Office		259,253	356,790	168,600	139,061	57,578
Other		644,610	473,111	458,020	227,326	310,506
Property and improvements		461,555	835,231	822,057	519,854	481,735
Debt service		0	0	143,019	90,202	85,011
Building lease payments		4,754,558	1,971,762	1,375,906	1,566,045	1,609,980
Equipment rental and leases		24,497	19,320	21,705	26,222	30,198
Miscellaneous expenses		604,291	624,678	613,093	715,146	740,431
Program distributions		7,407,784	6,794,404	6,490,142	3,997,071	3,929,352
Total Expenditures	\$	63,629,815	61,241,238	62,214,132	62,887,275	63,916,500



Thomas A. Schweich  
Missouri State Auditor

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# INSURANCE, FINANCIAL INSTITUTIONS, AND PROFESSIONAL REGISTRATION

## Division of Professional Registration

### State Committee for Social Workers



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December 2013

Report No. 2013-148

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Division of Professional Registration, State Committee for Social Workers

Background	The State Committee for Social Workers was established by legislation enacted in 1997, replacing the Advisory Committee for Licensed Clinical Social Workers. The Committee assesses social workers' competence to practice by licensing and investigating complaints against practicing social workers. Nine of the ten committee members possess a license to practice social work, and committee members are appointed by the governor with the advice and consent of the senate.
Committee Appointments	The Division of Professional Registration should improve procedures to ensure State Committee for Social Workers appointments are made in a timely manner. One committee member has been serving more than 10 years, which contradicts a provision of state law. In addition, multiple committee vacancies resulted in the cancellation of a quarterly meeting for failure to constitute a quorum.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Division of Professional Registration

## State Committee for Social Workers

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
John M. Huff, Director  
Department of Insurance, Financial Institutions, and Professional Registration  
and  
Jane A. Rackers, Director  
Division of Professional Registration  
and  
State Committee for Social Workers  
Jefferson City, Missouri

We have audited certain operations of the Department of Insurance, Financial Institutions, and Professional Registration, Division of Professional Registration, State Committee for Social Workers, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2013 and 2012. The objectives of our audit were to:

1. Evaluate the committee's internal controls over significant management and financial functions.
2. Evaluate the committee's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the committee; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the committee's management and was not subjected to the procedures applied in our audit of the committee.

For the areas audited, we identified (1) no significant deficiencies in internal control, (2) noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. The accompanying Management Advisory Report presents our finding arising from our audit of the Department of Insurance, Financial Institutions, and Professional Registration, Division of Professional Registration, State Committee for Social Workers.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditors:	Robert McArthur II Joyce Thomson
Audit Staff:	Mariam Ahmedbani

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# Division of Professional Registration

## State Committee for Social Workers

### Management Advisory Report - State Auditor's Finding

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#### **Committee Appointments**

The Division of Professional Registration should improve procedures to ensure committee appointments are made in a timely manner. One committee member has been serving more than 10 years, which contradicts a provision of state law. In addition, multiple committee vacancies resulted in the cancellation of a quarterly meeting.

State law requires the State Committee for Social Workers to be composed of ten members, nine licensed social workers and one public member. In addition, Section 337.622, RSMo, states the term of office for committee members shall be 4 years and no committee member shall serve more than 10 years. The current public member began serving in April 2002 and although her term expired in October 2005, she has continued to serve on the Committee as no replacement has been appointed. In addition, two other committee members are currently serving beyond their appointed terms but have served less than 10 years, and three member vacancies exist as of August 2013.

Committee member vacancies caused the cancellation of the June 2013 committee meeting. At that time, the Committee consisted of only five members and did not constitute a quorum (two new members have since been appointed and two members re-appointed). While Section 337.662, RSMo, requires only an annual meeting, the Committee holds regularly scheduled quarterly meetings to conduct business and perform other duties as required.

Although the day-to-day operations are overseen by an executive director, multiple committee vacancies result in the lack of a quorum and negatively impact the committee's ability to conduct business.

#### **Recommendation**

The Division of Professional Registration work with the Governor's office to fill committee vacancies timely and to ensure compliance with state law.

#### **Auditee's Response**

*The Division will continue to work to fill Committee vacancies, and notes that four appointments have occurred since the end of the audit period.*



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## Division of Professional Registration

### State Committee for Social Workers

### Organization and Statistical Information

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The State Committee for Social Workers was established by legislation enacted in 1997, replacing the Advisory Committee for Licensed Clinical Social Workers. The Committee is part of the Division of Professional Registration. By Executive Order 06-04, the division moved from the Department of Economic Development to the reorganized Department of Insurance, Financial Institutions, and Professional Registration on August 28, 2006.

The mission of the Committee is to protect the citizens of the state through the licensing of social workers and assessing their competence to practice. It is also the committee's duty to investigate all complaints against its licensees. At June 30, 2013, there were 6,937 licensed social workers in the state. Fees for a 2-year license are \$60 for initial application and \$58 for renewal.

The Committee consists of ten members appointed by the governor with the advice and consent of the senate. Members' terms shall be 4 years and no member shall serve more than 10 years. Members whose terms expire may continue to serve until a replacement is appointed. The Committee shall consist of six licensed clinical social workers (LCSW), one licensed master social worker (LMSW), one licensed baccalaureate social worker (LBSW), one licensed advanced macro social worker (LAMSW), and one voting public member. At least two of the members should be involved in the private practice of clinical social work. The committee members at June 30, 2013, were:

<b>Member</b>	<b>Term Expires</b>
Jane Overton, Public Member	October 2, 2005
Terri R. Marty, LCSW (1)	October 28, 2008
M. Jenise Comer, LCSW	October 23, 2007
Laura Neal, LCSW	October 23, 2009
Kathie Miller, LCSW (1)	October 23, 2008
Vacant, LCSW (2)	
Vacant, LCSW (3)	
Vacant, LMSW	
Vacant, LBSW	
Vacant, LAMSW	

(1) Reappointed in July 2013.

(2) Position filled by Sharon Sorrell in July 2013.

(3) Position filled by Ellen Burkemper in July 2013.



Division of Professional Registration  
State Committee for Social Workers  
Organization and Statistical Information

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Committee members receive a \$70 per diem compensation and expenses while performing their duties. The Committee appoints an executive director to perform the committee's administrative duties. Tom Reichard serves as Executive Director. Two other employees perform various administrative duties.

## Appendix

### Division of Professional Registration

### State Committee for Social Workers

### Licensed Social Workers Fund

### Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

	Year Ended June 30,	
	2013	2012
RECEIPTS		
License fees	\$ 189,840	189,668
Other fees	5,955	5,855
Miscellaneous	4,838	4,945
Total Receipts	200,633	200,468
DISBURSEMENTS		
Transfer to Professional Registration Fees Fund (1)	229,257	192,266
Transfer to General Revenue Fund (2)	12,662	31,137
State Central Services cost allocation	2,286	2,086
Total Disbursements	244,205	225,489
RECEIPTS OVER (UNDER) DISBURSEMENTS	(43,572)	(25,021)
CASH AND INVESTMENTS, JULY 1	585,345	610,366
CASH AND INVESTMENTS, JUNE 30	\$ 541,773	585,345

- (1) For reimbursement of personal services, employee benefits, and operating costs paid from the Professional Registration Fees Fund.
- (2) For reimbursement of services provided by the Administrative Hearing Commission and Attorney General's office paid from the General Revenue Fund.



Thomas A. Schweich  
Missouri State Auditor

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## ADMINISTRATION

# Statewide Accounting System Internal Controls



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December 2013  
Report No. 2013-149

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Office of Administration, Statewide Accounting System Internal Controls

Contingency Planning	The Office of Administration (OA) faces an increased risk the Statewide Advantage for Missouri (SAM II) system will be unavailable in the event of a disaster or other disruptive event. OA management has not maintained documentation of a comprehensive impact assessment of key threats and risks to the SAM II system and the disaster recovery plan is outdated and incomplete. OA management has not corrected recurring problems related to restoring and testing certain data sets and did not maintain documentation of the 2012 Financial system disaster recovery test.
User Account Controls	As noted in our prior audit report, the SAM II system is at risk of unauthorized access by former employees. Audit staff found 26 former employees still had access to the system 30 days or more after terminating employment from the state agency that granted the user access. OA management has also not fully corrected a weakness in the Financial system security settings that allows users to create a transaction and approve it without another party's review or approval. Numerous user accounts have been used to apply transaction approvals on the same days the assigned users were on 8 or more hours of paid leave, indicating the employees either worked while on leave status or shared their user account and password with other employees.
Policies and Procedures	The OA lacks fully developed policies for test plans, reversal of changes, segregation of programmer access to the SAM II system software libraries, and protection of software libraries from unauthorized changes. OA management does not require supervisory reviews of system logged user account actions performed by security administrators.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our Web site: [auditor.mo.gov](http://auditor.mo.gov)**

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# Statewide Accounting System Internal Controls

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# THOMAS A. SCHWEICH

## Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Douglas E. Nelson, Commissioner  
Office of Administration  
Jefferson City, Missouri

We have audited certain internal controls, including security controls, designed to protect data and information maintained by the Statewide Advantage for Missouri (SAM II) system. This audit was conducted in fulfillment of our duties under Chapter 29, RSMo. The objectives of our audit were to:

1. Evaluate the system's internal controls over significant management operations and financial functions.
2. Evaluate the system's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and information system control activities.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management policies and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the SAM II system.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
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Audit Staff:	Brian Hammann, M.Acct., CPA

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# Statewide Accounting System Internal Controls

## Introduction

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### Background

The Statewide Advantage for Missouri (SAM II) system is the state's integrated financial and human resource management system, providing accounting, budgeting, procurement, inventory, and payroll and personnel capabilities for state departments and agencies. The SAM II system processes revenue, expenditure, payroll, transfer, and adjusting transactions.

Our audit work focused on the SAM II Financial system and the SAM II Human Resources (HR) system. The Financial system, used for purchasing, payment, and revenue processing, was implemented in July 1999. The HR system, used to maintain and process employment and payroll information, was implemented in phases between November 2000 and June 2001. Users are granted access rights to these systems to process transactions or to have inquiry-only access. As of June 2013, there were 3,725 Financial system user accounts and 2,187 HR system user accounts.

The SAM II system is managed by the Office of Administration (OA). The OA Division of Accounting is responsible for the Financial and HR systems, including maintaining policies and procedures for use of the systems. Technical support is provided by the systems development and programming staff under the OA Information Technology Services Division (ITSD) and the software vendor that customized the SAM II system for the state. OA security administrators are responsible for processing security requests to add, change, or remove user access to the Financial and HR systems.

Changes to the functionality of the SAM II system are processed by ITSD programmers with access to software libraries that maintain source code. Source code is the written programming code used to produce an executable program in the SAM II system. Software libraries are maintained in separate environments for programs being developed or modified, programs being tested by users, and programs approved for use.

According to accepted standards, security controls are the management, operational, and technical safeguards or countermeasures prescribed for an information system to protect the confidentiality, integrity, and availability of the system and its information. Confidentiality refers to preserving authorized restrictions on information access and disclosure, including the means for protecting personal privacy and proprietary information. Integrity relates to guarding against improper information modification or destruction, and availability ensures timely and reliable access to and use of information.





## Statewide Accounting System Internal Controls Introduction

### Scope and Methodology

The scope of our audit included internal controls established and managed by the OA, policies and procedures, and other management functions and compliance issues in place during the year ended June 30, 2013. Our scope did not include internal controls that are the responsibility of the management of agencies using the SAM II system.

Our methodology included conducting interviews with appropriate officials and staff; obtaining and reviewing available policies and procedures, federal laws, and other applicable information; and performing testing.

We obtained data files from the SAM II system of user accounts having access to the HR and Financial systems as of June 2013. To ensure completeness of the data, we grouped the accounts by agency and compared the results to a separate list of state agencies whose users should have access to the systems. We reviewed the approval rights of the Financial system user accounts to determine if each user was restricted from approving transactions the user had also entered in the system. We gave OA officials a list of all user accounts we found that could approve transactions the user had also entered in the system.

We obtained employment records of all state employees from the SAM II system. We matched these records to user accounts with SAM II system access to determine if any terminated employees had active user accounts. We gave OA officials a list of all terminated employees we found who had active access to the SAM II system.

We obtained records of all users who applied approvals to financial transactions during fiscal year 2013 and leave records of all state employees from the SAM II system. We matched these approval records to state employee leave records to determine if any users approved transactions while on a paid leave status.

Although we used computer-processed data from the SAM II system for our audit work, we did not rely on the results of any processes performed by this system in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objectives.

We based our evaluation on accepted state, federal, and international standards and best practices related to information technology security controls from the following sources:

- Missouri Adaptive Enterprise Architecture (MAEA)
- National Institute of Standards and Technology (NIST)
- Government Accountability Office (GAO)
- ISACA (previously known as the Information Systems Audit and Control Association)

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# Statewide Accounting System Internal Controls

## Management Advisory Report

### State Auditor's Findings

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#### **1. Contingency Planning**

Office of Administration (OA) management faces an increased risk the Statewide Advantage for Missouri (SAM II) system cannot be restored timely should a disaster or other disruptive event occur. OA management has not (1) maintained documentation of a comprehensive risk assessment, (2) completed the process of establishing and maintaining comprehensive contingency plans, and (3) ensured problems encountered during tests are resolved and recovery test results are documented and maintained.

Contingency plans establish policies, procedures, and technical measures that can enable a system to be recovered quickly and effectively following a service disruption or disaster, according to the Missouri Adaptive Enterprise Architecture (MAEA).<sup>1</sup> Since information systems are vital elements in most state business processes, state agencies must have contingency plans in place to ensure that critical operations can be continued during any disruption, and resume normal operations within a reasonable period of time.

##### **1.1 Risk assessment**

OA management has not maintained documentation of a comprehensive information technology impact assessment of key threats and risks to the SAM II system.

Accepted standards require an assessment to be performed and documented to identify potential scenarios likely to give rise to events that could cause significant disruptive incidents. In addition, the assessment should consider the likelihood of threats that could cause loss of business continuity and identify measures that will reduce the likelihood and impact through improved prevention and increased resilience. According to the Government Accountability Office (GAO), contingency plans should reflect the risks and operational priorities the organization has identified in risk assessment activities.

OA management stated an impact assessment has been performed but could not provide any documentation of the assessment. Without maintaining documentation of the assessment of key threats and risks, there is an increased risk the SAM II system will be unavailable should a disaster or other disruptive event occur and an increased risk of knowledge loss due to personnel turnover.

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<sup>1</sup> The Enterprise Architecture includes standards, policies and guidelines established by OA management. The Enterprise Architecture is made up of several information technology domains, including domains dedicated to security and information. The domains define the principles needed to help ensure the appropriate level of protection for the state's information and technology assets.



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Statewide Accounting System Internal Controls  
Management Advisory Report - State Auditor's Finding

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## 1.2 Disaster recovery plan

OA management has not maintained a complete and current SAM II disaster recovery plan.<sup>2</sup> The plan, dated January 2005, is labeled "draft," contains missing information, reviewer comments, and references backup procedures that are no longer applicable. The disaster recovery plan also refers to an alternative processing site that has not been available since 2008 when the contract for use of the site expired.

According to the GAO, an organization may use a suite of plans to properly prepare response, recovery, and continuity activities for disruptions affecting the organization's information technology (IT) systems, business processes, and facilities. The disaster recovery plan documents the procedures and resources necessary to re-establish IT systems while the business continuity plan documents how to continue critical business operations in the event of significant disruptions. These disruptions could range from minor occurrences, such as the outbreak of an illness leading to staff shortages, to major disruptions, such as the loss of critical data processing capabilities.

OA management stated responsibility for maintaining the disaster recovery plan has not been formally assigned to a specific individual and no management committee has been charged to oversee the development, implementation, and maintenance of the plan. In addition, the specific responsibilities for maintaining the disaster recovery plan has not been documented. As a result, the disaster recovery plan contain procedures that have not been updated to reflect changes in procedures. According to accepted standards, contingency plans should be reviewed for accuracy and completeness at least annually or whenever significant changes occur to any element of the plan. Without adequate and current contingency plans, management has limited assurance information technology processing can be promptly resumed after a disruptive event.

## 1.3 Testing and documentation

OA management has not ensured that errors found during contingency plan testing are corrected and reflected in revised procedures and has not ensured that SAM II Financial disaster recovery test results are documented and maintained.

### Plan testing

Recurring problems have occurred while restoring and testing certain data sets required by the HR system. According to the 2012 HR disaster recovery test documentation provided by OA management, problems with the timing of backups used for recovery resulted in empty files and data tables or in the wrong versions of data sets being restored. This problem has occurred for

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<sup>2</sup> An overall State Data Center disaster recovery plan is in place to restore information technology resources but this plan does not contain specific steps to restore the SAM II system.



## Statewide Accounting System Internal Controls Management Advisory Report - State Auditor's Finding

years and has been reported in past recovery tests, but has not been corrected by OA management.

### Test documentation

OA management did not maintain documentation of the Financial system disaster recovery test conducted in 2012. According to OA management, no issues were noted and full functionality of the Financial system was restored from system backups. However, accepted standards require test results and lessons learned to be documented and reviewed by test participants and other personnel as appropriate.

Testing contingency plans is essential for determining whether the plans will function as intended in an emergency situation, according to accepted standards. Without resolving all problems identified and fully documenting tests and results, there is an increased risk the SAM II system will not be restored in a timely manner and business processes dependent on system processing will not be promptly resumed should a disaster or other disruptive event occur.

## Recommendations

The OA:

- 1.1 Ensure a comprehensive risk assessment of all key threats and risks to SAM II system resources is performed and documented.
- 1.2 Complete development of a comprehensive disaster recovery plan and formally assign responsibilities for oversight of the development, implementation, and maintenance of the plan to appropriate personnel.
- 1.3 Ensure necessary changes to backup and recovery policies and procedures are made to resolve the recurring recovery problems and ensure the results of disaster recovery tests are documented, maintained, and reviewed by management.

## Auditee's Response

- 1.1 *OA agrees to supplement the existing OA State Data Center disaster recovery plan to update and document its existing SAM II risk assessment.*
- 1.2 *OA agrees to supplement the existing OA State Data Center disaster recovery plan to update and document its existing SAM II disaster recovery plan.*
- 1.3 *OA recognizes the need to update the documentation of policies and procedures. OA will review any recurring problems and work toward a resolution.*



## Statewide Accounting System Internal Controls Management Advisory Report - State Auditor's Finding

### 2. User Account Controls

The SAM II system is vulnerable to the risk of unauthorized or inappropriate transactions being processed due to inadequate controls over user accounts. User accounts of terminated employees are not always removed in a timely manner, certain users are not prevented from approving transactions they created, and transaction approvals have been applied by user accounts on dates the assigned users had 8 or more hours of paid leave recorded in the HR system.

#### 2.1 Terminated Users

OA management could reduce the risk of unauthorized access by increasing efforts to identify user accounts assigned to former employees and by providing periodic reminders to agency security coordinators of the importance of promptly removing user access assigned to former employees. We found 26 former employees still had access to the system 30 days or more after terminating employment from the state agency that had granted the user access.

According to the MAEA, agencies must have a procedure in place for administrators to be notified of the departure of users in a timely manner. SAM II policies and procedures place the responsibility for identification of accounts belonging to terminated and transferred users with the agency employing the users. Agencies are responsible for determining who is given access to the system and for ensuring that all individuals who have access still need the access. Once a user no longer needs access, the agency security coordinator is supposed to submit a form to the OA security administrator requesting the user's access to the system be removed.

Although agencies are responsible for submitting requests to add, change, or remove user access rights, OA management is ultimately responsible for security of the system. Without effective procedures to remove access, terminated employees could continue to have access to critical or sensitive resources or have opportunities to sabotage or otherwise impair entity operations or assets, according to the GAO.

#### 2.2 Transaction approvals

OA management has not fully corrected a weakness in the Financial system security settings that allows users to create a transaction and apply approval to the same transaction without review or additional approval from another party.

Each user account in the Financial system is assigned certain rights and privileges from a list of available options, including the authority to create and approve transactions. Each agency is also able to assign rules to transactions to specify approvals necessary based on dollar value and transaction type. If a user is allowed rights to both create and approve a transaction, and these rights satisfy the rules established for the transaction, the user would be able to create and approve the same transaction without review or additional approval from an independent party. While OA



## Statewide Accounting System Internal Controls Management Advisory Report - State Auditor's Finding

management has taken steps to limit this risk,<sup>3</sup> five Financial system user accounts still had authority to enter and approve the same expenditure transaction as of June 2013.

Allowing users to approve their own transactions without another approval increases the risk that inappropriate or unauthorized transactions may be processed.

### 2.3 Approvals while on leave

Agency personnel used SAM II Financial user accounts to apply transaction approvals on dates the assigned users were on paid leave status. Approvals applied while on leave status indicate the employee had remote access capabilities, came to work when using some type of leave, or shared their user identification and password with another employee.

We matched fiscal year 2013 financial transaction approval records with leave records and identified 145 Financial users who approved 4,754 transactions on the same days the assigned users had at least 8 hours of some type of leave recorded in the HR system. According to OA records, 120 of these users accounts did not have the remote access capabilities needed to access the SAM II system from outside a state facility. We found 48 of the user accounts without remote access applied approvals on the same day 8 or more hours of sick leave was recorded for the employee. As a result, it appears employees are either working while on leave status or are sharing their user account and password to allow other employees to apply approvals in their absence.

Since leave is generally reported in the HR system after the leave has been taken, automated controls cannot be implemented to prevent applying approvals while employees are on leave. OA management has established certain security awareness practices such as issuing quarterly security reminders and requiring the completion of online security modules. However, OA management has not established specific security awareness procedures to inform users of the importance of not sharing SAM II user identifications and passwords and has not monitored user approvals to detect instances of approvals applied while users are on leave status.

According to the MAEA, security awareness reminds employees of the importance of security and aids in correctly deploying security controls to reduce errors, fraud and unauthorized activity. In addition, accepted standards, including policy established by OA management, prohibits users from sharing user accounts and passwords.

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<sup>3</sup> In a 2010 SAO audit, we found 50 Financial user accounts were not prevented from approving expenditure transactions they created. SAO Report 2010-160, *Statewide Accounting System Internal Controls*, issued December 2010.



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Statewide Accounting System Internal Controls  
Management Advisory Report - State Auditor's Finding

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While OA management has delegated final approval authority for most transactions to agency management, applying approvals is the final step before transactions process. As a result, the integrity of the approval process is a critical component of the internal control environment. Maintaining integrity warrants OA management involvement to ensure transactions are proper and approved by authorized users.

Similar conditions  
previously reported  
Recommendations

Similar conditions to sections 2.1 and 2.2 were noted in our prior audit report.

The OA:

- 2.1 Periodically review user accounts to ensure access of terminated or transferred employees is removed and provide periodic reminders to agency security coordinators of the importance of promptly removing user access assigned to former employees.
- 2.2 Continue to work with agencies to limit the risk of users approving transactions they create and establish policies to ensure future users are not granted this right.
- 2.3 Provide periodic security awareness reminders to agency users on the importance of not sharing SAM II accounts and passwords. In addition, the OA should establish procedures to periodically monitor approvals applied while users are on leave status.

Auditee's Response

- 2.1 *OA will continue to work with departments to ensure prompt removal of access to the accounting system. OA will explore opportunities to automate the process.*
- 2.2 *All security issues identified regarding users approval of their own transactions have been corrected. OA will continue to monitor security settings and correct problems as they are identified.*
- 2.3 *OA sends out quarterly emails reminding users of password security in addition to other security issues. OA agrees to specifically remind SAM II users about the importance of securing accounts and passwords. OA will explore opportunities to increase oversight.*

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**3. Policies and  
Procedures**

OA management has not fully developed policies and procedures for SAM II system administration. Comprehensive change management policies and procedures to guide the software modification process have not been fully documented, access to software libraries has not been appropriately segregated, and a documented review of security administrator actions is not performed. The resulting internal control weaknesses leave the system



## Statewide Accounting System Internal Controls Management Advisory Report - State Auditor's Finding

vulnerable to unauthorized changes being made and inappropriate access being granted.

### 3.1 Change management

OA management has improved documentation of change management policies and procedures; however, policies for test plans and reversal of changes still need to be fully developed.

According to the MAEA, change management defines the roles, processes, standards, and deployment of software through the development, test, and production environments. Change management is necessary to control versions, scope, and development of software and provides accountability and responsibility for changes. Good change management provides strict control over the implementation of system changes and thus minimizes corruption to information systems, according to the GAO.

#### Test Plans

OA management has documented policies and procedures requiring the testing of all changes to the SAM II system. However, the documented policies and procedures do not contain test plan standards or address performing a baseline set of tests on all changes to ensure changes did not cause unexpected effects. OA management said test standards have not been developed because testing requirements are dependent upon the program/database and the work being performed. According to accepted standards, test plan standards should be developed for all levels of testing and test plans should be documented and approved by all responsible parties. Without maintaining documented test plan standards, there is an increased risk of changes to the SAM II system causing unexpected effects not detected during system testing.

#### Reversal of changes

Change control procedures did not require programming staff to document procedures for the reversal of a change to the SAM II system if the implementation did not operate as intended. Accepted standards require that, as part of the implementation plan for a proposed change, consideration should be given to how the change would be reversed in the event of a system error or other unforeseen complication. OA management stated written procedures have not been developed because procedures are dependent on the specific change being implemented.

Failure to document reversal procedures for proposed changes leaves the system at risk of extended failure and outages if a change fails to produce the expected results and necessary resources to reverse the change are not readily available.

### 3.2 Programmer segregation of duties

OA management has not fully established policies and procedures to segregate programmer access to the SAM II system software libraries, including the production environment, or to ensure software libraries are fully protected from unauthorized changes.





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## Statewide Accounting System Internal Controls Management Advisory Report - State Auditor's Finding

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Any change to an information system can potentially have significant effects on the overall security of the system, according to accepted standards. As a result, organizations should define, document, approve, and enforce access restrictions associated with changes to the information system.

Programmers responsible for development and maintenance of source code are allowed to move source code into the production environment; however, management review procedures are not sufficient to ensure the source code placed in production is the approved version. As a result, a programmer can modify source code or insert new code without detection. Programmers should not be allowed to independently develop, test, and move program changes into production, according to the GAO. In addition, access to software libraries should be limited and the movement of programs and data among libraries should be controlled by personnel independent of both the user and the programming staff. Organizations should also conduct periodic audits of information system changes to determine whether unauthorized changes have occurred, according to accepted standards.

Inadequately segregated duties increase the risk that erroneous or fraudulent transactions could be processed, improper program changes implemented, or computer resources damaged or destroyed, according to the GAO. Management can reduce the risk of unauthorized changes and help ensure the appropriateness of changes by performing and documenting supervisory review of programmer actions if adequate resources are not available to properly segregate duties.

### 3.3 Security Administrator supervision

OA management did not require supervisory review of system logged user actions performed by the Financial or HR security administrators.

As part of job responsibilities, security administrators have the ability to create and modify user accounts. OA policy requires a security request form to be approved by agency personnel before a user account is created. The security administrators are responsible for ensuring the security request forms received have been approved by appropriate agency personnel. However, a reconciliation of the approved security request forms received to user account changes is not performed. Changes made by the security administrators are logged, but OA management said the logs are not reviewed regularly. Routinely monitoring security administrator actions can help identify significant problems and deter employees from inappropriate activities.

### Similar conditions previously reported

Similar conditions were noted in our prior audit report.



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Statewide Accounting System Internal Controls  
Management Advisory Report - State Auditor's Finding

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## Recommendations

The OA:

- 3.1 Further develop the change management policies and procedures to include documented testing requirements for SAM II system changes and procedures for the reversal of a change if the implementation did not operate as intended.
- 3.2 Restrict programmers from moving source code to the production environment. If resource constraints prohibit segregation of duties, sufficient supervisory review of programmer actions should be performed.
- 3.3 Perform periodic supervisory reviews of defined actions performed by security administrators.

## Auditee's Response

- 3.1 *Given the complexity of the statewide accounting system, OA agrees to develop testing requirements and reversal procedures when significant modifications of the system are contemplated.*
- 3.2 *OA recognizes that segregation of programmer duties is desired. However, resource constraints prohibit complete segregation of duties. OA also recognizes that periodic supervisory audits of system changes are a best practice. To the extent resources are available, we will increase supervisory reviews.*
- 3.3 *Department requested security is set up and changes are made as needed. OA reviews those requests and when acceptable establishes the requested security settings. At the end of each month, each department receives a summary of their users' security for their review. OA believes this separation of duties is sufficient to ensure proper actions. OA does however recognize the benefit that could be added by supervisory reviews. As such, OA will consider adding additional assurances to the extent resources are available.*



**Thomas A. Schweich**  
Missouri State Auditor

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# Bollinger County



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**December 2013**  
**Report No. 2013-150**

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of Bollinger County

### Sheriff's Controls and Procedures

The Sheriff has not adequately segregated accounting duties and does not perform an adequate supervisory review of accounting records. The Sheriff's office does not issue receipt slips for civil paper service fees received, account for the numerical sequence of receipt slips, reconcile the composition of receipts to the composition of deposits, restrictively endorse checks and money orders immediately upon receipt, or deposit receipts intact. The Sheriff maintains two bank accounts outside the county treasury, which is not allowed by state law. In October 2012, the former Sheriff used \$1,111 from the general expense bank account to purchase 400 key chains for promotional purposes during Halloween. The County Commission approved the Sheriff's request to increase the rate for boarding prisoners from \$22 to \$37, but the Sheriff has not performed an analysis to support the new rate.

### Payroll Records and Procedures

As discussed in prior reports, the County Clerk does not maintain centralized records of vacation, sick leave, and compensatory time or ensure balances comply with county policies. A road and bridge department employee was allowed to accumulate and use 80 hours of sick leave in excess of the county maximum. The County Commission has not adopted formal policies related to overtime and the employment and supervision of related employees. The County Clerk does not maintain documentation of approved pay rates and changes in pay rates in employee personnel files.

### County Procedures

The county does not properly monitor fuel use or reconcile fuel billings to fuel use records. Six of the nine bulk fuel tanks are not equipped with fuel meters, the road and bridge department does not reconcile fuel use with fuel purchases, and the Sheriff's office does not compare mileage records with fuel purchases for reasonableness. The county does not have a written contract with vendors providing fuel cards to the Sheriff's office and the Assessor's office or the vendor preparing jail meals. Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector. The County Clerk does not maintain an account book, and there is no evidence of any attempts to verify the accuracy and completeness of the County Collector's annual settlements. The county does not report the value of personal commuting mileage on the road and bridge supervisor's W-2 form, and the supervisor is not required to maintain a mileage log. Neither the County Clerk nor the County Treasurer has security controls in place to detect or prevent incorrect computer log on attempts.

### Sales Tax Levies

As noted in our two prior audits, the county has not made any attempt to correct sales tax levies that exceed maximum rates specified by state law. County voters have authorized three separate sales tax levies totaling 1 1/8 percent under Section 67.547, RSMo, which exceeds the allowable statutory maximum. An Attorney General's Opinion states that a county cannot enact a sales tax that exceeds 1/2 percent under this state law.

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**Additional Comments**

Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

**All reports are available on our Web site: [auditor.mo.gov](http://auditor.mo.gov)**

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# Bollinger County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Bollinger County

We have audited certain operations of Bollinger County in fulfillment of our duties under Section 29.230, RSMo. In addition, Nichols, Stopp & VanHoy, LLC, Certified Public Accountants, was engaged to audit the financial statements of Bollinger County for the year ended December 31, 2012. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Bollinger County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Chris Vetter, CPA
In-Charge Auditor:	Josh Allen, CPA, CFE
Audit Staff:	Albert Borde-Koufie, MBA
	Gina Henley, MBA
	Morgan Alexander



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# Bollinger County Management Advisory Report State Auditor's Findings

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## **1. Sheriff's Controls and Procedures**

Accounting controls and procedures need improvement. Per county records, the Sheriff's office processed receipts of approximately \$64,000 during the year ended December 31, 2012. The current Sheriff took office in January 2013.

In late July 2013, Sheriff's office personnel identified concerns and possible theft of monies by the former office manager. The Sheriff terminated the former office manager on July 30, 2013, and contacted the Missouri State Highway Patrol (MSHP) to investigate the possible missing monies. The MSHP investigation determined approximately \$2,600 had apparently been stolen from April 2013 through July 2013. The former office manager, Amanda Weaver, was charged with felony stealing on August 14, 2013, and pleaded guilty on November 7, 2013. The former office manager began employment with the Sheriff's office in October 2012.

Based on MSHP information, the theft began during the latter part of our audit fieldwork. The theft was discovered subsequent to audit fieldwork and was brought to our attention on August 20, 2013. Because the theft appears to be contained to a short timeframe occurring primarily after audit fieldwork completion and the Sheriff promptly handled the situation, no further audit work by our office was deemed necessary. Control problems reported below contributed to the opportunity for loss, theft, or misuse of funds.

### **1.1 Segregation of duties**

The Sheriff has not adequately segregated accounting duties and does not perform an adequate supervisory review of accounting records. An office manager is responsible for receipting, recording, depositing, and reconciling bank accounts. The Sheriff does not review monthly bank reconciliations and does not perform a comparison of monies received to those deposited.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are safeguarded. If proper segregation of duties cannot be achieved, the Sheriff should implement an adequate independent or supervisory review of accounting records.

### **1.2 Receipts**

The office manager's receipting and depositing procedures are not adequate.

- Receipt slips are not issued for civil paper service fees received. The Sheriff's office remitted \$9,307 to the County Treasurer for paper service fees collected during the year ended December 31, 2012.
- The numerical sequence of receipt slips is not accounted for and the composition of receipts (cash, check, or money order) is not reconciled to the composition of deposits.



## Bollinger County Management Advisory Report - State Auditor's Findings

- Checks and money orders are not restrictively endorsed immediately upon receipt, but are endorsed when deposits are prepared.
- Receipts are not always deposited intact. For example, commissary and general account receipt slips are issued numerically from the same receipt slip book but commissary receipts are withheld and deposited on different dates than the other receipts.

Proper receipting and depositing procedures are necessary to reduce the risk of loss, theft, or misuse of monies received.

### 1.3 Accounts held outside treasury

The Sheriff maintains a federal forfeiture bank account and a general expense bank account outside the county treasury. In addition, the former Sheriff made an unnecessary purchase with general expense bank account monies.

The federal forfeiture bank account consists of equitable sharing proceeds from the U.S. Department of Justice Asset Forfeiture Program. This account is used for expenses and equipment incurred by the Sheriff's narcotics officer, and disbursements totaled \$4,568 during 2012. The general expense bank account consists of miscellaneous receipts including donations, soda sales, and loan proceeds. This account is used for various expenses such as office supplies, uniforms, and equipment for patrol cars, and disbursements totaled \$2,179 during 2012. In October 2012, the former Sheriff used \$1,111 from the general expense bank account to purchase 400 key chains. According to county personnel, the key chains were used for promotional purposes during Halloween. Expending monies through unauthorized accounts outside the county's normal budgeting and disbursement process increases the risk of misuse or unnecessary purchases being made.

There is no statutory authority allowing the Sheriff to maintain accounts outside the county treasury. Section 50.370, RSMo, requires every county official who receives any fees or other remuneration for official services to pay such monies to the County Treasurer. In addition, Attorney General's Opinion No. 45, 1992 to Henderson, states sheriffs are not authorized to maintain a bank account for law enforcement purposes separate from the county treasury.

### 1.4 Prisoner boarding rate

The Sheriff has not performed an analysis to support the rate charged for boarding prisoners. However, on January 28, 2013, the County Commission approved a request by the Sheriff to increase the rate for boarding prisoners from \$22 to \$37 per day.

To ensure the county is billing at a rate that adequately recovers all costs, amounts charged for incarceration should be analyzed periodically and compared to billing rates.



Bollinger County  
Management Advisory Report - State Auditor's Findings

## Recommendations

The Sheriff:

- 1.1 Segregate accounting duties to the extent possible or ensure adequate supervisory reviews of accounting records are performed and documented.
- 1.2 Ensure official prenumbered receipt slips are issued immediately for all receipts, the numerical sequence of receipt slips is accounted for properly, the composition of receipts is reconciled to the composition of deposits, and checks and money orders are restrictively endorsed immediately upon receipt. In addition, the Sheriff should ensure receipts are deposited intact.
- 1.3 Transfer the balances of the federal forfeiture and general expense accounts to the County Treasurer and close the accounts. In addition, the Sheriff should ensure all purchases represent necessary and prudent use of public funds.
- 1.4 Periodically review the costs of boarding inmates and establish billing rates sufficient to recover costs.

## Auditee's Response

*The Sheriff provided the following responses:*

- 1.1 *I will begin performing a documented supervisory review of the accounting records.*
- 1.2 *Receipt slips are now issued for all receipts, the numerical sequence is now accounted for, and the composition of receipts is reconciled with the deposit. We will begin to restrictively endorse checks and money orders immediately upon receipt. In addition, separate receipt books for each type of receipt are now used to ensure receipts are deposited intact.*
- 1.3 *I will discuss turning over the accounts with the County Commission. In addition, I will review all expenditures to ensure they are prudent.*
- 1.4 *The rate increase approved by the County Commission has not gone into effect as all parties do not agree on the rate increase.*

## 2. Payroll Records and Procedures

Significant improvements are needed regarding the county's payroll records and personnel policies.

### 2.1 Centralized payroll records

As discussed in prior reports, the County Clerk does not maintain centralized records of vacation, sick leave, and compensatory time, or



## Bollinger County Management Advisory Report - State Auditor's Findings

monitor balances for compliance with county policies. These policies require each county official to maintain appropriate leave records and requires all employees to submit timesheets to the County Clerk. However, our review identified concerns with the road and bridge department and Sheriff's office. For example, the road and bridge department allowed an employee to accumulate 560 hours of sick leave as of June 30, 2012, which was 80 hours in excess of the county maximum of 60 working days or 480 hours. The employee's balance as of June 30, 2013, complied with the policy; but, the employee was allowed to use the excess hours as time off. In addition, the road and bridge department and Sheriff's office do not report employee leave balances to the County Clerk.

As the county's payroll officer, the County Clerk should be maintaining centralized leave records and requiring timesheets from all county offices to help ensure employees are meeting expectations of employment and policies are followed, and to provide support for payroll disbursements, which represent a significant operating cost of the county. In addition, employee leave and compensatory time balances can represent significant liabilities to the county and centralized records allow the balances to be monitored more effectively. Also, such records are needed in the event disputes arise and to demonstrate compliance with the Fair Labor Standards Act of 1938 (FLSA).

### 2.2 Personnel policies

The County Commission has not adopted formal policies related to some pertinent issues, including overtime and the employment and supervision of related employees.

- The county allows each officeholder and department to determine methods for awarding and calculating overtime, which can result in inequitable treatment of employees, improper overtime payments, and/or noncompliance with overtime laws.

The method for awarding overtime in the Sheriff's office may have resulted in more overtime paid than required. For example, the former Sheriff awarded overtime to employees for any hours worked in excess of 8 hours per day instead of hours worked in excess of 40 hours per week. In March 2013, the current Sheriff changed the overtime policy in an effort to reduce the potential abuse of overtime. Overtime is now earned for hours worked in excess of 40 hours per week.

- The road and bridge supervisor directly supervises his son who works as a full-time employee in the department. In addition, the Deputy Collector's daughter works part-time in the County Collector's office. The supervision of a related employee could compromise a supervisor's objectivity when assigning duties or evaluating employee performance. Also, related employees with receipt handling responsibilities increase the risk of collusion and theft or misuse of county funds.



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Bollinger County  
Management Advisory Report - State Auditor's Findings

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Complete and up-to-date personnel policies are necessary to ensure compliance and equitable treatment of employees and should address pertinent issues such as overtime and compensatory time and the employment of related employees. A uniform overtime policy is necessary to ensure compliance with the FLSA and prevent paying more overtime than necessary.

### 2.3 Approved pay rates

The County Clerk does not maintain documentation of approved pay rates and any changes to pay rates in employee personnel files. Documentation of approved pay rates, signed by the respective official, should be maintained for all county employees. Without documentation of approved pay rates, there is less assurance payments to employees are properly authorized.

## Recommendations

The County Commission:

- 2.1 Ensure centralized leave records are maintained by the County Clerk's office.
- 2.2 Revise the personnel policy to address overtime and issues involving related employees.
- 2.3 Ensure documented approvals of pay rates for all county employees are maintained.

## Auditee's Response

*The County Commission provided the following responses:*

- 2.1 *We will maintain our current procedures.*
- 2.2 *We are currently developing a policy concerning overtime. All employee hires are made on a case-by-case basis; therefore no policy concerning related employees is needed at this time.*
- 2.3 *We agree and will implement the recommendation.*

## Auditor's Comment

- 2.2 A personnel policy regarding related parties is important beyond the hiring process and would help ensure equitable treatment of employees. The policy should also establish guidelines for supervising related employees and avoiding potential conflicting situations.

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## 3. County Procedures

Procedures related to fuel usage, written contracts, property taxes, commuting mileage, and computer system security controls need improvement.

### 3.1 Fuel procedures

The county does not properly monitor fuel use or reconcile fuel billings to fuel use records.



## Bollinger County Management Advisory Report - State Auditor's Findings

The road and bridge department maintains 16 vehicles and 21 equipment items and the Sheriff's office maintains 11 vehicles. According to county records, road and bridge department fuel purchases totaled approximately \$196,000 and Sheriff's office fuel purchases totaled approximately \$34,000 for the year ended December 31, 2012. The road and bridge department purchases bulk diesel and unleaded fuel from a local vendor for nine bulk fuel tanks located throughout the county. Employees of the Sheriff's office use fuel cards (11 cards) to purchase fuel at local fuel stations.

- Six of the nine bulk fuel tanks are not equipped with fuel meters. Without fuel meters, the amount of fuel dispensed cannot be determined, thus fuel pumped from the tanks is not accounted for properly or monitored by county officials.
- The road and bridge department does not reconcile fuel use with fuel purchases. Three of the nine bulk fuel tanks are metered, but this information is not reconciled with fuel purchases.
- The Sheriff's office does not compare mileage records with fuel purchases for reasonableness. While beginning and ending odometer readings are recorded daily on dispatch logs, this information is not used to determine the reasonableness of monthly fuel billings. The current fuel card vendor for the Sheriff's office provides miles per gallon rates for all Sheriff's office vehicles. The Sheriff should periodically review fuel usage for reasonableness and document his review.

Procedures for maintaining and reviewing fuel usage logs and reconciling log information to fuel purchased and related records are necessary to ensure vehicles and equipment are properly utilized, prevent paying vendors for improper amounts, and decrease the risk of loss, theft, or misuse of fuel occurring without detection.

### 3.2 Contracts

The county does not always enter into written contracts.

- The county does not have a contract with the vendor chosen in January 2013 to provide the Sheriff's office fuel cards or the vendor that provides the Assessor's office fuel cards. According to county records, the Sheriff and Assessor paid approximately \$46,000 and \$2,000, respectively, for fuel purchased with fuel cards from January 2012 through June 2013.
- The county does not have a contract with the vendor preparing jail meals. According to county records, the vendor was paid \$27,456 for the year ended December 31, 2012.

Section 432.070, RSMo, requires contracts of political subdivisions to be in writing. Written contracts, signed by the parties involved, should specify the



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## Bollinger County Management Advisory Report - State Auditor's Findings

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services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Further, the County Commission should approve all contracts and the contracts should be maintained by the County Clerk.

**3.3 Review of property taxes** Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector, who processed property tax monies of approximately \$5.5 million during the year ended February 28, 2013. The County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes, and no evidence was provided to indicate procedures are performed to verify the accuracy and completeness of the County Collector's annual settlements. As a result, there is an increased risk of loss, theft, or misuse of property tax monies going undetected.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records that summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector are complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

**3.4 Commuting mileage** The value of personal commuting mileage for using a county-owned vehicle to commute between home and work is not reported on the road and bridge supervisor's W-2 form as required by Internal Revenue Service (IRS) guidelines. According to the County Clerk, the road and bridge supervisor is on call 24 hours a day for emergency situations. The road and bridge supervisor is not required to maintain a mileage log showing business and personal use.

IRS reporting guidelines indicate personal and commuting mileage are a reportable fringe benefit and require the full value of the provided vehicle to be reported if the employer does not require the submission of detailed logs that distinguish between business and personal use. Additionally, the county may be subject to penalties and/or fines for failure to report all taxable benefits.

**3.5 Log on attempts** The County Clerk and County Treasurer do not have security controls in place to detect or prevent incorrect computer log on attempts. An unauthorized individual could try an infinite number of times to log on to the system and, if successful, have unrestricted access to programs and data files.



Bollinger County  
Management Advisory Report - State Auditor's Findings

To help protect computer files, security controls should be implemented to detect incorrect log on attempts after a certain number of tries. A log of the incorrect attempts should be reviewed periodically by an authorized official.

Similar conditions  
previously reported

Conditions similar to points 3.1, 3.2, 3.3, and 3.4 were noted in our prior audit report.

## Recommendations

- 3.1 The County Commission require fuel meters on all bulk fuel tanks, fuel logs to be maintained, and ensure logs are reviewed for accuracy and reconciled to fuel purchases. Any significant discrepancies should be promptly investigated.
- 3.2 The County Commission ensure written contracts defining services received and compensation paid are established with vendors.
- 3.3 The County Clerk maintain an account book with the County Collector. In addition, the County Clerk and County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.
- 3.4 The County Commission comply with IRS guidelines for reporting fringe benefits related to commuting miles and require mileage logs that distinguish between business and commuting use.
- 3.5 The County Clerk and County Treasurer establish security controls to detect and report incorrect log on attempts after a certain number of tries.

## Auditee's Response

*The County Commission provided the following responses:*

- 3.1 *We are determining if there is a cost-effective method of implementing the recommendation.*
- 3.2 *We will implement the recommendation.*
- 3.3 *We will consider implementing the recommendation.*
- 3.4 *We will implement the recommendation.*

*Although the recommendations were directed to the County Commission, the Sheriff provided the following responses:*

- 3.1 *This recommendation has been implemented. The current fuel card vendor allows me to review mile-per-gallon rates and all fuel purchases.*





Bollinger County  
Management Advisory Report - State Auditor's Findings

3.2 *I agree and will obtain written contracts as required by state law.*

*The County Clerk provided the following response:*

3.3 *This recommendation will be considered and discussed with the County Commission.*

*The County Clerk and County Treasurer provided the following response:*

3.5 *This issue has been corrected.*

## 4. Sales Tax Levies

As noted in our two prior audit reports, no attempt has been made to correct sales tax levies that exceed maximum rates specified by state law. County voters have authorized three separate sales tax levies under Section 67.547, RSMo, and the total sales tax rate imposed under this section exceed the statutory maximum allowed. The County Commission has previously indicated the county does not plan to change any of the sales tax levies because they were approved by the voters. County records provide the following information.

- In April 1989, voters approved a 1/2 percent general sales tax levy. Under this tax, the General Revenue Fund received approximately \$304,000 in 2012.
- In August 2006, voters approved a 1/8 percent sales tax levy for funding senior citizens services. Under this tax, the Senior Citizens Service Board Fund received approximately \$76,000 in 2012.
- In April 2007, voters approved a 1/2 percent general sales tax levy to replace an expiring sales tax. Under this tax, the General Revenue Fund received approximately \$304,000 in 2012.

Attorney General's Opinion No. 61-89 states that a county cannot enact a sales tax that exceeds 1/2 percent under Section 67.547, RSMo. With the two sales taxes for general operations and the senior citizens sales tax approved under Section 67.547, RSMo, the county is imposing total levies of 1 1/8 percent (5/8 percent above the statutory maximum allowed).

By continuing to maintain sales tax levies above the statutory maximum allowed under Section 67.547, RSMo, the County Commission has put the county at risk of litigation and financial loss. If the sales tax levy issue was litigated and the county was ordered to discontinue the collections of sales tax levies consisting of the 5/8 percent above the statutory maximum, the county would lose a significant portion of county revenue. Per county records, the county's General Revenue Fund and Senior Citizens Service Board Fund received approximately \$1.7 million in total revenue in 2012. A



Bollinger County  
Management Advisory Report - State Auditor's Findings

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loss of 5/8 percent above the statutory maximum allowed would have reduced county revenues by approximately \$380,000, which represents approximately 22 percent of total revenues received by these funds during the year.

## Recommendation

The County Commission should consult with legal counsel to review the various sales tax levies and determine which are valid and what further steps to take.

## Auditee's Response

*The County Commission provided the following response:*

*The people voted for these sales taxes; therefore we do not plan on changing them.*

## Auditor's Comment

As recommended above and in our prior audit reports, it would be appropriate for the County Commission to reevaluate this situation, consult with legal counsel, and formally document the county's position on this issue.

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# Bollinger County

## Organization and Statistical Information

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Bollinger County is a county-organized, third-class county. The county seat is Marble Hill.

Bollinger County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 46 full-time employees and 11 part-time employees on December 31, 2012.

In addition, county operations include the Senate Bill 40 Board and the Senior Citizens Service Board.

### Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2013	2012
Travis M. Elfrink, Presiding Commissioner	\$	27,080
Steve Jordan, Associate Commissioner		25,080
Larry P. VanGennip, Associate Commissioner		25,080
Dana Fulbright, Recorder of Deeds		38,000
Diane H. Holzum, County Clerk		38,000
Stephen P. Gray, Prosecuting Attorney		45,000
Leo McElrath, Sheriff		42,000
Naomi Null, County Treasurer		38,000
Charles Hutchings, County Coroner		11,000
Larry L. Welker, Public Administrator		25,000
Robert Anderson, County Collector (1), year ended February 28,	39,300	
Ronda Elfrink, County Assessor, year ended August 31,		38,000

(1) Includes \$1,300 of commissions earned for collecting drainage taxes.